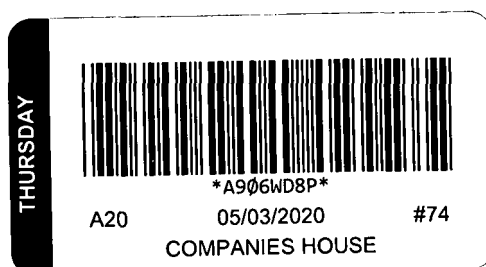


THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



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

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 15
Governance Statement	16 - 20
Statement on Regularity, Propriety and Compliance	21
Statement of Trustees' Responsibilities	22
Independent Auditors' Report on the Financial Statements	23 - 25
Independent Reporting Accountant's Report on Regularity	26 - 27
Statement of Financial Activities Incorporating Income and Expenditure Account	28
Balance Sheet	29 - 30
Statement of Cash Flows	31
Notes to the Financial Statements	32 - 56

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

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

J Bakker, Chair^{3,4}
J Birnie
J Bourne
A Fidan, Chair of Finance and Planning
E Ford
R Linnegar, Headteacher
D Mason, Chair of Curriculum²
G Parmenter
A Martin
D Skinner¹
N Weaver
L Whetman
G Williams
D Wilson, Vice Chair and Chair of Personnel and Student Welfare³
L Peele
N Ware
T Forsythe (appointed 8 July 2019)

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

Chief executive officer R Linnegar

**Senior management
team**

R Linnegar, Headteacher & Accounting Officer
P Battye, Assistant Headteacher
C Drew, Deputy Headteacher
S Cutler, Assistant Headteacher
J Matcham, Assistant Headteacher, Head of Sixth Form
J Sear, Business Manager
J Woods, SMT Associate
A Merk, Assistant Headteacher
N Bartlett, Assistant Headteacher

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Bankers	Lloyds Bank Plc 5 High Street Swindon SN1 3EN
Solicitors	Veale Wasborough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. 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, including Sixth Form, of 1,436 and had a roll of 1,404 in the school census on 3 October 2019.

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

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

As of September 2019, the school has:

- 17 students in the Physically Impaired Unit; and
- 14 students in the SPLD unit.

The school's inclusivity is also reflected by the fact that it has 24 MSEND students, 105 students on the SEN register, one visually impaired student, a number of students have a hearing impairment and a number are on the Autistic Spectrum. In short the school has more students with Education Healthcare Plans than some designated special schools. As of Summer Term 2019 there were at least 325 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, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

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

Trade union facility team

During the year 5 employees (full time equivalent of 5) were relevant union officials. During the year the total cost of facility time was £377 (out of a total pay bill of £6,662,304). The time spent on paid trade union activities as a percentage of total paid facility time hours was 13%.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust'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 Trust, 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 Trust. The limit of this indemnity is £10,000,000.

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 Trust 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.

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

- 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 Welfare of Students 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
- 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, Deputy Headteacher, Head of Sixth Form, five Assistant Headteachers and the Business Manager. The SMT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees, the Senior Management Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher, Business Manager and Finance and Planning Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation.

The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor.

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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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, former Headteacher and a member 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 26 of these financial statements.

The Academy uses the Croft Leisure facilities and has a shared use agreement between the Academy and the Leisure centre.

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 Academic excellence and the Performing Arts.

The aims of the Academy during the period ended 31 August 2019 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 extracurricular 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;
- 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 level 5 GCSE grades in English and Maths;
- To maximise the number of students who achieve A* - B at A level;
- 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives, Strategies and Activities

Academic performance:

Key Stage 4

2019 saw the continued roll-out of the new style GCSEs and revised accountability measures. The points allocated to each grade when calculating Attainment 8 and Progress 8 scores were once again changed. As a result direct year on year comparisons are difficult.

A significant number of Enquiries About Results were logged with the exam boards. Nearly 20 resulted in grades being amended upwards. The below figures for 2019 are before these amendments were made.

The reformed measures are shown below:

Year	Attainment 8 score	Progress 8 score
2017 - partially reformed measure	45.8	-0.24
2018 - mostly reformed measure	47.2	-0.20
2019 - partially reformed measure	46.1	-0.17

The new measures launched in 2017 are shown below:

Measure	% of students achieving grade 4+ 2017	% of students achieving grade 4+ 2018	% of students achieving grade 4+ 2019
English	68	74	70
English Literature	70	67	65
Maths	66	67	73
English & Maths	61	62	62
Ebac	22	27	32

Measure	% of students achieving grade 5+ 2017	% of students achieving grade 5+ 2018	% of students achieving grade 5+ 2019
English	56	57	54
English Literature	52	50	45
Maths	44	46	41
English & Maths	40	41	32
Ebac	18	19	20

Key Stage 5

Below are exam data for the last three years of the Sixth Form (C6). The Year 13 Cohort 2019 were significantly larger than previous year groups.

Key Measures	2017	2018	2019
A*-B (A Level) %	32.0	25.0	45.0
A* - E (A Level) %	96.0	94.0	99.6
2+ A*-E (A Level) %	75.0	77.0	91.7
AAB in 2 facilitating subjects%	3.0	4.0	6.0
3+ A-E or equivalent %	58.0	52.0	65.0
2+ A*-E or equivalent %	81.0	85.0	91.7
A Level VA Score	-0.02	TBC	TBC

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Student Performance

Improving Teaching and Learning:

- Teach like a champion/Quality First Teaching (Specific teaching strategies that have track record of success);
- Exams (including Pre Application Exams);
- Diagnosis Therapy and Testing (DTT);
- Appropriate Curriculum (Ebacc and 8 GCSEs or equivalent vocational courses);
- Data (4Matrix);
- PiXL;
- Mastery / Recall;
- Key Stage Transition;
- Monitoring and evaluation BIG WALKS / little checks; and
- Commonweal Coaching Programme.

Leadership and Management

- Teaching and Learning reviews create clear and measurable Action Plans;
- Data (4Matrix);
- Diagnosis Therapy and Testing (DTT);
- Performance Management to Performance Development;
- BIG WALKS / little checks; and
- Validation from outside agencies.

Improving Continuing Professional Development:

- Performance Management to Performance Development;
- Visit outstanding schools / subjects;
- TEEP training in Twilight for faculties to address specific T&L issues;
- Action Research / Research driven improvement;
- Reflective Practice;
- Leadership and Management (sharing NPQH experiences);
- Shadowing / Succession Planning / Recruitment and Retention (Threat of two new schools); and
- Commonweal Coaching Programme.

Improving Behaviour for Learning:

- Tom Bennett training;
- Wellbeing and Improving Student Progress (WISP);
- Strategic approach to Admissions / Inclusion;
- Learning Ready Project;
- Pastoral Hub;
- Alternative curriculum;
- Structured Emotional / Behavioural / Attendance intervention;
- Virtual Tutor Groups;
- Increased House competition;
- Renewed Sanction and Reward System 'The Commonweal Way';
- Referral, 'The Bridge' and Internal Exclusion;
- Sims Database;
- Behaviour for Learning reports; and
- Pupil Support Programme.

Improving Partnership:

- Connecting with schools that have a track record of improving outcomes;
- Swindon Challenge;
- Student / Parent voice;
- Research driven collaboration;

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

- Closer collaboration with Hub / Cluster;
- ESP / Multi Academy Trust; and
- Website / Social Media / Communication.

Improving Wellbeing and Safeguarding:

- Beyond Compliant;
- Well being intervention for students / staff; and
- Strategic Wellbeing intervention.

Objectives: to improve 'Quality First Teaching' and the consistency by which it is delivered. Milestones mostly met but this is a two-year plan so all are ongoing.

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, projected increase in pension costs and introduction of the new National Funding Formula are likely to make this an on-going priority.

Premises (room conversions; ESFA application(s); upkeep of premises)

CCTV upgrades continued across the site. Painting programme underway. Renovation of main entrance. CIF grant awarded to replace heating system in main school to include replacement boilers and pipework.

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. Introduction of new Accounting Finance system.

Procurement

Comprehensive processes carried out for a number of contracts, as noted in the Value for Money review in the Governance Statement.

Recruitment & retention of staff

All posts successfully filled with high quality staff for September 2019, and retention continues to be extremely good in most areas.

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

Public Benefit

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

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

STRATEGIC REPORT

Achievements and Performance

The Academy is in its ninth year of operation and has met the forecast number of students in all year groups for 11-16 year olds. Numbers have increased as the Sixth Form enters its sixth year of operation. The Academy has a waiting list in operation, the PAN has been decreased to 216 from September 2018.

Numbers in the Sixth Form are still predicted to stabilise over time, with 147 students starting in Year 12 in September 2017, 119 starting in September 2018 and 145 students (150 maximum) starting in September 2019.

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

Improving Teaching and Learning:

- Teach like a champion/Quality First Teaching (Specific teaching strategies that have track record of success);
- Exams (including Pre Application Exams);
- Diagnosis Therapy and Testing (DTT);
- Appropriate Curriculum (Ebacc and 8 GCSEs or equivalent vocational courses);
- Data (4Matrix);
- PiXL;
- Mastery / Recall;
- Key Stage Transition;
- Monitoring and evaluation BIG WALKS / little checks; and
- Commonweal Coaching Programme.

Leadership and Management:

- Teaching and Learning reviews create clear and measurable Action Plans;
- Data (4Matrix);
- Diagnosis Therapy and Testing (DTT);
- Performance Management to Performance Development;
- BIG WALKS / little checks; and
- Validation from outside agencies.

Improving Continuing Professional Development:

- Performance Management to Performance Development;
- Visit outstanding schools / subjects;
- TEEP training in Twilight for faculties to address specific T&L issues;
- Action Research / Research driven improvement;
- Reflective Practice;
- Leadership and Management (sharing NPQH experiences);
- Shadowing / Succession Planning / Recruitment and Retention (threat of two new schools); and
- Commonweal Coaching Programme.

Improving Behaviour for Learning:

- Tom Bennett training;
- Wellbeing and Improving Student Progress (WISP);
- Strategic approach to Admissions / Inclusion;
- Learning Ready Project;
- Pastoral Hub;
- Alternative curriculum;
- Structured Emotional / Behavioural / Attendance intervention;
- Virtual Tutor Groups;
- Increased House competition;
- Renewed Sanction and Reward System 'The Commonweal Way';

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

- Referral, 'The Bridge' and Internal Exclusion;
- Sims Database;
- Behaviour for Learning reports; and
- Pupil Support Programme.

To ensure that standards are continually assessed, the Academy operates an intensive programme of Monitoring and Evaluation, which includes learning walks and lesson observations. All data is recorded in a software programme called SISRA which can analyse the CPD needs for a whole school approach or an individual member of staff.

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 2018-2019 were significantly lower than both national and local levels. There were 77 fixed term exclusions with 116 total days of exclusion. The average length of exclusion was 1.5 days. Exclusion numbers have been consistently low over a significant period, reflecting well on our ethos of inclusion and the support for students provided by the Pastoral Team and the restorative work carried out in the Behaviour for Learning Hub. However, 2 students were permanently excluded from Commonweal during the school year, one for persistent breaches of the school behaviour policy and one for a serious one-off incident.

The Academy was last inspected by OFSTED in November 2017 and was judged to be Good in all areas.

During the year the Academy completed the refurbishment of the main reception. The Academy also secured a capital grant to replace the old boiler and heating system.

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. A number of staff successfully completed a middle leader's course run through the Education Strategy Partnership (ESP).

The Academy has continued its close links with Croft Playgroup, Clifton Street Pre-school, Central@RLK, King Williams Playgroup, King William Street School, Lethbridge School, Robert LE Kyng School, Westrop School and Highworth Warneford School within the ESP.

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 and unrestricted reserves carried forward at the year-end were £222,734 and £205,195 respectively.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for October 2018 were 1,398, a decrease of 30 over 2017. The school's Planned Admission number from September 2019 has been reduced to 216. It is anticipated that student numbers will stabilise, as numbers in the Sixth Form stabilise between 260 and 280.

Going Concern

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 2018 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 2019, total expenditure of £7,967,708 (excluding the restricted fixed asset fund and restricted pension reserve) was covered by recurrent grant funding from the DfE, together with other incoming resources of £8,211,016. The excess of income over expenditure for the year was £243,308.

At 31 August 2019 the net book value of fixed assets was £17,464,237 and movements in tangible fixed assets are shown in note 14 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 25 to the financial statements.

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

Trustees have adopted an Internal Audit policy and appointed Lorraine Billis of Financial Services for Schools, to undertake a programme of internal checks on financial controls. During the year, the Trustees received 2 reports from the reviewer 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 are aiming to build free reserves up to one month of expenditure which currently equates to approximately £650,000.

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.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 may have on the school's funding. The Academy is also aware of the risk that employer's pension contributions will 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 opening of a new Free School in the local area. In order to counter this risk the Academy has worked hard to develop its marketing strategy, whilst also continuing to maintain its excellent reputation, and to continue and develop strong links with the local community and feeder schools. Local Authority predictions indicate that any dip in number entering Year 7 should be short-term, so the priority continues to be the proactive marketing and success of the Sixth Form.

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

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A new risk register has been established and is maintained, 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, uncertainty surrounding the Government's overall education budget, changes in funding arrangements from the new National Funding Formula including funding for High Needs, the opening of two new schools in the area and increasing employment and premises costs mean that budgets will continue to be increasingly tight in coming years.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

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 25 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.

FUNDRAISING

The trustees are legally responsible for fundraising within the Academy. Trustees operate effective control of fundraising by acting in the best interests of the Academy, by managing resources responsibly, including protecting and safeguarding the Academy's reputation and by acting with reasonable care and skill.

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.

The Academy will continue to work within the ESP; Dorcan Academy will join the ESP from September 2019. In the forthcoming year the ESP will focus on Behaviour, Metacognition, Mental Health, Leadership & Management, the new Ofsted Framework and subject network meetings.

During the establishment of the Sixth Form there has been some fluctuation in student numbers, however numbers have stabilised this year. 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. Sustained numbers in the Sixth Form will continue to make it financially sustainable in future years.

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.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J Bakker', with a stylized, cursive script.

J Bakker
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Bakker, Chair	5	6
J Birnie	5	6
J Bourne	3	6
A Fidan, Chair of Finance and Planning	4	6
E Ford	3	6
T Forsythe	1	1
R Linnegar, Headteacher	6	6
D Mason, Chair of Curriculum	6	6
A Martin	4	6
G Parmenter	3	6
L Peele	4	6
D Skinner	4	6
N Ware	4	6
N Weaver	4	6
L Whetman	2	6
G Williams	4	6
D Wilson, Vice Chair and Chair of Personnel and Student Welfare	1	6

The Finance and General Purposes 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, approval of the 2017-18 Trustee Report and Annual Accounts; approval of the 2019-20 budget and refurbishment of the main reception area completed at the end of August 2019.

During the year L Whetman left then re-joined the committee.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
J Bakker	4	6
A G Fidan	4	6
D Skinner	5	6
J D Bourne	4	6
R Linnegar	5	6
L Whetman	4	6
L Peele	2	6
N Ware	6	6

GOVERNANCE REVIEW

During 2019-19 the Board produced a Governor Development Plan that looked at specific targets together with their success criteria, as follows:

Target	
Strategic Role	Success Criteria - Systematically consult and gather views of users and stakeholders and take these into account in future planning. Knowledge of, and participation in, school self-evaluation process (SEF).
Scrutiny Role	Success Criteria - Appropriate balance of support and challenge in the governing body's relationship with school leaders. Headteacher's report generates governing body questions and debate on school performance and pupil outcomes. Reference to other performance indicators (e.g. attendance & behaviour). Identification of barriers to learning and what the school is doing to overcome them. Reporting back to governing body of monitoring visits by governors. Monitoring implementation and evaluating the impact of the School Improvement Plan and other action plans. Knowledge of the quality of teaching and quality of monitoring systems in place.
Accountability Role	Success Criteria - Evaluating outcomes of actions against costs and success criteria. All categories of governor represented on governing body and a high level of attendance and participation achieved at meetings. Governor undertake self-review, ensuring its skills and expertise are matched to the needs of the school; governor training is linked to school improvement priorities.

Actions were identified for each target. The development plan will be reviewed during 2019-20. During 2018-19 the Board also carried out a diagnostic self-evaluation check. This covered the following areas:

- The Governing Body - levels of memberships, commitment, governor training, induction, Code of Conduct;
- Meetings - attendance, planning, focused, appropriate priorities, agendas decision driven, papers out at least 7 days before meetings, well informed and knowledgeable governors, accurate minutes;
- Committees and Delegation - reviewed annually, clear and circulated terms of reference, minutes recorded and circulated to all governors, committees includes associate members;
- Paperwork - statutory policies in place and reviewed, website maintained in accordance with statutory requirements, targets agreed and published;
- Strategic Role - Governing Body contributes to School Development Plan and agrees priorities, contributes to Self-Evaluation Form, annually reviews aims of the school, Headteacher's report provides important monitoring information, governors understand school data, governors understand and carry out monitoring role, Governing Body focuses on outcomes for pupils and parents, safeguarding is managed and monitored effectively, performance management is well embedded, communication with parents is good; and

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

- Finance Role - financial resources are managed effectively and monitored regularly, impact of Pupil Premium and other targeted spending is evaluated effectively.

Key areas governors thought they should focus on from the self-evaluation were as follow:

- KS5 performance - results do not reflect observations and monitoring;
- Maintain broad, balance curriculum despite financial pressures;
- Supporting strategic objectives of school;
- Review TORs for accurate awareness and purpose;
- Website;
- Boys' toilets are unacceptable for students and staff;
- Targets set annually;
- Attendance at meetings;
- School versus national data;
- Input to school vision;
- Future of the school; and
- Do governors monitor everything they should and anything they shouldn't.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management;
- Value for money purchasing;
- Reviewing controls and managing risk;
- Considering allocation/targeting/use of resources;
- Not allocating time/resources to areas where few improvements can be achieved;
- Making comparisons with similar academies using data provided by the ESFA and the Government;
- Challenging proposals and examining their effectiveness and efficiency;
- Deploying staff effectively;
- Reviewing quality of curriculum provision and quality of teaching; and
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.

Specific examples are given below:

- Introduction of new Financial System - The financial system installed in 2011 wasn't compatible with the budgeting software. Certain modules were no longer supported and the entire version was unlikely to be supported in the next couple of years. The software for the system was held on the school servers. The school looked into purchasing a new web based finance system that would fully integrate with the budget software. The new system would include the School Fund Account removing the need for manual accounting, would have a dedicated account / project manager, a customer support plan. The annual cost for the software licence would be £5,060 compared to the existing annual cost of £5,119. The school would still have access to financial data for the previous 7 years on the old system.
Outcome - the Governing Body approved a new 3 year contract for the new financial system from 1 July 2019.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY (CONTINUED)

- New Solicitors and HR Consultants - Following a recommendation from another local secondary school the school looked into the possibility of changing our solicitors and HR consultants; who were separate companies at that time. The school looked into the different service level agreements on offer with the new company.
Outcome - The school appointed a new solicitor from 1 April 2019 - Veale Wasbrough Vizards (VWV). Veale Wasbrough Vizards would also be the school's new HR Advisors (previously Swindon Borough Council) – this change saved the school in the region of £7,500 per year for the combined cost of legal and HR advice.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Commonweal School for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Financial Services 4 Schools to provide internal assurance reviews.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included testing of payroll systems, testing of purchase systems, checking and analysis of income and testing of control account and bank reconciliations.

On a semi-annual basis, the reviewer reports to the Board of Trustees through the Finance and Planning Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. No matters of significance arose from the reports completed in the year.

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 internal assurance reviews;
- the work of the external auditors; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and 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 9 December 2019 and signed on their behalf by:

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

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

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: 9 December 2019

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & 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 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 9 December 2019 and signed on its behalf by:

J Bakker
Chair of Trustees



**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 (the 'Academy Trust') for the year ended 31 August 2019 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 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 including the Strategic Report for the financial year 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

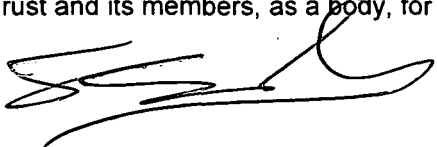
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Auditors' 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. This description forms part of our Auditors' Report.

USE OF OUR REPORT

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date:

13/12/19

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

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

In accordance with the terms of our engagement letter dated 12 March 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Commonweal School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 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 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 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

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.

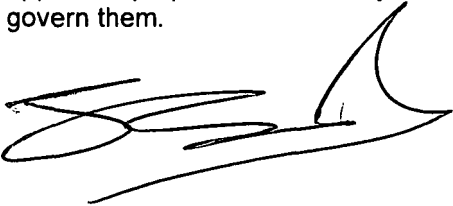
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of the transactions.

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
COMMONWEAL SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Joseph Scaife FCA DChA (Senior Statutory Auditor)

Bishop Fleming LLP
16 Queen Square
Bristol
BS1 4NT

Date: 13/12/19

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	4	34,624	13,951	707,575	756,150	90,732
Charitable activities	5	89,777	8,040,320	-	8,130,097	7,688,754
Other trading activities	6	25,232	-	-	25,232	26,759
Investments	7	7,112	-	-	7,112	3,268
TOTAL INCOME		156,745	8,054,271	707,575	8,918,591	7,809,513
EXPENDITURE ON:						
Charitable activities		131,266	8,060,442	456,405	8,648,113	8,505,995
TOTAL EXPENDITURE		131,266	8,060,442	456,405	8,648,113	8,505,995
NET INCOME/ (EXPENDITURE)		25,479	(6,171)	251,170	270,478	(696,482)
Transfers between funds	19	-	(43,845)	43,845	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		25,479	(50,016)	295,015	270,478	(696,482)
Actuarial losses on defined benefit pension schemes	25	-	(1,041,000)	-	(1,041,000)	726,000
NET MOVEMENT IN FUNDS		25,479	(1,091,016)	295,015	(770,522)	29,518
RECONCILIATION OF FUNDS:						
Total funds brought forward		179,716	(1,037,250)	17,194,353	16,336,819	16,307,301
Net movement in funds		25,479	(1,091,016)	295,015	(770,522)	29,518
TOTAL FUNDS CARRIED FORWARD		205,195	(2,128,266)	17,489,368	15,566,297	16,336,819

The notes on pages 32 to 56 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	17,464,237	17,775,375
		<u>17,464,237</u>	<u>17,775,375</u>
CURRENT ASSETS			
Debtors	15	830,948	283,296
Cash at bank and in hand		783,414	720,366
		<u>1,614,362</u>	<u>1,003,662</u>
Creditors: amounts falling due within one year	16	(549,238)	(705,882)
NET CURRENT ASSETS		<u>1,065,124</u>	<u>297,780</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,529,361</u>	<u>18,073,155</u>
Creditors: amounts falling due after more than one year	17	(612,064)	(650,336)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>17,917,297</u>	<u>17,422,819</u>
Defined benefit pension scheme liability	25	(2,351,000)	(1,086,000)
TOTAL NET ASSETS		<u><u>15,566,297</u></u>	<u><u>16,336,819</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	19	17,489,368	17,194,353
Restricted income funds	19	222,734	48,750
		<u>17,712,102</u>	<u>17,243,103</u>
Restricted funds excluding pension asset	19	17,712,102	17,243,103
Pension reserve	19	(2,351,000)	(1,086,000)
Total restricted funds	19	<u>15,361,102</u>	<u>16,157,103</u>
Unrestricted income funds	19	<u>205,195</u>	<u>179,716</u>
TOTAL FUNDS		<u><u>15,566,297</u></u>	<u><u>16,336,819</u></u>

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

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019**

The financial statements on pages 28 to 56 were approved by the Trustees, and authorised for issue on 09 December 2019 and are signed on their behalf, by:

J Bakker

J Bakker
Chair of Trustees

The notes on pages 32 to 56 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	21	149,536	112,298
CASH FLOWS FROM INVESTING ACTIVITIES	23	(48,216)	(700,010)
CASH FLOWS FROM FINANCING ACTIVITIES	22	(38,272)	(38,272)
		<hr/>	<hr/>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		63,048	(625,984)
Cash and cash equivalents at the beginning of the year		720,366	1,346,350
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	783,414	720,366
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 32 to 56 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. 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.

2. 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.

2.1 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 historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Commonweal School meets the definition of a public benefit entity under FRS 102.

The Headteacher, former Headteacher and a member of the Senior Management Team 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 the Fund held investments of £104,065 (2018: £94,872) and cash of £Nil (2018: £Nil).

2.2 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 Trust 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

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

- **Grants**

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

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 year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

2.4 EXPENDITURE

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

- **Charitable activities**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. ACCOUNTING POLICIES (continued)

2.5 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

2.6 TANGIBLE FIXED ASSETS

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

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

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

Depreciation is provided on the following bases:

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

2.7 DEBTORS

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. ACCOUNTING POLICIES (continued)

2.9 LIABILITIES AND PROVISIONS

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

2.10 FINANCIAL INSTRUMENTS

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases 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 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. 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 cost as detailed in notes 16 and 17. 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 instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

2.11 OPERATING LEASES

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

2. ACCOUNTING POLICIES (continued)

2.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

2.13 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-18 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 5% 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 29.

2.14 FUND ACCOUNTING

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2019. 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 required 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.

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	34,624	13,951	48,575	62,325
Capital Grants	-	707,575	707,575	28,407
	<u>34,624</u>	<u>721,526</u>	<u>756,150</u>	<u>90,732</u>
Total 2018	<u>35,617</u>	<u>55,115</u>	<u>90,732</u>	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA GRANTS				
General Annual Grant	-	6,926,394	6,926,394	6,491,531
Pupil premium	-	249,021	249,021	248,835
Other DfE/ESFA grants	-	158,901	158,901	47,551
	-	7,334,316	7,334,316	6,787,917
Other Government grants				
High Needs	-	624,327	624,327	645,940
Other government grants: non capital	-	4,492	4,492	19,598
	-	628,819	628,819	665,538
Other funding				
Sales to students	-	50,852	50,852	92,182
Other	89,777	26,333	116,110	143,117
	89,777	77,185	166,962	235,299
	89,777	8,040,320	8,130,097	7,688,754
Total 2018	32,817	7,655,937	7,688,754	

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	25,232	25,232	26,759

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	<u>7,112</u>	<u>7,112</u>	<u>3,268</u>

8. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
EDUCATION:					
Direct costs	5,799,854	-	538,081	6,337,935	6,110,574
Support costs	862,450	783,491	664,237	2,310,178	2,395,421
	<u>6,662,304</u>	<u>783,491</u>	<u>1,202,318</u>	<u>8,648,113</u>	<u>8,505,995</u>
Total 2018	<u>6,508,800</u>	<u>741,083</u>	<u>1,256,112</u>	<u>8,505,995</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	6,337,935	2,310,178	8,648,113	8,505,995
Total 2018	6,110,574	2,395,421	8,505,995	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	17,000	22,000
Staff costs	5,799,854	5,573,441
Educational supplies (including educational visits)	389,618	376,364
Examination fees	129,350	138,039
Other costs	2,113	730
	6,337,935	6,110,574

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	16,000	20,000
Staff costs	862,450	935,359
Depreciation	456,405	442,379
Staff development	59,281	93,624
Recruitment and support	3,464	8,733
Maintenance of premises and equipment	93,094	83,436
Cleaning	212,552	190,588
Rent and rates	30,023	31,471
Energy costs	127,700	110,716
Insurance	39,309	46,503
Security and transport	21,440	24,669
Catering	56,897	43,867
Technology costs	45,355	57,284
Office overheads	49,362	53,150
Legal and professional	217,263	232,175
Bank interest and charges	1,147	197
Governance	18,436	21,270
	2,310,178	2,395,421

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	7,629	3,027
Depreciation of tangible fixed assets	456,405	442,379
Fees paid to auditors for:		
- audit	8,300	7,800
- other services	2,250	2,250

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	5,074,110	4,936,154
Social security costs	478,911	464,765
Pension costs	1,109,283	1,107,881
	<u>6,662,304</u>	<u>6,508,800</u>

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	89	89
Teaching assistants	45	45
Administration and other support	38	41
Management	10	10
	<u>182</u>	<u>185</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	82	83
Teaching assistants	30	27
Administration and other support	30	32
Management	10	10
	<u>152</u>	<u>152</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. STAFF COSTS (CONTINUED)

c. HIGHER PAID STAFF

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	4	2
In the band £80,001 - £90,000	1	1

d. KEY MANAGEMENT PERSONNEL

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 £788,493 (2018: £803,855).

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.

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows: R Linnegar, Remuneration £85,000 - £90,000 (2018: £80,000 - £85,000) Employer's Pension £10,000 - £15,000 (2018: £10,000 - £15,000); G Williams, Remuneration £40,000 - £45,000 (2018: £40,000 - £45,000) Employer's Pension £5,000 - £10,000 (2018: £5,000 - £10,000); L Whetman, Remuneration £35,000 - £40,000 (2018: £40,000 - £45,000) Employer's Pension £5,000 - £10,000 (2018: £5,000 - £10,000) and N Weaver, Remuneration £20,000 - £25,000 (2018: £20,000 - £25,000) Employer's Pension £5,000 - £10,000 (2018: £5,000 - £10,000).

During the year ended 31 August 2019, expenses totalling £1,290 were reimbursed or paid directly to 6 Trustees (2018 - £743 to 9 Trustees).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2018	19,769,307	337,198	241,525	53,353	20,401,383
Additions	97,761	23,554	23,952	-	145,267
At 31 August 2019	19,867,068	360,752	265,477	53,353	20,546,650
DEPRECIATION					
At 1 September 2018	2,120,888	263,798	211,783	29,539	2,626,008
Charge for the year	380,556	55,321	16,635	3,893	456,405
At 31 August 2019	2,501,444	319,119	228,418	33,432	3,082,413
NET BOOK VALUE					
At 31 August 2019	17,365,624	41,633	37,059	19,921	17,464,237
At 31 August 2018	17,648,419	73,400	29,742	23,814	17,775,375

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

15. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	27,324	7,258
Other debtors	5,262	1,380
Prepayments and accrued income	766,674	230,675
Tax recoverable	31,688	43,983
	830,948	283,296

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Loans	38,272	38,272
Trade creditors	124,106	176,113
Other taxation and social security	125,208	120,694
Other creditors	156,659	219,743
Accruals and deferred income	104,993	151,060
	<u>549,238</u>	<u>705,882</u>
	2019 £	2018 £
Deferred income at 1 September 2018	18,203	18,517
Resources deferred during the year	32,295	18,203
Amounts released from previous periods	(18,203)	(18,517)
	<u>32,295</u>	<u>18,203</u>

At the balance sheet date, the Academy was holding funds received in advance for rates to be spent in 2019/20.

Included within loans is £600,064 (2018: £630,336) 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 (2018: £30,272) of the loan is due for repayment in less than one year.

Included within loans is a Salix loan relating to amounts 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 £20,000 (2018: £28,000), of which £8,000 (2018: £8,000) of the loan is due for repayment in less than one year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £	2018 £
Loans	<u>612,064</u>	<u>650,336</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Payable or repayable by instalments	<u>478,976</u>	<u>509,248</u>
	<u>478,976</u>	<u>509,248</u>

18. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	783,414	720,366
Financial assets that are debt instruments measured at amortised cost	<u>731,464</u>	<u>170,942</u>
	<u>1,514,878</u>	<u>891,308</u>

	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(1,003,799)</u>	<u>(1,091,610)</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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	179,716	156,745	(131,266)	-	-	205,195
RESTRICTED GENERAL FUNDS						
General Annual Grant	-	6,926,394	(6,682,913)	(43,845)	-	199,636
High needs	-	628,819	(628,819)	-	-	-
Pupil premium	31,307	249,021	(267,383)	-	-	12,945
Other DfE/ESFA grants	-	114,894	(114,894)	-	-	-
Year 7 catch up	-	15,550	(15,550)	-	-	-
TSST Maths grant	17,443	28,457	(35,747)	-	-	10,153
Trips income	-	57,541	(57,541)	-	-	-
Donations	-	7,262	(7,262)	-	-	-
Other restricted income	-	26,333	(26,333)	-	-	-
Pension reserve	(1,086,000)	-	(224,000)	-	(1,041,000)	(2,351,000)
	<u>(1,037,250)</u>	<u>8,054,271</u>	<u>(8,060,442)</u>	<u>(43,845)</u>	<u>(1,041,000)</u>	<u>(2,128,266)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	11,903,549	-	(209,465)	-	-	11,694,084
Fixed assets from GAG/ other restricted funds	19,059	-	(5,348)	-	-	13,711
Devolved formula capital	101,454	89,939	(49,940)	13,573	-	155,026
Capital grants	5,830,899	617,636	(191,652)	-	-	6,256,883
Loan with Local Authority	(660,608)	-	-	30,272	-	(630,336)
	<u>17,194,353</u>	<u>707,575</u>	<u>(456,405)</u>	<u>43,845</u>	<u>-</u>	<u>17,489,368</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
TOTAL RESTRICTED FUNDS	16,157,103	8,761,846	(8,516,847)	-	(1,041,000)	15,361,102
TOTAL FUNDS	16,336,819	8,918,591	(8,648,113)	-	(1,041,000)	15,566,297

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.

TSST Maths income relates to funding received to the create a new maths facility at the Academy. The carried forward amount here relates to an amount to be spent in the 2019/20 academic year.

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

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 and a donation from the Charles Adam Prize Fund.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. STATEMENT OF FUNDS (CONTINUED)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	217,263	98,461	(136,008)	-	-	179,716
RESTRICTED GENERAL FUNDS						
General Annual Grant	8,317	6,491,531	(6,465,720)	(34,128)	-	-
High needs funding	-	665,538	(665,538)	-	-	-
Pupil Premium	-	248,835	(217,528)	-	-	31,307
Other DfE/ESFA grants	-	31,519	(31,519)	-	-	-
Year 7 catch up	-	16,032	(16,032)	-	-	-
TSST Maths grant	49,952	31,241	(63,750)	-	-	17,443
Trips income	-	92,182	(92,182)	-	-	-
National Leaders in Governance income	1,572	-	(1,572)	-	-	-
Donations	-	50,905	(50,905)	-	-	-
Other restricted income	-	54,862	(54,862)	-	-	-
Pension reserve	(1,544,000)	-	(268,000)	-	726,000	(1,086,000)
	<u>(1,484,159)</u>	<u>7,682,645</u>	<u>(7,927,608)</u>	<u>(34,128)</u>	<u>726,000</u>	<u>(1,037,250)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	12,116,824	-	(213,275)	-	-	11,903,549
Fixed assets from GAG/ other restricted funds	39,513	-	(24,310)	3,856	-	19,059
Devolved formula capital	78,395	28,407	(5,348)	-	-	101,454
Capital grants	6,030,345	-	(199,446)	-	-	5,830,899
Loan with Local Authority	(690,880)	-	-	30,272	-	(660,608)
	<u>17,574,197</u>	<u>28,407</u>	<u>(442,379)</u>	<u>34,128</u>	<u>-</u>	<u>17,194,353</u>
TOTAL RESTRICTED FUNDS	<u>16,090,038</u>	<u>7,711,052</u>	<u>(8,369,987)</u>	<u>-</u>	<u>726,000</u>	<u>16,157,103</u>
TOTAL FUNDS	<u>16,307,301</u>	<u>7,809,513</u>	<u>(8,505,995)</u>	<u>-</u>	<u>726,000</u>	<u>16,336,819</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	17,464,237	17,464,237
Current assets	205,195	741,700	667,467	1,614,362
Creditors due within one year	-	(518,966)	(30,272)	(549,238)
Creditors due in more than one year	-	-	(612,064)	(612,064)
Provisions for liabilities and charges	-	(2,351,000)	-	(2,351,000)
TOTAL	<u>205,195</u>	<u>(2,128,266)</u>	<u>17,489,368</u>	<u>15,566,297</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	17,775,375	17,775,375
Current assets	179,716	744,132	79,814	1,003,662
Creditors due within one year	-	(675,610)	(30,272)	(705,882)
Creditors due in more than one year	-	(19,772)	(630,564)	(650,336)
Provisions for liabilities and charges	-	(1,086,000)	-	(1,086,000)
TOTAL	179,716	(1,037,250)	17,194,353	16,336,819

21. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	270,478	(696,482)
ADJUSTMENTS FOR:		
Depreciation	456,405	442,379
Capital grants from DfE and other capital income	(707,575)	(28,407)
Interest received	(7,112)	(3,268)
Defined benefit pension scheme cost less contributions payable	191,000	226,000
Defined benefit pension scheme finance cost	33,000	42,000
Decrease in debtors	69,984	59,226
(Decrease)/increase in creditors	(156,644)	70,850
NET CASH PROVIDED BY OPERATING ACTIVITIES	149,536	112,298

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2019 £	2018 £
Repayments of borrowing	(38,272)	(38,272)
NET CASH USED IN FINANCING ACTIVITIES	(38,272)	(38,272)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Interest received	7,112	3,268
Purchase of tangible fixed assets	(145,267)	(732,685)
Proceeds from the sale of tangible fixed assets	-	1,000
Capital grants from DfE/ESFA	89,939	28,407
NET CASH USED IN INVESTING ACTIVITIES	(48,216)	(700,010)

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	783,414	720,366
TOTAL CASH AND CASH EQUIVALENTS	783,414	720,366

25. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 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 £76,751 were payable to the schemes at 31 August 2019 (2018 - £77,616) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. PENSION COMMITMENTS (CONTINUED)

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)
- 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%.

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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £518,496 (2018 - £557,544).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £401,000 (2018 - £401,000), of which employer's contributions totalled £324,000 (2018 - £323,000) and employees' contributions totalled £ 77,000 (2018 - £78,000). The agreed contribution rates for future years are 25.6% for employers and 5.5 -12.5% for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.60	2.70
Rate of increase for pensions in payment / inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

25. PENSION COMMITMENTS (CONTINUED)

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

	2019 Years	2018 Years
<i>RETIRING TODAY</i>		
Males	21.4	22.5
Females	23.7	24.9
<i>RETIRING IN 20 YEARS</i>		
Males	22.3	24.1
Females	25.1	26.7

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	3,875,000	3,386,000
Debt instruments	764,000	668,000
Property	709,000	620,000
Cash	109,000	95,000
TOTAL MARKET VALUE OF ASSETS	5,457,000	4,769,000

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

	2019 £	2018 £
Current service cost	(488,000)	(549,000)
Past service cost	(27,000)	-
Interest income	138,000	105,000
Interest cost	(171,000)	(147,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(548,000)	(591,000)

THE COMMONWEAL SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

25. PENSION COMMITMENTS (CONTINUED)

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

	2019 £	2018 £
AT 1 SEPTEMBER	5,855,000	5,583,000
Current service cost	488,000	549,000
Interest cost	171,000	147,000
Employee contributions	77,000	78,000
Actuarial losses/(gains)	1,237,000	(455,000)
Benefits paid	(47,000)	(47,000)
Past service costs	27,000	-
AT 31 AUGUST	7,808,000	5,855,000

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

	2019 £	2018 £
AT 1 SEPTEMBER	4,769,000	4,039,000
Interest income	138,000	105,000
Actuarial gains	196,000	271,000
Employer contributions	324,000	323,000
Employee contributions	77,000	78,000
Benefits paid	(47,000)	(47,000)
AT 31 AUGUST	5,457,000	4,769,000

26. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	8,469	7,629
Later than 1 year and not later than 5 years	23,418	30,767
	31,887	38,396

27. RELATED PARTY TRANSACTIONS

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

The Headteacher, former Headteacher and a member of the Senior Management Team 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 £4,865 (2018: £4,865) from the Fund.

28. 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.

29. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2018 the Academy had a carry forward of £12,763, received £28,127 and disbursed £35,670 from the fund. The remaining £5,220 is included within other creditors at the year end.