



Academies Trust

Annual Report and Financial Statements

For Year Ended 31 August 2021

The Co-operative Academies Trust
Company Limited by Guarantee

Registration Number: 7747126 (England and Wales)

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REFERENCE AND ADMINISTRATION DETAILS

The Co-operative Academies Trust (Trust) is a Multi-Academy Trust. As at 31 August 2021, it was comprised of the following Academies:

Secondary Academies	Primary Academies	Primary Academies
Co-op Academy Leeds	Co-op Academy Brownhill	Co-op Academy Princeville
Co-op Academy Priesthorpe	Co-op Academy Oakwood	Co-op Academy Clarice Cliff ►
Co-op Academy Swinton	Co-op Academy Woodlands	
Co-op Academy Manchester	Co-op Academy Nightingale	
Co-op Academy North Manchester	Co-op Academy Beckfield	Special Academies
Co-op Academy Failsworth	Co-op Academy Portland	Co-op Academy Delius
Co-op Academy Stoke-on-Trent	Co-op Academy Broadhurst	Co-op Academy Southfield
Co-op Academy Walkden	Co-op Academy Parkland	
Co-op Academy Bebington	Co-op Academy Woodslee	Sixth Form Colleges
Co-op Academy Grange	Co-op Academy Friarswood	Connell Co-op College
Co-op Academy Belle Vue ➡	Co-op Academy Smithies Moor	
➡ Opened on 1/09/2021	► Joined the Trust on 1/12/2020	

Trust Members	Appointment	Trust Members	Appointment
Russell Gill	30 May 2014	Caroline Sellers	1 September 2014
Gill Gardner	1 September 2014	Rebecca Birkbeck	10 August 2020
Andrew Lang	1 April 2019		

Trust Directors	Appointment	Trust Directors	Appointment
Russell Gill (Chair) ● ■ ▲ ►	30 May 2014	Mags Bradbury ■ ►	19 August 2011
Neil Braithwaite ● ►	1 September 2014	Mike Greenacre ▲ ►	1 September 2014
Jane Cowell ▲ ►■	9 December 2014	Shaheen Myers ▲	1 September 2018
Patsy Kane ■	7 May 2019	Gill Gardner ●	1 September 2018
Claire Camara (Resigned 4 March 2021)	1 September 2018	Geoff Clarke (deceased 9 February 2021)	1 September 2018
Simon Bourne (Resigned 14 December 2020)	1 September 2018	Arati Patel-Mistry ▲	1 September 2021
Dave Robertson ●	1 September 2021	Gill Robinson ■	1 September 2021

REFERENCE AND ADMINISTRATION DETAILS

Seconded Members	Appointment	Seconded Members	Appointment
Tony Hind ▲	1 September 2018	Anthony Crossland (resigned 16 December 2020)	1 September 2018
<ul style="list-style-type: none"> Members of the Audit and Risk Committee and Finance Committees 		<ul style="list-style-type: none"> Member of the Outcomes Committee 	
▲ Member of the Growth and Development Committee		► Member of the Chairs Committee	

Senior Leadership Team

Chris Tomlinson	Chief Executive Officer and Accounting Officer
Nick Lowry	Chief Education Officer - Stoke, Staffordshire Merseyside, and Cheshire Hub
Lynda Johnson	Chief Education Officer - East Pennines Hub
Ian Burchett	Chief Education Officer - Greater Manchester Hub
Juliet Caunt	Chief People Officer
Gary Lagar	Chief Operating Officer and Company Secretary (Appointed 21 November 2016)
Ruth Agnew	Head of Governance

Principal and Registered Office: c/o Membership Department
1 Angel Square
Manchester M60 0AG

Company Registration Number: 7747126 (England & Wales)

VAT Registration Number: 173 1108 39

Independent Auditor: RSM UK Audit LLP
3 Hardman Street
Manchester M3 3HF

Bankers: Lloyds Bank
42-46 Market Street
Manchester M1 1PW

Solicitors:	Ward Hadaway Solicitors Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX	Squire Patton Boggs No 1 Spinningfields 1 Hardman Square Manchester M3 3EB	Stone King LLP Boundary House 91 Charterhouse St London EC1M 6HR
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Insurance Advisers: Arthur J Gallagher
8-10 South Parade
Wakefield, West Yorkshire WF1 1LR

REPORT OF THE DIRECTORS

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' Report and Strategic Report under company law.

As at the 31 August 2021, the Trust operated thirteen Primary Academies, ten Secondary Academies, two special schools and one sixth form college in the North of England. The Trust has a combined pupil/ student roll of 17,361 in the school October 2021 census.

Structure, Governance, and Management

Constitution

The Trust is a charitable company limited by guarantee (without share capital) and an exempt charity. The charitable company's articles of association are the Primary governing document and this was effective from 1 September 2014. There were no significant amendments to this document during the year. The Board Directors act as the trustees for the charitable activities of the Trust and are also the directors of the charitable company for the purposes of company law.

Details of the Directors who served throughout the year are included in the Reference and Administration details on pages 2 - 3.

Members' Liability

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

Directors' Indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim.

Method of Recruitment and Appointment or Election of Directors

Directors are appointed by the sponsor The Co-op Group based on the required skills and knowledge to provide strategic leadership and good governance to the Trust.

Governance

The Trust has members (from the sponsor) who appoint the Trust Board, comprising between three and fifteen directors. The Trust Board appoints its sub-committees and local governing bodies. A Scheme of Delegation sets out the specific roles and responsibilities of the Trust Board, sub-committees and local governing bodies.

Each academy within the Trust has a governing body made up of between six and fifteen members. Between two and five governors are drawn from the sponsor in addition to two staff governors, two-parent governors and the Principal/Headteacher. Up to two further governors can be drawn from formal partners and up to one from the local authority.

REPORT OF THE DIRECTORS

The governing body of each academy shall make all necessary arrangements for and determine all other matters relating to an election of parent governors. The Principal shall be a governor for as long as in office as such.

Policies and Procedure Adopted for the Induction and Training of Governors

The training and induction provided for directors and new governors depend on their existing experience. Where necessary, induction is provided with training on charity, educational, legal and financial matters. All new governors are given a tour of the relevant academy and the chance to meet with staff and students. All directors and governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role.

Organisational Structure

On 31 August 2021, the Trust included twenty-five Academies and one Sixth Form College. Full Academy and College details are included in the Reference and Administration details on pages 2 - 3.

Details of the directors (including the Trust Accounting Officer) who served during the year are included in the Reference and Administration details on pages 2 - 3.

The Trust Board sets the strategic direction for the Trust and is responsible for the performance of all Academies within the Trust. The Chairs Committee oversees operational performance and acts as the Trust's Pay and Remuneration Committee. The Audit and Risk Committee oversees the external and internal audit processes as well as ensuring there is an effective risk management approach in place. Decisions reserved for the Trust Board include providing strategic direction to the Trust, ensuring financial viability, establishing an Audit Committee and compliance with the Department for Education requirements. The senior leadership team has the responsibility for implementing Board policy and monitoring operational performance.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust has established a pay and remuneration policy that follows national terms and conditions for all teachers and senior academy leaders. The policy is posted on the Trust website and approved by the Trust Board. All pay awards are moderated across the Academies and approved by governing bodies. In addition, all senior Central Trust staff have their salaries benchmarked against national comparators provided by independent and nationally recognised bodies. A Pay and Remuneration Committee of the Trust Board undertakes the performance management of the Chief Executive Officer of the Trust and recommends any pay awards for the Trust Board to consider. The pay and remuneration Committee also sets the remuneration of the senior leadership team and recommends pay awards to the Trust Board for consideration. No Trust Board member is paid for their services as a board member.

Trade Union Facility Time

The Trust has complied with the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017, which took effect from 1 April 2017.

The Trust's published report covers the year from April 2020 to March 2021 and is summarised below:

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Relevant Union Official

Number of employees who were relevant union officials during the relevant period	37
Full time equivalent employee number	35.08

Percentage of Time Spent on Facility Time

0%	20
1 - 50%	14
51 - 99%	0
100%	3

The three employees who spent 100% or more of their time on trade union duties were seconded full or part time to local officer roles outside of their academy. The full costs of this release were reimbursed to the Trust.

Two other colleagues were seconded to local officer roles one day per week for part of the year (Sept 2020 onwards, with costs reimbursed to the Trust) as well as carrying out some more ad hoc facility time work.

The remaining colleagues did occasional trade union work, with between 8 hours and 76 hours across the year being reported.

Percentage of Pay Bill Spent on Facility Time

Total cost of facility time £	£99,323
Total pay bill (excluding associated pension costs) £k	£88,170k
% of pay bill spent on facility time	0.11%

The cost of facility time takes into account:

- paid time spent by relevant union officials (in-school) on trade union work (duties & activities), calculated using salary rate plus average "on costs" for employer pension and NI contributions (35% for teachers, 28% for support staff) as at March 2021; and
- money paid by Academies into local authority shared facility arrangements during the year. For our Academies in the Leeds local authority area, the costs for 2019/20 have been used as there has been a delay in billing for the 2020/21 year.

It does not include the cost of salaries for colleagues seconded to local branch roles, as these costs are fully reimbursed to the Trust.

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Paid trade union activities

Time on paid activities, as a % of all paid TU activities

1.82%

This reflects the proportion all paid time spent on trade union work which has been spent on activities where there is no statutory entitlement to paid time off, such as attending meetings and conferences related to union affairs.

Related Parties and other Connected Charities and Organisations

The Trust works closely with its sponsor The Co-operative Group (the Co-op), including access to skilled governors for the Trust's Academies, work and training opportunities for pupils. The sponsor has also provided a substantial financial contribution in the year (and commitment going forward should certain conditions be met) to enable the Trust to expand. Details of related party transactions are shown in note 29.

Engagement with employees (including disabled persons)

The Trust consults its staff through formal and informal methods including staff consultation committees and regular staff meetings. The Trust's website provides staff with access to Trust policies.

The Trust consults with national trade union bodies through the Joint Consultative and Negotiating Committee(JCNC). The Trust recognises the following Trade Unions for individual and collective representation, consultation and negotiation purposes: NEU, NASUWT, NAHT, ASCL, GMB, UNISON and Unite.

The Trust is committed to ensuring that existing members of staff, job applicants, and volunteers are treated fairly in an environment which is free from any form of discrimination with regard to the protected characteristics as outlined by the Equality Act 2010. The Trust's Equality and Diversity Policy outlines the Trust's approach to this issue and specific reference is made within this guidance to job applicants. Applications from candidates with disabilities are welcomed. All staff, when they have been appointed, are asked to undertake a medical placement questionnaire. This process provides information to the employer, which can be discussed with the employer where an employee has a disability for which a reasonable adjustment is required.

Equalities data is collected with respect to Teacher Pay Progression in order to identify whether or not the data indicates that employees with protected characteristics are disadvantaged.

Engagement with suppliers, customers and others in a business relationship with the Trust

As a key enabler to meeting the objectives of the Trust seeks to engage actively and positively with all stakeholders in the local community and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the Trust's operations. During the year the Trust has further promoted this engagement through specific initiatives including:

- Regular communication and engagement with parents of existing pupils, and parents of prospective pupils attending the Trust schools to enhance the understanding of the provision to each student and to fully coordinate support to students from parents and the academy.

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- Engagement with other educational Trust's and partners at local and national levels to share best practice and to provide peer support across Trust's and individual Academies.
- Active dialogues with local councils on matters which impact children and families in the community as well as relate to the operation of each academy.
- Engaging with local businesses to promote career and educational opportunities for academy students for their mutual benefit.
- Seeking all possible opportunities to engage with local suppliers in each academy area.
- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to each school.
- In particular, the Trust has fully adopted the government's policies and guidance during the Covid-19 pandemic and sought to maximise its support to all suppliers through the crisis in order to sustain their support and services in the future.
- Promoting and encouraging student opportunities to engage in local voluntary and other projects to support the community.

Risk Management

Details of the Trust's risk management arrangements and principal risks are included within the Strategic Report on pages 20/21.

Streamlined Energy and Carbon Reporting

This content is included under that heading within the strategic report section.

Objectives

When the Co-op agreed to sponsor a Secondary academy in Manchester in 2008 there was a relatively narrow ambition to serve the academy and its community as well as possible. Quickly, the positive impact of the work was noticed so further Academies in Stoke-on-Trent and East Leeds followed a year or two later. By this time the scale of the undertaking was becoming more apparent so all of the Academies were merged into a single legal entity in September 2014.

The Trust currently has twenty-six Academies and one Sixth Form College along the M62 corridor from Greater Manchester in the west to Leeds in the east and Academies clustered around Stoke-on-Trent and the Wirral, with a significant concentration in Greater Manchester, close to the Co-op's support center. All of them, bar three, are sponsored Academies. In spring 2018, the Co-op agreed to invest £3.6m to enable the trust to grow to up to 40 Academies by 2022. This investment is reviewed on an annual basis by the Co-op. In addition, there is an ambition to significantly increase the supply of apprentices from the Academies into the Co-op.

Aims and Activities

The Trust has created a strong governance model that has a credible and highly skilled Trust Board. It is supported by local governing bodies that include a senior manager from the Co-op as chair and key partners from the local authority and higher education institutions playing a key role.

The Trust gives the highest priority to school improvement and has created a well-respected central trust set up that sees all aspects such as HR, finance, governance, general administration as well as specialist experts in improving teaching and learning, and leadership and management. These

REPORT OF THE DIRECTORS

services are offered at a very low cost so that all available resources can be directed to the Academies.

The Trust's ambition was to create communities of ambitious co-operators made up of children, staff and their parents and carers. Much has been achieved here but we are aware that we must do more in order to ensure that the 'Academies help to regenerate their communities'. We have a unique relationship with the trust's sponsor, the Co-op, and we want to do more so that we can genuinely be the most successful multi-academy Trust in the country while maintaining a clear focus on the values and principles of co-operation.

OUR AMBITION

Better outcomes for more children in the north of England

By 2022 we want to be educating over 40,000 children in northern schools many of which serve socially and economically challenged communities. This target is 22,000 more than we currently educate.

A broader range of provision so that we can support as many children as possible

By 2022 we want to educate children in Primary, Secondary, special, alternative provision and post-16 colleges.

Stronger connections with The Co-op so that we can lever greater advantages for our communities

By 2022 we want to be better co-operators and more young people ready for higher education and apprentices. We want to see more students going to university and up to 250 gaining an apprenticeship in the Co-op.

Strengthen our communities

- Lead the regeneration of communities providing aspiration, ambition, support, and encouragement.
- Keep the academy at the heart of its community and create local solutions for local issues.
- Create a broad portfolio of Academies including Primary, Secondary, special, alternative and post-16 provision in some of the most socially and economically challenged areas of the north.
- Be the most effective and influential educational body in the West Yorkshire - Greater Manchester - Merseyside - Staffordshire areas.

Strengthen our Academies

- We expect nothing but the best and will work kindly, fairly and safely with our children and their families to encourage and support them. We rely on our senior leaders and managers to support this ambition and know that they can achieve this.
- Deliver a curriculum that is broad, balanced, relevant and appropriate for the children's current and future needs.
- Have an outstanding school improvement strategy based on empowering teaching staff where possible.

REPORT OF THE DIRECTORS

- All staff and governors are ambassadors for co-operative values and the Ways of Being Co-op.
- All Academies support each other because we are one Trust and live by co-operating successfully.
- We have a curriculum that enables children to gain curiosity, ambition and a willingness to practice so that they gain the knowledge, skills, and understanding to help them be socially active citizens. Emphasises the central importance of proficient reading, writing and numeracy skills as the basis of a good education and future personal and social contribution to society.

Strengthen our co-operation

- We capitalise on the strong relationship with the Co-op, its sponsor so that pupils and students are well prepared for their future working lives and aware of the opportunities an apprenticeship and further study can offer.
- We encourage our children to be excellent co-operators and to be ambassadors for the benefits of co-operation. Our staff will steer and support this ambition and be wholehearted and enthusiastic about this area of their work.

Our Core Values that underpin how we work

We are committed to Co-operative values and principles and expect all Academies and those working centrally to have these at the core of their work. We strive to ensure children, young people and their families and staff at all levels in the Trust develop:

Self-help – so that they can help themselves to improve and make a positive contribution to society;

Self-responsibility – so that they take responsibility for, and answer to their actions;

Democracy – through having a say in how we run our Trust and the Academies;

Equality – through ensuring that the voice of each individual can be heard;

Equity – a fair and unbiased community; and

Solidarity – through sharing interests and common purposes for the benefit of all.

The Trust, including each academy and its governing body, is expected to work to the Co-operative ethical values of:

Openness – we believe in being open and sharing information and ideas to raise the outcomes of children and young people and improve their life chances;

Honesty – we act in a professional and respectful manner in our dealings with everyone;

Social responsibility – we maximise our impact on those in our communities while minimising our footprint on the world; and

Caring for others – we treat everyone as we wish to be treated ourselves, understanding that children and young people have one childhood.

REPORT OF THE DIRECTORS

Each staff member, governor and pupil/student in the Trust is expected to honour the fundamental commitment to the **Ways of Being Co-op**. All of our Academies include prominently, in their name, the word 'Co-op'. This explains our commitment to Ways of Being Co-op. When assessing the effectiveness of our Trust and its Academies we will ask whether all staff embody the following statements, which highlight the Ways of Being Co-op, for the benefit of all children.

Be yourself, always - Do what matters most - Show you care - Succeed together

The Trust's Strategic Objectives 2019-2022

All Academies are great places to work and learn, driven to success by co-operative values and 'Ways of Being' and this is recognised by students/pupils, parents/carers, staff, and the sponsor:

1. Pupils and students (including those eligible for pupil premium funding):
 - attend regularly, behave well, know how to keep themselves safe and are able to contribute fully to their community;
 - aspire to be the best they can and are provided with help and support to help make this happen; and
 - have knowledge, skills and understanding that ensure they contribute positively to society.
2. Successfully increase the number of Academies up to 40 and extend the range of Academies to include special schools, alternative provision, and post-16 colleges.

New Academies will include the most successful through to those requiring significant support.
3. Academies offer high-quality support to each other, to other local schools and to the wider co-operative school community so that local communities are regenerated through our combined effort.
4. Operate a trust model that relies on a regional hub presence that shares best practice, improves academy effectiveness and overall efficiency.
5. Create a formidable pipeline for academy students into Co-op apprenticeship opportunities.
6. Have staff that are ambitious for the pupils and students and for themselves.
7. The majority of senior appointments are drawn from our own workforce flowing a competitive external recruitment campaign.
8. Academies are financially secure, adopt sustainable, environmentally and fair-trade friendly.

Public Benefit

The trustees have considered the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission. The main activities of the Trust are to advance for public benefit:

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- education for pupils of different abilities between the ages of 3 and 18;
- develop the capacity and skills of those who are socially and economically disadvantaged in such a way that helps meet their needs and enables them to participate more fully in their communities and society at large; and
- provide recreational and leisure time facilities in the interest of social welfare for the local communities in which the Academies reside, especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

STRATEGIC REPORT

Achievement and performance - Key Performance Indicators

The directors monitor the performance of the Academies through a trust-maintained summary Data Dashboard that incorporates analytics of demographics and profiles for staff and students in addition to KPI's for:

- Assessment and Tracking data (eg GCSE, SATS, A Levels)
- Attendance and behaviour
- Careers, Education, Information, Advice and Guidance (CEIAG) destinations
- Well-being indices
- Human Resources

The Trust's educational outcomes are considered to be the Trust KPI's.

Secondary Academies

There are ten Secondary Academies in the Trust as at August 2021, with an eleventh Free School (Belle Vue) that opened September 2021.

The outcomes for all Academies have been heavily Covid affected with centred assessed grades (2020) and Teacher Assessed Grades (2021) taking the place of traditional examinations that has resulted in a minor increase in performance across all Academies. Whilst consistent with the national picture in which the vast majority of schools made progress and a large majority made unusually high levels of increase, the robust nature of the Trust's quality assurance processes ensured that not a single academy was subjected to formal moderation review of the grades awarded. In essence, the Trust's submitted grades were accurate and not subjected to positive bias.

All Secondary Academies in the Trust made improvements in all aggregated outcomes from 2019 (last year for external examinations).

Attainment 8 was demonstrably higher and whilst there are no DfE official statistics on Progress measures, the Trust has engineered the algorithm from which the 2019 progress measures were calculated which also shows an increase in performance over 2019 levels (last year for external examinations).

REPORT OF THE DIRECTORS



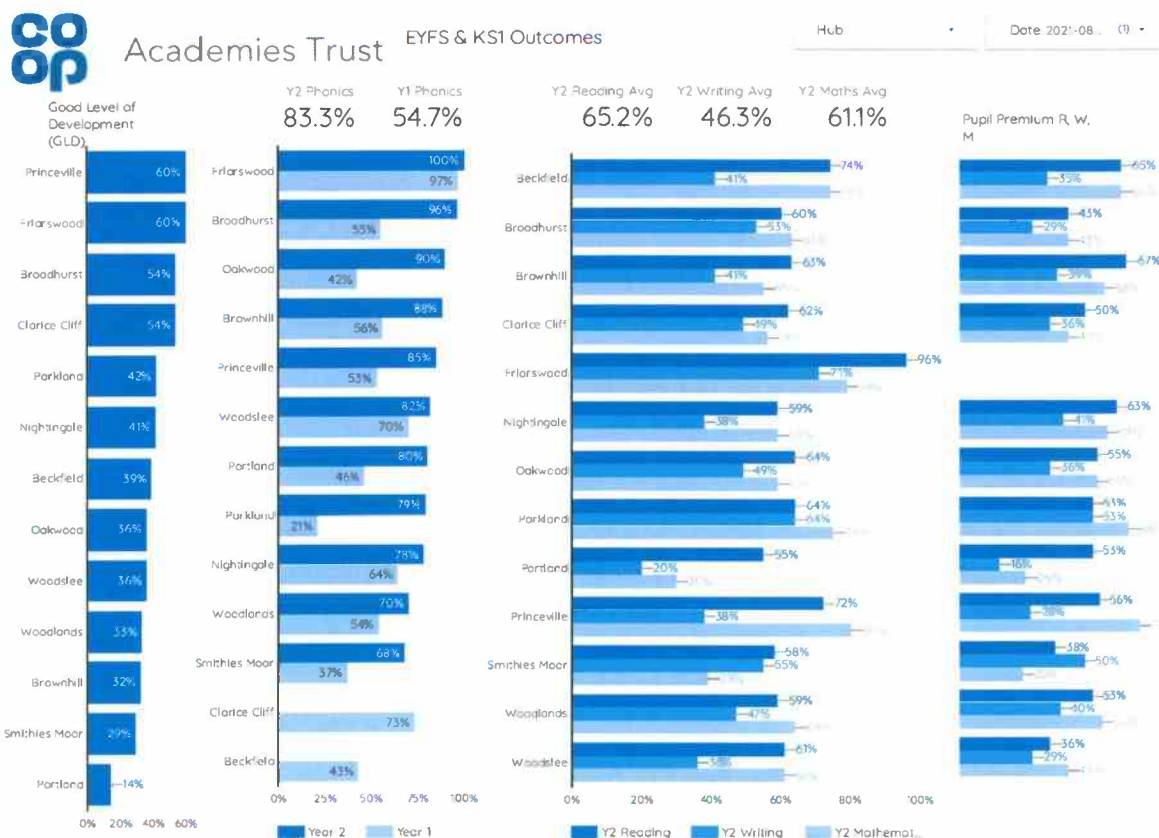
Primary Academies

We have 13 Primary phase Academies in the Trust: one in greater Manchester, two in Stoke, two in Merseyside and eight in West Yorkshire.

In the current academic year, as was the case for 2019-20, SATs were removed on account of the pandemic and so there have been no externally set examinations from which to measure attainment or progress.

As an internal process, the Trust took the decision to carry out a series of internal assessments, replicating those that would normally take place.

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Special Schools

We are pleased to be a multi-academy Trust with Special Schools - we currently have one Secondary and one Primary. Both are for students with profound learning difficulties, such that sitting public examinations is not appropriate. Both are based in Bradford in West Yorkshire and the Primary acts as a feeder school to the Secondary. We were successful in our application to build a new Secondary Special school in Leeds which will open September 2023 (estimated opening date).

Sixth Form College

We have one college for post 16 students serving the East Manchester area with many of our Secondary Academies feeding the college with their Year 11 pupils. The College is very successful and has been confirmed as achieving the highest applied general qualifications in the Greater Manchester region.

The 2018 decision of the Co-op Executive Board to support the Trust's growth strategy was a true 'red letter' day. In achieving a £3.6m investment in the Trust it signaled the faith of the Co-op in our work. It also emphasises the importance of the Trust's work in achieving the broader aims and objectives for the Co-op's community strategy. The investment from the Co-op will be reviewed and agreed on an annual basis. This year saw one new Academy join the Trust and significant work undertaken to achieve as many as 7 more by 31 August 2022.

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Going Concern

As part of the annual business planning process and monthly management reporting the Trust has reviewed its liquidity and rolling twelve month cash flow requirements and are satisfied that existing resources are sufficient to support ongoing operations. The Trust cash balance as at 31 August 2021 was £25.8m and over the three-year planning process is not anticipated to fall below £18.1m.

The Trust's total income is funded mainly by Government and local authority grants (95.5% during 2020-21 academic year) and has not been impacted by the Covid-19 pandemic. The business planning process also includes, at both a Trust and Academy level, a business sensitivity analysis in relation to operational costs and this continues to be monitored. The Covid-19 pandemic is unprecedented and still evolving and therefore brings challenges and uncertainties, which the Directors have considered as part of its risk management policy and is included within the 'Principal Risks and Uncertainties' section of their Report.

The Trust has been successful in receiving additional government grant funding, for eligible Academies, to cover some exceptional Covid-19 costs. This resulted in claims of £0.2m being made. To date, Government or local authority grant funding has not been impacted. Having considered the uncertainties posed by the pandemic the Trust considers for the above reasons that there are no material uncertainties about the Trust's ability to continue as a going concern and have accordingly continued to prepare the financial statements as a going concern.

How the Board Complies with its Section 172 Duty

Promoting the success of the Trust

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

The likely consequence of any decisions in the long term

The Trust makes all key decisions through reference to its long-term strategic plan and after projecting the timing and impact of such decisions. This strategy is primarily designed around the objective to improve educational outcome for students but every decision and operational approach is regularly reviewed for its impact on all stakeholders and the need for any changes or modifications to decisions previously taken.

The interests of the company's employees

Our employees are vital to the Trust and we regard ongoing, regular engagement with them as a top priority. We measure employee engagement through regular feedback and joint communication sessions. We address any issues raised by our employees as quickly as possible and communicate back to them what we have done. All staff are offered access to a number of well-being support services and the Trust seeks to ensure that staff welfare is actively considered and addressed. Through our health and safety policies as well as through local staff committees we also actively seek to ensure that the working environment meets due high standards of safety and security.

The need to foster the company's business relationships with suppliers, customers, and others

Our relationships with partners and suppliers are key to our effectiveness. The Trust actively seeks to engage in service reviews with all key suppliers. These reviews are focussed on a two way relationship with the Trust based with an aim of helping one another to achieve an optimum service as efficiently as possible and according to the best value for money. Where the Trust has procured

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outsourced services, we seek to ensure that staff and management from that contractor are supported as an equal member of the school community and stakeholders.

The impact of the company's operations on the community and the environment

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. As well as covering environmental issues in our school curriculum, the Trust encourages all staff and students to participate in initiatives to reduce negative environmental impacts. These include the promotion of recycling of waste and actions to maximise efficiency in energy consumption.

The desirability of the company maintaining a reputation for high standards of business conduct

Our reputation and public Trust in its constituent schools is fundamental to our future success. We use our organisational values and behaviours in our recruitment and training for our employees to ensure that we maintain high standards, and these are used in our appraisal processes. Our procurement and ethical policies and procedures ensure that our values are also part of our selection of partners and suppliers.

The need to act fairly as between members of the company

In terms of members of the academy Trust, fairness in our dealings is upheld through having a clear and well communicated strategy, and financial discipline backed by strong internal controls. We have transparent reporting at regular intervals through the year, continual access to senior management and a track record of successful growth through new school joiners which have been appropriately integrated into the Trust. We aim to be a fully inclusive organisation and we will not unfairly discriminate against our students, staff or any other member of our community and stakeholders.

Coronavirus (COVID-19) Impact

The key educational impact from COVID-19 is reported in the above Academy summary outcomes.

The Trust continues to manage the impact of COVID-19 through:

- Regular meetings of SLT and Academy leaders;
- Regular updates to Audit and Risk and Board;
- Detailed Academy risk management plans (including individual Academy risk registers);
- Providing classroom learning as well as remote based learning for pupils and students. Remote learning has been provided through a combination of printed 'home learning' packs as well as through use of the Trust's IT facilities (Google Classroom).
- Providing additional 'catch-up' support for targeted groups of pupils/ students;
- Regular monitoring of pupil/ student engagement/ wellbeing (including safeguarding) particularly for remote study;
- Regular monitoring of staff safety and wellbeing through line management structures;
- Revised financial forecasts for 2020-21 and updated business plans for 2021-22 through to 2023-24;
- Dashboard reporting to SLT and Board; and
- Liaison with CST and DfE.

During the periods of lockdown the Trust was able to, through the support of the Trust's business sponsor, maintain and provide free school meals to our most vulnerable students. This provision was through the issue of Co-op food vouchers. Some of the costs were recovered through DfE/ ESFA exceptional cost claims and the balance was funded through the Trust's business sponsor. During the year, the Trust has submitted exceptional cost claims of £214k of which £52k was for school meals.

Financially the Trust has, through the support of the Co-op and the exceptional cost claims managed to minimise the impact of additional operational costs (cleaning, staff absences, and PPE).

REPORT OF THE DIRECTORS

Financial Review

The Trust's total incoming resources for the year amounted to £143,075k (2020: £134,820k). The most significant sources of income relate to the transfer of a school's assets (Clarice Cliff) from the ESFA for £nil consideration (£4,532k) (2020: £12,231k in respect of Co-op Academy Smithies Moor and Co-op Academy Princeville), and ESFA and other local authority pupil funding (£138,543k) (2020: £122,589k). Outgoing resources for the year and transfers relating to the LGPS scheme totalled £143,351k (2020: £137,231k) resulting in an overall reduction in funds of £276k (2020: £2,411k). Total reserves as at 31 August 2021 stood at £187,270k (2020: £187,546k). Cash balances held by the Trust at 31 August 2021 amount to £25,824k (2020: £21,102k).

Trust five year financial summary (£000)	2020/21 Actual	2019/20 Actual	2018/19 Actual	2017/18 Actual	2016/17 Actual
Donations and Capital Grants	7,178	2,741	3,322	12,572	7,024
Academy Transfers	4,532	12,231	64,927	39,721	12,320
Funding - Educational Income	129,081	117,086	82,556	54,015	36,106
Other Trading Activities	2,284	2,762	2,758	1,234	454
Total Incoming Resources	143,075	134,820	153,563	107,542	55,904
Staffing Costs	103,846	94,491	67,619	44,927	30,827
Premises Costs	17,357	17,544	13,733	9,035	5,908
Educational Costs	8,642	9,013	5,936	4,155	2,784
Other	6,949	6,625	6,227	4,395	2,811
Total Resources Expended	136,794	127,673	93,515	62,512	42,330
Net Income / Expenditure	6,281	7,147	60,048	45,030	13,574
Other recognised Gains / (Losses)	(6,557)	(9,558)	(16,701)	5,062	7,510
Net Movement in Funds	(276)	(2,411)	43,347	50,092	21,084
Balance Sheet (£000)	2020/21 Actual	2019/20 Actual	2018/19 Actual	2017/18 Actual	2016/17 Actual
Tangible Assets	299,470	293,648	283,970	159,328	100,294
Current Assets	31,917	26,857	19,020	9,449	10,301
Current Liabilities	(19,779)	(18,880)	(14,823)	(6,318)	(5,477)
Total Assets less Current Liabilities	311,608	301,625	288,167	162,459	105,118
Liabilities falling due > 1 Year	(124,338)	(114,079)	(98,210)	(15,849)	(8,600)
Net Assets	187,270	187,546	189,957	146,610	96,518
Balance Sheet (£000)	2020/21 Actual	2019/20 Actual	2018/19 Actual	2017/18 Actual	2016/17 Actual
Academy Funds					
Restricted - Fixed Asset /General	256,791	241,675	226,417	151,216	102,697
Pension Reserve	(73,783)	(58,255)	(40,324)	(8,241)	(8,600)
Total Restricted Funds	183,008	183,420	186,093	142,975	94,097
Unrestricted Funds	4,262	4,126	3,864	3,635	2,421
Total Academy Funds	187,270	187,546	189,957	146,610	96,518

REPORT OF THE DIRECTORS

During the financial year the balance transferred on acquisition from additions to the Trust was £4,532k (2020 £12,231k) relating to the following Academy:

Academy, College	Conversion/ transfer	Joining Date	Trading Activity
Co-op Academy Clarice Cliff	Conversion	1 December 2020	9 Months

During the year the above Academy had an income of £1,809k and expenditure of £1,832k. Details of the balances transferred are shown in note 30.

The majority of the balance of the Trust's income is derived from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA and associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 37.

The Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2019), such grants 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 expected useful life of the assets concerned. The net-book value of fixed assets at the year-end was £299,470k (2020 £293,648k), which again reflects balances acquired for the above Academy/ College joining the Trust. Movements in tangible fixed assets are detailed in note 12. The balance at the bank was £25,824k (2020 £21,102k). The net movement is detailed in the Cash Flow statement on page 39.

During the year ending 31 August 2021 the Trust's expenditure of £136,794k (2020 £127,673k) including the trading activities of the above Academy who joined the Trust during the financial year. A detailed analysis of expenditure is shown in note 7.

The Trust received income from the main business sponsor of £1,141k (2020 £1,308k) which was a combination of growth funding of £1,030k (2020 £1,208k) shown in note 4 (included within Other Income) and a donation towards operational costs of £111k (2020 £100k) shown in note 2. The Trust also received a School Condition Allocation (SCA) grant from the ESFA amounting to £2,453k, for Academy improvements. This grant has been included in the SOFA as income but the majority of expenditure will not be incurred until the next academic year (2021-22).

During the year the Trust has generated a core net operating surplus, from restricted general and unrestricted funds, of £3,685k (2020 £3,787k). This surplus is before pension movements and is in line with business plan projections and in total, the Trust's combined (restricted general and unrestricted) revenue reserves are £16,373k (2020 £12,305k) which is within the reserves policy.

Co-op Academies of Leeds, Oakwood, and Clarice Cliff are all situated in Private Finance Initiative (PFI) buildings which are owned by Carillion plc (in liquidation), Education Support Ltd, and Transforming Schools (Stoke) Ltd. Operating payments made under the PFI contract this financial year totalled £1,720k (2020 £1,683k), this includes associated costs for catering, cleaning, utilities, and other ancillary services. Additional funding is received from the ESFA in relation to the PFI costs. The term of each lease is 25 years from commencement. Please see financial commitments note 21.

REPORT OF THE DIRECTORS

In respect of Leeds and Oakwood, the PFI assets and corresponding liabilities are not recognised in the Trust's financial statements as the Trust is not a party to the above PFI agreements and the Trust does not have substantially all of the risks and rewards incidental to ownership. In respect of Clarice Cliff, the PFI assets have been recognised in the financial statements to reflect the effective freehold associated with the 125 year lease between the Local Authority and the Trust. PFI liabilities are not recognised in the Trust's financial statements as the Trust's contribution is towards revenue expenditure only, as opposed to capital expenditure.

Further details are shown in the Trust's statement of accounting policies note 1.

The Trust has a number of other Academies which are situated in PFI buildings, for which both assets and liabilities have been included on the balance sheet and details are shown below:

Co-op Academy	PFI Owned and Managed By	Commencement Date	PFI Expiry Date
Failsworth	Academies Services (Oldham) Limited	24 May 2006	31 January 2033
Walkden	S&W TLP (Project Co One) Ltd	8 December 2009	13 August 2036
Bebington	Wirral Schools Services Ltd	27 March 2001	31 July 2031
Southfield / Grange	Integrated Bradford SPV Two Ltd	1 September 2009	13 March 2036

Operating payments made under the PFI contract include costs for catering, cleaning, utilities and other ancillary services.

The assets and corresponding liabilities are recognised in the Trust's financial statements as the Trust has taken on the obligations in respect of the PFI arrangement within the above Academies and the Trust does have substantially all of the risks and rewards incidental to ownership. In addition, the Academy / Trust is making payments towards the capital cost of the building and ownership will transfer to either the Local Authority (and to the Trust via a 125 year lease) or to the Trust at the end of the PFI arrangement. Further details are shown in the Trust's statement of accounting policies note 1, tangible fixed asset note 12 and financial commitments note 21.

The Trust's PFI liabilities have reduced to £54,790k (2020 £60,152k) and no new addition of PFI obligations has taken place in the year. Additional funding is received from the ESFA in relation to the PFI Costs.

One of the most significant other items in the current year is the increase in the outstanding net liabilities to the Local Growth Government Pension Scheme which, during the year, increased from £58,255k at the start of the year to £73,783k by the end of the year. The one new Academy joining in the year (see above details) accounted for £1,011k of the net liability on transfer.

As a result of accounting for the Local Government Pension Scheme (LGPS), the Trust recognises a significant pension fund deficit. As part of the Trust's steps taken to eliminate that deficit, it does not mean that an immediate liability for this amount crystallises; rather that it will have an impact on future contributions, and therefore future cash flows.

REPORT OF THE DIRECTORS

We have revisited our business plans and budgets, and ascertained how the pension costs might affect our budgets in the future. On the basis that any increased pension contributions should generally be met from the Trust's budgeted annual income, whilst the deficit might not be eliminated, we do not believe that there will be an actual cash flow deficit on the fund, or direct impact on the free reserves of the Trust because of recognising the deficit.

Financial and Risk Management Objectives and Policies

Financial policies operate throughout the Trust, primarily the Financial Regulations and Scheme of Delegation which outlines the roles and responsibilities of directors, governors, principals, headteachers and all other staff in the use of the Trust's resources.

The nature of academy business is that the financial instruments that are dealt with are largely bank balances, cash, and trade creditors, with limited trade (and other) debtors. The Trust considers its exposure to financial instruments to be minimal and such information is not material to an assessment of the Trust's assets, liabilities, financial position, and its results. The Trust is however exposed to the defined benefit pension schemes as outlined in note 28, where there is detailed disclosure of the current position as independently actuarially assessed. Additional liabilities associated with those Academies with PFI buildings are outlined in note 21.

Reserves Policy

The directors have approved a Reserves Policy which requires individual Academies to maintain a revenue reserve (consisting of restricted general and unrestricted reserves consistent with ESFA guidance) of between 5% (£6,100k) and 15% (£13,241k) of total income less PFI income. Budgets or forecasts which show a position outside of this range must be accompanied by a robust business case for Trust Board approval. At 31 August 2021 the revenue reserves across the Trust was £16,373k (2020 £12,305k) with total Trust funds of £187,270k (2020 £187,546k) and at an academy level, reserves was £14,883k (2020 £10,949k) which was in excess of the required limits. This was predominantly due to the Trust's revenue reserves including £1,237k of ESFA capital grant which was received during the year but the corresponding expenditure has been delayed (due to COVID-19) until 2021-22.

As part of setting the budget, the directors review the level of reserves each year. This review will consider the nature of income and expenditure streams, the need to match income with commitments and the need to set aside funds for future replacement programmes. The Trust Board will also need to consider what reserves need to be set aside in view of the growth in net liabilities under its pension schemes referred to above. In particular, the Trust Board will need to ensure that academy budgets include an allowance for the inevitable increases in employer contribution that will follow from the next actuarial reviews.

Investment Policy

The Trust's current investment policy is to maximise income from a low key risk strategy. In practice, this means no long term deposits/ investments.

Financial Instruments

The nature of academy business is that the financial instruments that are dealt with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors. The trust considers its

REPORT OF THE DIRECTORS

exposure to financial instruments to be minimal and such information is not material to an assessment of the trust's assets, liabilities, financial position and its results (see note 16).

Principal Risks and Uncertainties

The directors have carried out a full review of its policy for assessing the risks which the Trust faces and have reviewed the process of assessing and managing these major risks which was carried out by the senior managers at various times during the year. The risks of the Trust are assessed at a Trust and an academy level, supported by detailed risk registers. The risk register is reviewed by the senior leadership team, before being presented to the Audit and Risk Committee and the Board. Steps are taken to mitigate risks. Some significant financial risks are covered by insurance. Other risks are minimised through the design of systems and procedures as preventative measures.

The main risks facing the Trust are safeguarding, escalating pension liabilities and not delivering improved educational outcomes for pupils, actual and potential financial challenges due to changes in funding and cost growth, and managing growth to ensure continuous improvement for all the Trust's Academies. Covid-19 continues to be a risk facing the Academies and the Trust.

To mitigate these risks, the Trust has taken measures including:

- Investment in resources to deliver school improvement;
- Review and revision to the approach to performance monitoring;
- Robust budget setting processes, supported by the application of the Reserves Policy;
- Detailed assessment of potential growth opportunities, including the impact on the Trust's existing Academies; and
- Additional investment into chromebooks and IT infrastructure to support online learning as required.

Plans for Future Periods

We will focus on the following key priorities, identified from our strategic objectives, until the end of 2022. They are to:

- Improve outcomes for children and young people, especially their attainment at a faster rate than in other similar schools/Academies;
- Improve Ofsted evaluations of Academies within the Trust ensuring that new Academies achieve at least a 'Good' judgment within two years of joining;
- Ensure that all staff engage in professional development activities, many of which are Hub based, that enable them to develop their skills, Co-operative commitment, and leadership skills as appropriate, and have a demonstrable impact on improving teaching and learning;
- Deliver a broad, balanced and relevant curriculum alongside careers advice and personal guidance, taking full advantage of our Co-operative values and Ways of Being Co-op, to better prepare young people for their future lives including entering work, further education or training/apprenticeships;
- Create a seamless curriculum experience that ensures all pupils/students make strong progress in their knowledge, skills, and understanding as well as their personal development;
- Ensure resource and financial security, stability and probity across the Trust;
- Successfully grow to up to 40 Academies in four hubs through successful collaboration and co-operation and building further on our reputation for delivering high quality education;
- Establish a flow of students wishing to embrace the benefits of a Co-op apprenticeship which results in up to 250 apprentices by 2022;

REPORT OF THE DIRECTORS

- Create Hub leadership and management structures in four locations so that greater cooperation occurs, efficiencies are achieved, best practice is shared and a sense of One Trust is engendered and lived out;
- Be active participants in regenerating the local communities where our Academies are located and provide a vehicle for demonstrating the Co-op Way in those communities;
- Successfully manage the transition from one education phase to another so that progress and learning are neither slowed or lost;
- Further develop the relationship with the Trust's sponsor for mutual benefit so that pupils and students are well prepared for the world of work;
- the broad range of careers available to them, including the suitability of apprenticeships; and
- Benefit from the Co-op's digital strategy and contribute to the Co-op's business strategy.

How we will know if we have been successful by 2022 - all Academies that have been in the Trust for at least two years will:

- be judged 'good' and at least two judged as 'outstanding' by Ofsted;
- have pupils and students achieving attainment levels above those achieved in similar settings;
- have the attendance of pupils/students at least at the national average with very few permanent exclusions;
- all be full or have an increasing roll;
- have results of the annual survey of pupils/students, staff and parents that indicate year on year overall improvement in engagement and culture;
- see all stronger Academies offering high-quality support to each other so that any weaker Academies improve quickly; and
- demonstrate through teaching and learning and leadership and management that Co-operative values and principles and The Ways of Being Co-op are essential for effective education.

The Trust will have:

- increased its presence in the north of England selecting growth on the basis of a firm commitment to co-operation and a good match for our existing Academies;
- established Hub structures in each of its main locations and used this structure to share best practice and improve moderation processes for each academy;
- shared the Trust arrangements with others to encourage further development of Co-operative trusts across the country;
- been acknowledged as a high-quality provider of education for children and young people in some of the most disadvantaged communities in the North and attract effective schools to improve capacity for growth and improvement;
- up to 250 former academy students on Co-op apprenticeship schemes;
- an outstanding school improvement service that fully utilises school to school support, modern technological approaches, and high-quality external consultants;
- 50% of all senior appointments in the central trust and in the Academies are drawn from our own employees following a competitive external recruitment campaign;
- ensured that all Academies are financially secure, adopting approaches that are sustainable, environmentally and Fairtrade friendly.

New and Prospective Academies

At its meeting in July 2021, the Trust Board gave approval for the commencement of the due diligence process for the acquisitions of Glebe Academy and New Islington Free School. Subject to the

REPORT OF THE DIRECTORS

completion of the due diligence process and the completion of transfer documentation with the Department for Education the Board would envisage the two schools joining the Trust in 2022.

Environment and Sustainability

The Board considers social, environmental and ethical matters in all aspects of the Trust's business. Along with senior managers they review and assess risks both to the long and short term value of the Trust through social, ethical and environmental factors. The Trust complies with environmental laws and regulations and seeks to work with suppliers and customers to improve the effectiveness of environmental management.

Streamlined Energy and Carbon Reporting (SECR)

The Trust's SECR report is the second year of the new reporting requirements.

	2021	2020
UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021		
Energy consumption used to calculate emissions KgwWh	22,869	21,982
Gas consumption in metric tonnes KgCO ₂ e	2,561	2,471
Purchased electricity in metric tonnes KgCO ₂ e	1,878	1,957
Academy travel in metric tonnes KgCO ₂ e	9	37
Total gross emissions in metric tonnes KgCO ₂ e	4,449	4,465
Intensity ratio in Tonnes CO ₂ e per pupil	0.26	0.26

Quantification and reporting methodology

The Trust has followed the 2020 HM Government Environmental Reporting Guidelines. The Trust has also used the GHG Reporting Protocol - Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The Trust has chosen to report the intensity measurement ratio as total gross emissions in metric tonnes CO₂e per pupil, as recommended the education sector.

Measurement taken to improve energy efficiency

The Trust is committed to reducing energy usage and its carbon footprint. This year it has moved more Academies to good quality REGO backed renewable power aligning with the Co-op Group.

Energy performance was reviewed for all sites with out of hours usage identified as a key opportunity. Implementation of these measures have been impacted by COVID. This has also impacted overall performance with more ventilation needed.

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Fundraising

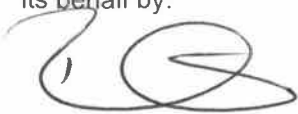
The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees. Fundraising within Academies is for national charities such as Children in Need. At all times the Trust has been mindful of the protection of the public, including vulnerable people.

Auditor,

RSM UK Audit LLP has indicated its willingness to continue in office. Insofar as the Directors are aware:

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

The Directors' Annual Report is approved by order of the members and the Strategic Report (included therein) is approved by the Board in its capacity as directors on 10th December 2021 and signed on its behalf by:



Mr R Gill
Chair

GOVERNANCE STATEMENT

Scope of Responsibility

As directors, we acknowledge we have overall responsibility for ensuring that the Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. As Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Directors has delegated the day-to-day responsibility to the Director of the Trust, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreements between the Trust and the Secretary of State for Education. The Director of the Trust is also responsible for reporting to the Board of Directors any material weaknesses or a breakdown in internal control.

The Co-op Academies Trust: Governance

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities.

The Board of Directors has formally met five times during the year. Attendance during the year at a meeting of the Board of Directors was as follows:

Director	Meetings Eligible	Meetings Attended	Attendance %
Russell Gill (Chair)	5	5	100%
Mags Bradbury	5	5	100%
Neil Braithwaite	5	5	100%
Jane Cowell	5	5	100%
Mike Greenacre	5	4	80%
Patsy Kane	5	3	60%
Simon Bourne Resigned 14 December 2020	2	2	100%
Claire Camara Resigned 4 March 2021	3	1	33%
Geoff Clarke Deceased 9 February 2021	2	1	50%
Gill Gardner	5	5	100%
Shaheen Myers	5	3	60%

GOVERNANCE STATEMENT

Board members also attended up to 20 other delegated subcommittee meetings to maintain effective management and oversight.

Whilst there have been fewer than 6 meetings of the Board of Directors this year, the Directors are comfortable that an appropriate level of effective oversight has been maintained through well-planned meetings, open dialogue throughout the year, and the regular meeting of the 4 other oversight committees.

Governance Reviews

The Directors are satisfied with overall governance arrangements and have implemented plans for continuous improvement of arrangements, following a full review of board effectiveness in July 2020.

Governance arrangements, including financial regulations and a scheme of delegation, were created for the establishment of the Trust on 1 September 2014. During the year, the Directors undertook a comprehensive review of the governance arrangements of the Trust. At its meeting in July, the Directors approved revised governance documents to be implemented across the Trust. A review of governance arrangements takes place annually (as part of its annual update in respect to regularity changes) and includes feedback from Academies and governing bodies. The latest full review of Board effectiveness including skills sets took place in July 2020, but this was updated in summer 2021 when the skills of the whole board were considered as part of a Trustee recruitment exercise.

Audit and Risk Committee

The committee is a sub-committee of the main Board of Directors. Its purpose is to support both the Chief Executive Officer and the Board in their responsibilities for issues of risk, internal control and governance by reviewing the comprehensiveness of assurances in meeting the Trust Board's accounting needs. As part of its role, the Committee selects an external and internal auditor and oversees their work. Attendance during the year at a meeting of the Committee was as follows:

Director	Meetings Eligible	Meetings Attended	Attendance %
Neil Braithwaite (Chair)	5	5	100%
Geoff Clarke Deceased 9 February 2021	3	1	33%
Anthony Crossland Resigned 16 December 2020	2	0	0%
Gill Gardner	5	4	80%
Russell Gill	5	5	100%

Finance Committee

The committee is a sub-committee of the main Board of Directors and was established in summer 2019. Previously, financial matters were incorporated into the terms of reference of the Audit and Risk Committee. The Committee's purpose is to support both the Chief Executive Officer and the Board in their responsibilities for financial issues of performance management, budgeting, budgetary control, treasury management and business planning by reviewing the comprehensiveness of assurances in meeting the Trust Board's accounting needs. Attendance during the year at a meeting of the Committee was as follows:

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Director	Meetings Eligible	Meetings Attended	Attendance %
Neil Braithwaite (Chair)	5	5	100%
Geoff Clarke Deceased 9 February 2021	3	1	33%
Anthony Crossland Resigned 16 December 2021	2	0	0%
Gill Gardner	5	4	80%
Russell Gill	5	5	100%

Outcomes Committee

The committee is a sub-committee of the main Board of Directors. Its purpose is to support both the Chief Executive of the Trust and the Board in their responsibilities for issues of pupil/ student outcomes including examination and internal assessment results, attendance, punctuality, exclusions, and wellbeing. Attendance during the year at a meeting of the Committee was as follows:

Director	Meetings Eligible	Meetings Attended	Attendance %
Mags Bradbury (Chair)	4	4	100%
Claire Camara Resigned 4 March 2021	2	1	50%
Jane Cowell	4	4	100%
Patsy Kane	4	4	100%
Russell Gill	4	4	100%

Growth and Development Committee

The committee is a sub-committee of the main Board of Directors. Its purpose is to support both the Chief Executive of the Trust and the Board in their responsibilities relating to the addition of new Academies to the Trust, including overseeing due diligence, ensuring growth is in line with strategic priorities, and monitoring the performance of new Academies.

Director	Meetings Eligible	Meetings Attended	Attendance %
Jane Cowell (Chair)	6	6	100%
Simon Bourne	1	1	100%
Russell Gill	6	6	100%
Mike Greenacre	6	6	100%
Tony Hind	6	3	50%
Shaheen Myers	6	4	67%

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Coronavirus (COVID-19) Impact

In the early days of the Covid-19 pandemic a small number of local governing body meetings were cancelled but the Trust quickly adapted to using technology to facilitate effective virtual local governance, Trust Board and members' meetings. During the first lockdown, meeting agendas were streamlined and fewer local governance meetings took place to give school leaders capacity for dealing with other aspects of the pandemic, but from the autumn term 2020 onwards arrangements returned to normal, albeit with meetings taking place on line rather than face to face. Governors and trustees were supported in accessing the technology, and attendance at virtual meetings has been good throughout the pandemic. Some elements of this practice will be retained going forward as it is considered to be more accessible than face to face meetings.

The programme of internal scrutiny was uninterrupted, but some meetings took place virtually rather than in person. The audit of data protection was delayed slightly to ensure that on-site visits could be undertaken to scrutinise this important area.

Review of Value for Money

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

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

- Significantly increasing expenditure on school improvement managed through central trust funds;
- Undertaking extensive due diligence processes for schools and Academies wishing to join the Trust and ensuring that only those financially viable are accepted; and
- Establishing service level agreements with local schools and Academies not in the Trust for providing school improvement services.

During the year the Trust refined its robust investment appraisal approach to ensure that all major spending decisions are assessed and challenged at both a governing body and Trust level to ensure that for each investment, pupil outcomes are improved, value for money is obtained and the academy and Trust keep to the requirements of the reserves policy.

The Trust remains committed to maximising value for money. Moving forward, the Trust will continue to identify and pursue opportunities to achieve procurement savings arising from the scale. In addition, a key part of the appraisal of new Academies will be a robust appraisal of both the cost to the Trust of the acquisition and the opportunity presented to increase resources devoted to school improvement across all of the Academies.

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

GOVERNANCE STATEMENT

an on-going process designed to identify and prioritise the risks to the achievement of 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 from 1 September 2020 to 31 August 2021 and up to date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that have been in place from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Risk and Control Framework

The 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 Directors;
- regular reviews by the Board of Directors 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 Directors appointed an internal auditor (BDO LLP) to undertake a review of internal controls within each academy and at a Trust level in order to provide a level of assurance on the operation of controls at year-end.

The internal auditor carried out checks in the current year on:

- Key Financial Systems (Accounts payable, Receivable, General Ledger and Payroll);
- Safeguarding;
- Risk Management;
- Financial Procedures - Fraud Investigation: and
- 2020 Follow up Audit Actions.

Recommendations were made by the internal auditor as a result of the reviews, none of which amounted to a material control issue. The internal auditor is directed by and reports to the Audit and Risk Committee.

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Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the review of governance; and
- the work of principals, headteachers and finance managers within the Academies who have responsibility for the development and maintenance of the internal control framework.

Anti-Slavery & Human Trafficking Policy

The Trust is committed to acting ethically and with integrity in all its business dealings and relationships, and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. We are also committed to raising awareness of modern slavery & human trafficking through our work with pupils/students.

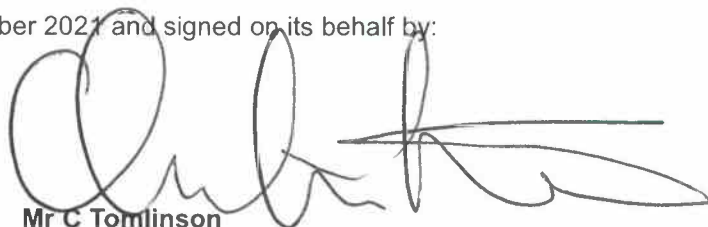
During the last year, the Trust has produced an Anti-Slavery & Human Trafficking Policy and cascaded this out to all colleagues. Our safer recruitment processes ensure that all prospective employees are legally entitled to work in the UK. Further details of actions taken during the last 12 months are included in our Statement on Modern Slavery, which was approved by the Trust Board and is published on our website at <http://www.coopAcademies.co.uk/about/policies>.

The Accounting Officer has been advised of the implications of the results of their reviews of the system of internal control and a plan to address any weaknesses and ensure continuous improvement of the system is in place. A review of progress made on issues identified in the previous year was undertaken and reported to the Trust Board and to each academy governing body.

Approved by order of the Board on 10th December 2021 and signed on its behalf by:



Mr R Gill
Chair



Mr C Tomlinson
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY & COMPLIANCE

As Accounting Officer of The Trust, I have considered my responsibility to notify the Trust Board of Directors and the Education Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2020-21.

I confirm that I and the Trust Board of Directors are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2020-21.

I confirm that no instances of material irregular, 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 Directors and ESFA.

A handwritten signature in black ink, appearing to read 'C. Tomlinson', written over a horizontal line.

Mr C Tomlinson

Accounting Officer

10th December 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors who are also the Trustees of The Co-op Academies Trust for the purposes of charity law, are responsible for preparing the Directors Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Skills Funding Agency (ESFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under company law the Directors 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 Co-op Academies Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The directors 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 Directors on 10th December 2021 and signed on its behalf by:



Mr R Gill
Chair

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CO-OPERATIVE ACADEMIES TRUST Year Ending 31 August 2021

Opinion

We have audited the financial statements of Co-operative Academies Trust (the "charitable company") for the year ended 31 August 2021 which comprise the Statement of Financial Activities (including Income and Expenditure), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2020 to 2021 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 charitable company's affairs as at 31 August 2021 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT

Other information

The other information comprises the information included in the Report of the Directors other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report of the Directors. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors or the Strategic Report included within the Report of the Directors.

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 32, the directors (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, the directors are responsible for assessing the charitable company'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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Directors and evaluating relevant advice received from external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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

Use of our report

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

RSM UK Audit LLP

John Guest (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

Date *17 December 2021*

FINANCIAL STATEMENTS For The Year Ending 31 August 2021

Statement of Financial Activities (Including Income and Expenditure)

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2021 £'000	Total 2020 £'000
Income and Endowments from :						
Donations and Capital Grants	2	195	-	6,983	7,178	2,741
Academy transfer from local authority	30	-	(627)	5,159	4,532	9,691
Transfer from existing academy	30	-	-	-	-	2,540
Charitable activities:						
Funding for the trust's educational operations	3	713	128,368	-	129,081	117,086
Other trading activities	4	2,281	-	-	2,281	2,749
Investments	5	3	-	-	3	13
Total incoming resources		3,192	127,741	12,142	143,075	134,820
Expenditure on:						
Charitable activities:						
Trust's educational operations	6/7	3,056	125,096	8,642	136,794	127,673
Total Resources Expended		3,056	125,096	8,642	136,794	127,673
Net Income/(Expenditure)		136	2,645	3,500	6,281	7,147
Transfers between funds	18	-	(7,684)	7,684	-	-
Other recognised (losses)/gains						
Remeasurement of net defined benefit obligations	28	-	(6,557)	-	(6,557)	(9,558)
Net Movement in funds		136	(11,596)	11,184	(276)	(2,411)
Reconciliation of funds						
Total funds brought forward		4,126	(50,076)	233,496	187,546	189,957
Total funds carried forward		4,262	(61,672)	244,680	187,270	187,546

FINANCIAL STATEMENTS For The Year Ending 31 August 2021

Balance Sheet as at 31 August 2021

Company Registration Number: 7747126

	Note	Total 2021 £'000	Total 2021 £'000	Total 2020 £'000	Total 2020 £'000
Fixed assets					
Tangible assets	12		299,470		293,648
Current assets					
Stock	13	12		17	
Debtors	14	6,081		5,738	
Cash at bank and in hand		25,824		21,102	
		31,917		26,857	
Current Liabilities					
Creditors: amounts falling due within 1yr	15	(19,779)		(18,880)	
Net current assets			12,138		7,977
Total assets less current liabilities			311,608		301,625
Creditors: amounts falling due greater 1yr	15	(50,555)		(55,824)	
Defined benefit pension scheme liability	28	(73,783)		(58,255)	
Net assets			187,270		187,546
Funds of the academy trust:					
Restricted Funds					
Fixed asset fund	18		244,680		233,496
General fund	18		12,111		8,179
Pension reserve	18		(73,783)		(58,255)
Total restricted funds			183,008		183,420
Unrestricted Fund	18		4,262		4,126
Total Funds			187,270		187,546

The financial statements on pages 37 to 74 were approved by the directors, and authorised for issue on the 10 December 2021 and signed on their behalf by:



Mr R Gill - Chair

FINANCIAL STATEMENTS For The Year Ending 31 August 2021

Cash Flow Statement for the year ended 31 August 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Net Cash flow provided by operating activities	22	13,437	11,136
Net Cash flows from financing activities	23	(6,732)	(4,146)
Net Cash flows from investing activities	24	(1,983)	(1,194)
Net increase in cash and cash equivalents in the reporting period		4,722	5,796
Cash and cash equivalent at 1 September 2020		21,102	15,306
Cash and cash equivalent at 31 August 2021		25,824	21,102

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF 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.

General Information

The Trust is a charitable company. The address of the Trust's principal place of business is given on pages 2 - 3. The nature of the Trust's operations are set out in the Report of Directors.

Basis of Preparation

The financial statements of the Trust, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020/21 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are presented in sterling which is also the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Multi-academy Trust Combination

The Trust enters into combinations that involve both the conversion of local authority schools to Academies and also the transfer of existing Academies.

The transfer of Co-op Academy Clarice Cliff into the Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for as set out below.

The assets and liabilities transferred on conversion/transfer from the school to the Trust have been valued at their fair value. Fair value is derived based on the cost of an equivalent item. For land and buildings, the buildings were transferred at their depreciated replacement cost as recorded in the relevant accounts as at the date of transfer. The amounts have been recognised under the appropriate balance sheet categories with a corresponding amount recognised in donations and capital grants in the Statement of Financial Activities in the year of acquisition and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the note 30.

Going Concern

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of approval of the financial statements.

The Directors are confident that continued improvements in budgeting and in the quality and speed of financial data ensures that management and the Directors are able to continue to monitor the viability

NOTES TO THE FINANCIAL STATEMENTS

of the trust, and are able to identify and react to the impacts and risks that Covid-19 has brought to the sector. In addition, before any new academy agrees to join the Trust a rigorous due diligence process is performed including an assessment of the impact of any new joiners on the finances of the Trust as a whole. Cash and Revenue forecasts for this period have been produced for all Academies and considered from a Trust perspective; the basis of preparation has been conservative and shows that the Trust will continue to trade as a going concern for the foreseeable future and that there are no material uncertainties about the trust's ability to continue as a going concern.

The Directors therefore consider the accounts should be prepared on a going concern basis.

Incoming Resources

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt of funds is probable and the amount can be measured with sufficient reliability.

Grants Receivable

Capital grants are included in donations on a receivable basis to the extent there is entitlement and performance conditions are met. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

The general annual grant ('the GAG') from the ESFA, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities for the year it is receivable and any abatement in respect of the period is deducted from income and is recognised as a liability.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable on a performance basis. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Sponsorship and Donations Income

Sponsorship and donations income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

Other Income

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

Transfer on Conversions

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. In the case of net assets being acquired, an equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received. In the case of net liabilities being acquired, an equal amount of expenditure is recognised under expenditure on charitable activities to the net liabilities received.

NOTES TO THE FINANCIAL STATEMENTS

Transfer of Existing Academies

Where assets and liabilities are received on the transfer of an existing academy into the Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. In the case of net assets being acquired, an equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired. In the case of net liabilities being acquired, an equal amount of expenditure is recognised under expenditure on charitable activities to the net liabilities received.

Expenditure

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

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes fundraising activities events and non-charitable trading.

- **Charitable Activities**

These are costs incurred on the Trust's educational operations to further its charitable aims for the benefit of its beneficiaries, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £500 or more, or lower value items which amount to £2,500 in aggregate, 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. The related grants are credited to a restricted fixed asset fund where they are required for continued use in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities.

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

Fixed Asset Category	Expected Useful Life
Freehold land	Freehold land not depreciated
Long leasehold land	125 Years - (max, subject to the length of the LA lease)
Freehold and long leasehold buildings	50 Years - (max, subject to independent professional advice)

NOTES TO THE FINANCIAL STATEMENTS

Plant and machinery	8 Years
Fixtures, fittings and equipment	8 Years
Equipment acquired on conversion	3 Years
ICT equipment	4 Years
Motor vehicles	5 Years

Assets under the course of construction are included at cost and are not depreciated until brought fully into use.

Impairment reviews are carried out if events change or 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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Assets subject to PFI Arrangements

An asset and liability are recognised for PFI agreements where the Trust has taken on the obligations in respect of a liability to the Local Authority in respect of the PFI liability and the Trust has substantially all of the risks and rewards incidental to ownership. The amount capitalised as an asset is the fair value of the asset subject to PFI agreements. The value of the liability is represented by a present value of expected future cash flows. PFI payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability and relates to the Co-op Academy's Failsworth, Walkden, Bebington, Southfield and Grange.

Where PFI arrangements are such that the Trust has effective freehold of the asset by virtue of 125 year lease between the Trust and the Local Authority, the PFI assets have been recognised in the financial statements. The amount capitalised as an asset is the fair value of the asset subject to PFI agreements. PFI liabilities are not recognised in the Trust's financial statements where the Trust's contribution is towards revenue expenditure only, as opposed to capital expenditure. This relates to Co-op Academy Clarice Cliff.

All other PFI arrangements where the Trust are not a party to the agreement, do not have substantially all the risks and rewards incidental to ownership and where no capital contribution is being made, are charged to income and expenditure on a straight-line basis over the contract term. This relates to Co-op Academy Oakwood and Co-op Academy Leeds.

Stock

Unsold uniforms are valued at the lower of cost and estimated selling price less costs to complete and sell.

Liabilities

Liabilities are recognised when there is an obligation at the reporting 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 Trust anticipates it will pay to settle the debt or the amount it has received as advance payments for the goods or services it must provide.

NOTES TO THE FINANCIAL STATEMENTS

Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised as a financing cost in the period it arises in the Statement of Financial Activities and is allocated to the appropriate expenditure heading.

Financial Instruments

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. The nature of academy business is that the financial instruments that are dealt with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors. The trust considers its exposure to financial instruments to be minimal and such information is not material to an assessment of the trust's assets, liabilities, financial position and its results (see note 16).

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all risks and rewards of ownership are transferred to another party, or if some significant risk and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Debt instruments measured at amortised cost are included in trade debtors and other debtors. Financial liabilities measured at amortised cost are included in trade creditors and accruals.

Taxation

The 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 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign

NOTES TO THE FINANCIAL STATEMENTS

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.

Fund Accounting

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

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

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

Agency Arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 32.

Critical Accounting Estimates and Areas of Judgement and Assumptions

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.

The 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.

Critical accounting estimates - Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

NOTES TO THE FINANCIAL STATEMENTS

The Trust has considered the implication of the McCloud/ Sargeant judgement, and GMP equalisation in the 2019 financial statements, and is satisfied with the actuarial treatment within the valuations at 31 August 2021 as detailed in note 28.

Critical accounting estimates – Calculation of liabilities associated with PFI arrangements

The present value of the liabilities associated with the Trust's PFI arrangements depends on a number of factors that are determined using a variety of estimates and assumptions. The estimates used include management making an assessment over the split of payments made under PFI arrangements into both capital and revenue elements. Only the capital element is included within the calculation of the associated liability (with revenue elements being included within operating costs as incurred). The assumptions used in determining the present value of the liability include the discount rate used and assumptions made over future inflation that has been applied to expected payments associated with this arrangement. Any changes in these assumptions, which are disclosed in note 15, will impact the carrying amount of the associated liability. The liabilities associated with such arrangements total £54,790k (2020: £60,152k).

Critical accounting estimates – Useful economic lives and residual values of tangible fixed assets

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of said assets to the Trust. A change in estimate would result in a change in the depreciation charged to the Statement of Financial Activities in each year. The carrying value of tangible fixed assets subject to such estimates total £299,470k (2020: £293,648k).

Areas of judgement - Assessment of properties subject to PFI

Management are required to make a judgement as to the appropriate accounting treatment and presentation of properties subject to PFI. Judgements are made as to whether the Academy Trust has substantially all the risks and rewards of ownership of the PFI asset (and therefore recognise the asset on the Academy Trust balance sheet) and whether or not the Academy Trust has contractual obligations to contribute towards the capital element of such agreements (and therefore recognise any associated liabilities).

2. Donations and Capital Grants

	Unrestricted Funds £'000	Restricted Fixed Asset Funds £'000	Total 2021 £'000	Total 2020 £'000
DfE/ ESFA Capital Grants	-	4,335	4,335	2,205
Devolved Formula Capital Grants	-	385	385	226
Local Authority Capital Grants	-	2,263	2,263	-
Other donations	84	-	84	210
Contributions from sponsor	111	-	111	100
	195	6,983	7,178	2,741

The income from donations and capital grants in 2020 was £2,741,000 of which £310,000 was unrestricted, £2,431,000 was restricted fixed asset funds and £nil was restricted general funds.

NOTES TO THE FINANCIAL STATEMENTS

3. Funding for Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
DfE/ ESFA Grant				
General Annual Grant (GAG)		90,423	90,423	84,129
GAG - PFI Income	-	4,989	4,989	5,041
Start Up Grants	-	75	75	147
Funding for Sixth Form	-	5,070	5,070	3,534
Insurance Income	-	71	71	65
Rates Relief	-	493	493	516
Pupil Premium	-	7,454	7,454	6,972
Other DfE/ ESFA	-	5,716	5,716	5,301
	-	114,291	114,291	105,705
Other Government Grants				
FFI Funding (SEND)	-	7,004	7,004	4,531
Nursery Funding LA	-	1,082	1,082	996
Covid-19 Catch-up premium	-	1,672	1,672	-
Other Covid- 19 Funding	-	214	214	415
Covid-19 CJRS Funding	-	34	34	18
Other Local Authority Grants	-	3,416	3,416	3,920
	-	13,422	13,422	9,880
Other Income				
Catering Income	713	-	713	964
Other Grants	-	655	655	537
	713	655	1,368	1,501
Total	713	128,368	129,081	117,086

Funding for the Trust's educational operations in 2020 was £117,086,000 of which £964,000 was unrestricted, £nil was restricted fixed asset funds and £116,122,000 was restricted general funds.

NOTES TO THE FINANCIAL STATEMENTS

For some schools, The Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under Covid-19 Additional Income and CJRS Income.

The funding received for coronavirus support covers £214k of IT, Free School Meal and other additional running costs. These costs are included in note 7 below as appropriate.

4. Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Hire of facilities	398	-	398	457
Trip Income	23	-	23	129
Other Income	1,660	-	1,660	1,798
Charges to other bodies	200	-	200	365
	2,281	-	2,281	2,749

Other trading activities in 2020 was £2,749,000 of which £2,749,000 was unrestricted, £nil was restricted fixed asset funds and £nil was restricted general funds.

5. Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2021 £'000	Total 2020 £'000
Short term deposits	3	-	3	13
	3	-	3	13

Investment Income in 2020 was £13,000 of which £13,000 was unrestricted, £nil was restricted fixed asset funds and £nil was restricted general funds.

NOTES TO THE FINANCIAL STATEMENTS

6. Resources Expended on Charitable Activities

	Staff Costs	Non Pay Expenditure		Total	Total
	£'000	Premises £'000	Other £'000	2021 £'000	2020 £'000
Trust's educational operations					
Direct costs	82,614	8,642	6,960	98,216	90,621
Allocated support costs	21,232	8,715	8,631	38,578	37,052
Costs of educational operations	103,846	17,357	15,591	136,794	127,673
Total Resources expended	103,846	17,357	15,591	136,794	127,673

Resources Expended on Charitable Activities in 2020 was £127,673,000 of which £4,220,000 was unrestricted, £7,553,000 was restricted fixed asset fund and £115,900,000 was restricted general funds.

Net income/(expenditure) for the year includes	2021 £'000	2020 £'000
Operating lease rentals	7,387	7,891
Depreciation	8,642	7,553
Net interest on defined pension liabilities	1,015	785
Interest in respect of liabilities on those schools with PFI arrangements in place	1,375	2,126
Fees payable to RSM UK Audit LLP		
- Audit service – Statutory audit	60	68
- Tax compliance	-	-
- Other non-audit services	40	23

NOTES TO THE FINANCIAL STATEMENTS

7. Charitable Activities - Educational Operations

Direct costs	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Assets £'000	Total 2021 £'000	Total 2020 £'000
Teaching and Ed support staff costs	-	82,614	-	82,614	76,948
Depreciation	-	-	8,642	8,642	7,553
Educational Supplies	-	2,674	-	2,674	2,331
Examination Fees	-	913	-	913	1,032
Pupil Support	-	1,611	-	1,611	600
Educational consultancy	-	1,762	-	1,762	2,157
Total Direct Costs	-	89,574	8,642	98,216	90,621
Allocated support costs					
Support Staff Costs	1,030	19,330	-	20,360	16,523
Catering and trip expenditure	1,781	884	-	2,665	2,626
Recruitment and support	-	872	-	872	1,020
Maintenance of premises	-	4,099	-	4,099	3,086
PFI Operating Costs	-	430	-	430	3,398
PFI Interest Costs	-	1,374	-	1,374	2,126
Electricity, Gas and Water	-	1,642	-	1,642	1,333
Cleaning, refuse and other	-	1,739	-	1,739	1,509
Legal and Professional fees	-	703	-	703	515
Governance Costs - Audits	-	40	-	40	152
Rent and Rates	-	588	-	588	560
Security and transport	-	217	-	217	159
Bank interest and charges	-	6	-	6	8
Technology costs	-	2,191	-	2,191	1,808
Marketing and Promotion	245	-	-	245	133
Telephone, Post and Stationery	-	646	-	646	612
Non-educational consultancy	-	761	-	761	1,484
Total Support Costs	3,056	35,522	-	38,758	37,052
Total Costs	3,056	125,096	8,642	136,794	127,673

NOTES TO THE FINANCIAL STATEMENTS

8. Staff Costs and Staff Numbers

Staff costs during the period	2021 £'000	2020 £'000
Wages and salaries	72,041	72,199
Social Security Costs	6,376	5,587
Operating cost of defined benefit pension schemes	22,014	12,781
Total Staff Costs	100,431	90,567
Supply Staff Costs	3,103	3,739
Staff restructuring costs	312	185
	103,846	94,491

Staff restructuring costs	2021 £'000	2020 £'000
Redundancy payments	-	25
Severance payments	312	160
	312	185

No specific funding was received or receivable to support the restructuring payments in respect of the current or prior year.

Non-statutory/non-contractual severance payments totalled £36k (2020: £160k). Individually these payments were:

Payment Month	Payment £	Payment Month	Payment £
November 2020	£1,500	March 2021	£2,326
December 2020	£3,000	June 2021	£2,842
December 2020	£8,548	June 2021	£3,200
January 2021	£5,000	July 2021	£3,467
February 2021	£2,098	August 2021	£3,700

NOTES TO THE FINANCIAL STATEMENTS

The average number of persons (including senior management team) employed by the Trust during the year expressed headcount as follows:

Average number of persons employed in year	2021 Headcount	2020 Headcount
Leadership	136	131
Teachers	978	920
Administration and support	1,422	1,345
	2,536	2,396

9. Staff Costs

Higher Paid Staff

The number of employees whose emoluments (including taxable benefits, national insurance contributions but excluding employer's pension and national insurance contributions) fell within the following bands:

Salary Bands	2021 No	2020 No
£60,001 - £70,000	41	32
£70,001 - £80,000	19	15
£80,001 - £90,000	6	6
£90,001 - £100,000	4	2
£100,001 - £110,000	4	7
£110,001 - £120,000	2	5
£120,001 - £130,000	3	2
£130,001 - £140,000	2	-
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-

Key management personnel compensation

The key management personnel of the Trust comprises the directors and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £1,133,215 (2020: £1,066,423).

NOTES TO THE FINANCIAL STATEMENTS

10. Directors' Remuneration and Expenses

Only one Director received remuneration in respect of services they provide undertaking the role as staff under a contract of employment and not in respect of their services as a director. Other directors did not receive any payments from the Trust in respect of their role as directors.

The value of director's remuneration was as follows	2021 £'000	2020 £'000
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1. Accounting Officer and Director of Trust (not a statutory director)

Remuneration	160	150
Employers' Pension Contribution	38	35
	<u>198</u>	<u>185</u>

2. Other Director

Remuneration	63	172
Employer's Pension Contribution	14	40
	<u>77</u>	<u>212</u>

During the year ended 31 August 2021, the highest paid director annual remuneration is £61,317, employers pension contribution (Teachers Pension Scheme) £14,520. Travel and subsistence expenses totalling £1,454 was reimbursed. Related party transactions involving the directors are set out in note 29.

11. Directors and Officers Insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Directors', Governors' and officers for claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 and the cost for the year ended 31 August 2021 was £8,820 (2020: £8,820). The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS

12. Tangible Fixed Assets

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Assets Under Construct £'000	Furniture and Equip £'000	Comp Equip £'000	Motor Vehicles £'000	Total £'000
Costs							
At 1 September 2020	74,708	232,472	456	6,459	4,275	222	318,592
Acquired on transfers of existing Academies to the Trust	-	-	-	-	-	-	-
Acquired on local authority transfers to the Trust	-	4,938	-	38	153	30	5,159
Transfer to/from assets under construction	361	113	(474)	-	-	-	-
Additions	378	4,369	649	1,441	2,496	17	9,350
Disposals	-	-	-	(48)	(2)	(53)	(103)
Reclassification of opening balances	-	143	38	630	1,260	38	2,109
At 31 August 2021	75,447	242,035	669	8,520	8,182	254	335,107
Depreciation							
At 1 September 2020	4,596	14,268	-	3,356	2,580	144	24,944
Charged in year	1,784	5,121	-	758	937	42	8,642
Disposals	-	-	-	(5)	(1)	(52)	(58)
Reclassification of opening balances	95	(95)	-	805	1,267	37	2,109
At 31 August 2021	6,475	19,294	-	4,914	4,783	171	35,637
Net Book Values							
At 31 August 2021	68,972	222,741	669	3,606	3,399	83	299,470
At 31 August 2020	70,112	218,204	456	3,103	1,695	78	293,648

The reclassification of opening balances relates to a review of the Trust fixed asset register during the year, which gave rise to the re-categorisation of certain assets across categories. This has no impact on the net book value of assets.

During the year the Land and Buildings, Plant & Machinery and Furniture at the Co-op Academy Clarice Cliff was transferred to the Trust. The land and buildings were valued on transfer by a qualified valuer. Further details of transfers in can be found within note 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

13. Stocks

	2021 £'000	2020 £'000
Uniform Stock	12	17

14. Debtors

	2021 £'000	2020 £'000
Trade Debtors	872	253
Prepayments	1,305	1,931
Accrued Income	1,868	1,976
VAT recoverable	2,034	1,548
Other Debtors	2	30
	6,081	5,738

15. Creditors: Amounts falling due within one year

	2021 £'000	2020 £'000
Trade Creditors	3,926	5,827
Other Creditors	1,930	896
Amounts owed in respect of assets under PFI arrangements	4,235	4,328
Other taxation and social security	1,725	1,585
Accruals and deferred income	7,963	6,244
	19,779	18,880

Deferred Income	2021 £'000	2020 £'000
Deferred Income at 1 September 2020	2,141	1,536
Resources deferred in the year	1,891	2,141
Amounts released from previous years	(2,141)	(1,536)
Deferred Income at 31 August 2021	1,891	2,141

NOTES TO THE FINANCIAL STATEMENTS

Deferred Income at 31 August 2021 relates to amounts received before the year end, that relate to the next academic year. It includes Rates Income funded by the ESFA for the year to 31 March 2022 and SEN funding from Local Authorities paid in advance.

15 (a) Creditors: Amounts falling due greater than one year

	2021 £'000	2020 £'000
Amounts owed in respect of assets under PFI arrangements	50,555	55,824
	<u>50,555</u>	<u>55,824</u>

An analysis of future payments is shown in note 21.

16. Financial Instruments

	2021 £'000	2020 £'000
The carrying amount of the Company's financial instruments at 31st August were:		
Financial Assets		
Debt Instruments measured at amortised cost	2,742	408
Total	<u>2,742</u>	<u>408</u>
Financial Liabilities		
Measured at amortised costs	68,443	72,564
Total	<u>68,443</u>	<u>72,564</u>

17. Central Services

The Trust has provided the following Central Services to its Academies during the year: Education support services, Human resources, Finance and Governance services.

The actual amounts charged during the year were calculated on 3.5% of GAG inc. (adjusted for pupil premium and capital PFI payments) basis and was as follows:	2021 £'000	2020 £'000
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NOTES TO THE FINANCIAL STATEMENTS

Co-op Academy Leeds	219	174
Co-op Academy Priesthorpe	217	175
Co-op Academy Brownhill	71	56
Co-op Academy Woodlands	69	56
Co-op Academy Oakwood	69	56
Co-op Academy Nightingale	73	61
Co-op Academy Beckfield	30	25
Co-op Academy Parkland	38	35
Co-op Academy Delius	59	97
Co-op Academy Grange	315	272
Co-op Academy Southfield	117	187
Co-op Academy Smithies Moor	45	33
Co-op Academy Princeville	73	38
Co-op Academy Manchester	300	241
Co-op Academy North Manchester	234	197
Co-op Academy Failsworth	280	223
Co-op Academy Swinton	161	118
Co-op Academy Walkden	271	204
Co-op Academy Broadhurst	37	31
Connell Co-op College	82	63
Co-op Academy Beblington	231	187
Co-op Academy Portland	27	23
Co-op Academy Woodslee	35	29
Co-op Academy Friarswood	25	21
Co-op Academy Stoke	200	166
Co-op Academy Clarice Cliff (Joined 1/12/2020)	46	-
Total	3,324	2,768

NOTES TO THE FINANCIAL STATEMENTS

18. Funds

Trust Funds as at 31 August 2021:

	Balance at 1 September 2020 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grants (GAG)	5,684	95,493	(84,261)	(7,684)	9,232
GAG - PFI	-	4,989	(4,989)	-	-
Start-Up Grant	-	75	(75)	-	-
LEA and other grants	-	12,157	(12,157)	-	-
Pupil Premium	-	7,454	(7,454)	-	-
Covid-19 Catch up premium	-	1,672	(1,672)	-	-
Other Covid-19 funding	-	214	(214)	-	-
Covid-19 CJRS	-	34	(34)	-	-
Other restricted	-	6,280	(6,280)	-	-
Transfer in of Academies (excluding pensions)	2,495	384	-	-	2,879
Sub-total	8,179	128,752	(117,136)	(7,684)	12,111
Pension reserve	(58,255)	(1,011)	(7,960)	(6,557)	(73,783)
	(50,076)	127,741	(125,096)	(14,241)	(61,672)
Restricted fixed asset funds					
DfE/ESFA capital grants	6,705	4,720	-	-	11,425
Local Authority Capital grants	18,969	2,263	-	-	21,232
Transfer in of Academies	93,915	-	(2,634)	-	91,281
Transfer in of Academies - PFI	44,733	-	(1,248)	-	43,485
Local Authority Transfer on conversion	52,240	5,159	(2,724)	-	54,675
Local Authority Transfer on conversion - PFI	74,167	-	(2,036)	-	72,131
PFI capitalisation reserve	(60,152)	-	-	5,361	(54,791)
Capital expenditure from GAG	2,919	-	-	2,323	5,242
	233,496	12,142	(8,642)	7,684	244,680

NOTES TO THE FINANCIAL STATEMENTS

Total restricted Funds	183,420	139,883	(133,738)	(6,557)	183,008
Unrestricted funds					
Unrestricted funds	3,566	3,192	(3,056)	-	3,702
Transfer in of Academies	560	-	-	-	560
Total unrestricted funds	4,126	3,192	(3,056)	-	4,262
Total funds	187,546	143,075	(136,794)	(6,557)	187,270

Trust Funds as at 31 August 2020:

	Balance at 1 September 2019 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grants (GAG)	2,158	87,663	(80,713)	(3,424)	5,684
GAG - PFI	-	5,041	(5,041)	-	-
Start-Up Grant	-	147	(147)	-	-
LEA and other grants	-	9,984	(9,984)	-	-
Pupil Premium	-	6,972	(6,972)	-	-
Other restricted	-	6,315	(6,315)	-	-
Transfer in of Academies (excluding pensions)	2,283	212	-	-	2,495
Sub-total	4,441	116,334	(109,172)	(3,424)	8,179
Pension reserve	(40,324)	(1,645)	(6,728)	(9,558)	(58,255)
	(35,883)	114,689	(115,900)	(12,982)	(50,076)
Restricted fixed asset funds					
DfE/ESFA capital grants	4,274	2,431	-	-	6,705
Local Authority Capital grants	18,969	-	-	-	18,969
Transfer in of Academies	93,397	3,014	(2,496)	-	93,915
Transfer in of Academies - PFI	45,865	-	(1,132)	-	44,733
Local Authority Transfer on conversion	43,569	10,650	(1,979)	-	52,240
Local Authority Transfer on conversion - PFI	76,113	-	(1,946)	-	74,167

NOTES TO THE FINANCIAL STATEMENTS

PFI capitalisation reserve	(62,045)	-	-	1,893	(60,152)
Capital expenditure from GAG	1,834	-	-	1,085	2,919
	221,976	16,095	(7,553)	2,978	233,496
Total restricted Funds	186,093	130,784	(123,453)	(10,004)	183,420
Unrestricted funds					
Unrestricted funds	3,304	4,036	(4,220)	446	3,566
Transfer in of Academies	560	-	-	-	560
Total unrestricted funds	3,864	4,036	(4,220)	446	4,126
Total funds	189,957	134,820	(127,673)	(9,558)	187,546

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

- Restricted General Funds are used specifically to provide educational resources for the pupils of the Academies.
- Restricted Fixed Asset Funds contain resources to be spent for particular capital purposes where conditions of the funding state that asset must be retained and on an ongoing basis. This includes the liability associated with the capital element of certain Academies with PFI agreements.
- Unrestricted Funds are those other Resources which may be used to further the objectives of the Academies; and
- There are no limits on the amount of GAG that could be carried forward at 31 August 2021 as outlined in the Academies Financial Handbook or otherwise as the Secretary of State may specify.

Analysis of fund balances by Academy

2021
£'000

2020
£'000

Fund balances at 31st August 2021 were allocated as follows:

Co-op Academy Leeds	946	453
Co-op Academy Priesthorpe	458	69
Co-op Academy Brownhill	1,335	1,286
Co-op Academy Woodlands	743	601
Co-op Academy Oakwood	461	352
Co-op Academy Nightingale	707	633
Co-op Academy Beckfield	179	178
Co-op Academy Parkland	33	68
Co-op Academy Delius	1,034	747

NOTES TO THE FINANCIAL STATEMENTS

Co-op Academy Grange	1,689	1,331
Co-op Academy Southfield	1,140	825
Co-op Academy Smithies Moor	294	240
Co-op Academy Princeville	351	340
Co-op Academy Manchester	921	571
Co-op Academy North Manchester	638	871
Co-op Academy Failsworth	1,303	964
Co-op Academy Swinton	(250)	(659)
Co-op Academy Walkden	1,168	946
Co-op Academy Belle Vue (Due to open 1/9/2021)	-	-
Co-op Academy Broadhurst	123	147
Connell Co-op College	-	-
Co-op Academy Bebington	606	347
Co-op Academy Portland	124	161
Co-op Academy Woodslee	190	226
Co-op Academy Friarswood	40	103
Co-op Academy Stoke	290	149
Co-op Academy Clarice Cliff (Joined 1/12/2020)	360	-
Central Services	1,490	1,356
	16,373	12,305
Restricted fixed asset fund	244,680	233,496
Pension reserve	(73,783)	(58,255)
	187,270	187,546

Co-op Academy Swinton transferred in 2017/18 with a reserve deficit and has an agreed action plan to bring back into a surplus and in-line with the trust policy over the next 3 years.

NOTES TO THE FINANCIAL STATEMENTS

Analysis of cost by Academy	Teaching and Educ Support Staff Costs £'000	Other Support Costs £000	Educ Supplies £000	Other Costs (excluding depr) £000	2021 Total £000	2020 Total £000
Expenditure incurred by each Academy during the year was:						
Co-op Academy Leeds	5,124	711	536	1,626	7,997	7,337
Co-op Academy Priesthorpe	4,880	1,024	559	780	7,243	6,788
Co-op Academy Brownhill	1,799	334	181	321	2,635	2,562
Co-op Academy Woodlands	1,745	324	210	366	2,645	2,456
Co-op Academy Oakwood	1,782	424	141	511	2,858	2,706
Co-op Academy Nightingale	1,727	285	188	406	2,606	2,187
Co-op Academy Beckfield	800	225	102	166	1,293	1,227
Co-op Academy Parkland	1,122	271	83	213	1,689	1,710
Co-op Academy Delius	2,493	900	126	424	3,943	3,589
Co-op Academy Grange	6,963	1,636	620	1,993	11,212	11,197
Co-op Academy Southfield	5,261	1,179	318	799	7,557	6,737
Co-op Academy Smithies Moor	1,070	204	94	293	1,661	1,247
Co-op Academy Princeville	2,124	438	172	362	3,096	1,707
Co-op Academy Manchester	6,575	2,558	893	1,512	11,538	10,471
Co-op Academy North Manchester	5,680	1,182	756	919	8,537	8,106
Co-op Academy Failsworth	6,838	1,011	711	1,614	10,174	9,917
Co-op Academy Swinton	3,620	756	348	753	5,477	5,031
Co-op Academy Walkden	6,180	1,106	552	(1,183)	6,655	8,686
Co-op Academy Belle Vue	74	27	42	63	206	-
Co-op Academy Broadhurst	1,110	230	67	183	1,590	1,623
Connell Co-op College	2,124	481	426	461	3,492	2,994
Co-op Academy Bebington	5,196	758	715	333	7,002	7,415
Co-op Academy Portland	718	161	86	195	1,160	1,077
Co-op Academy Woodslee	1,024	257	157	192	1,630	1,530
Co-op Academy Friarswood	771	143	53	146	1,113	1,130
Co-op Academy Clarice Cliff	4,545	1,045	435	707	6,732	-

NOTES TO THE FINANCIAL STATEMENTS

Co-op Academy Stoke	1,236	234	99	265	1,834	6,597
Central Services	1,063	2,299	731	484	4,577	4,093
	83,644	20,203	9,401	14,904	128,152	120,120

Depreciation of £8,642k (2020 £7,553k) has been excluded from the above figures.

19. Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	2021 Total Funds £'000	2020 Total Funds £'000
Tangible fixed assets	-	-	299,470	299,470	293,648
Current assets	4,262	27,655	-	31,917	26,857
Current liabilities	-	(15,543)	(4,236)	(19,779)	(18,880)
Liabilities greater 1 year	-	-	(50,555)	(50,555)	(55,824)
Pension scheme liability	-	(73,783)	-	(73,783)	(58,255)
Total net assets	4,262	(61,671)	244,679	187,270	187,546

Fund balances at 31 August 2020 are represented by:	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	2020 Total Funds £'000	2019 Total Funds £'000
Tangible fixed assets	-	-	293,648	293,648	283,970
Current assets	4,126	22,731	-	26,857	19,020
Current liabilities	-	(14,552)	(4,328)	(18,880)	(14,823)
Liabilities greater 1 year	-	-	(55,824)	(55,824)	(57,886)
Pension scheme liability	-	(58,255)	-	(58,255)	(40,324)
Total net assets	4,126	(50,076)	233,496	187,546	189,957

20. Capital commitments

	2021 £'000	2020 £'000
Contracted for, but not provided in the financial statements	416	761

NOTES TO THE FINANCIAL STATEMENTS

21. Financial commitments

A) Operating leases

As at 31 August 2021 the total of the Trust's future minimum lease payments under non-cancellable operating leases relating to equipment was:

Equipment	2021 £'000	2020 £'000
Amounts due within one year	320	348
Amounts due within one to five years	422	794
Amounts due after five years	0	26
	742	1,168

B) Commitments - maintenance

Land and Buildings	2021 £'000	2020 £'000
Amounts due within one year	3,322	3,151
Amounts due within one to five years	13,622	13,046
Amounts due after five years	24,050	28,181
	40,994	44,377

The above relates to commitments to operating payments made under the PFI arrangements including costs for catering, cleaning, utilities, and other ancillary services.

At 31 August 2021 the total of the Trust's future minimum lease payments under non-cancellable operating leases are listed below:

Co-op Academy	PFI Owned and Managed By	Unexpired term of PFI arrangements	PFI Expiry Date
Failsworth	Academies Services (Oldham) Limited	11 Years 28 Weeks	31 Jan 2033
Walkden	S&W TLP (Project Co One) Ltd	14 Years 50 Weeks	13 August 2036
Bebington	Wirral Schools Services Ltd	9 Years 48 Weeks	31 July 2031
Southfield / Grange	Integrated Bradford SPV Two Ltd	14 Years 27 Weeks	13 March 2036
Leeds	Owned by Carillion and operated by MITIE	11 Years 48 Weeks	31 July 2033

NOTES TO THE FINANCIAL STATEMENTS

Oakwood	Education Support Company	9 Years 48 Weeks	31 July 2030
Clarice Cliff	Transforming Schools (Stoke) Ltd	4 Years 7 Weeks	25 Oct 2025

C) Commitments - finance leases

Maturity of PFI debt associated with PFI arrangements:	2021 £'000	2020 £'000
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PFI capital payments within:

Amounts due within one year	4,235	4,328
Amounts due within one to five years	16,740	17,105
Amounts due after five years	33,815	38,719
	54,790	60,152

The above relates to Co-operative Academy Failsworth, Walkden, Bebington and Southfield Grange.

22. Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	2021 £'000	2020 £'000
Net income for the reporting period (as per the Statement of Financial Activities)	6,281	7,117
Depreciation (note 12)	8,642	7,553
PFI notional Interest (note 7)	1,374	2,126
(Profit)/loss on fixed Assets	45	-
Capital grants from DfE and other capital income	(6,983)	(2,741)
Investment Income (note 5)	(3)	(13)
FRS 102 Pension cost less contributions payable (note 28)	6,945	5,943
FRS 102 Pension finance cost (note 28)	1,015	785
(Increase)/Decreases in stocks	5	(7)
(Increase)/Decrease in debtors	(344)	(2,957)
Increase in creditors	992	5,531
Voluntary income - transfer and conversions into the Trust (note 30)	(4,532)	(12,231)
Net cash inflow from operating activities	13,437	11,136

NOTES TO THE FINANCIAL STATEMENTS

23. Cash Flow from financing activities

	2021 £'000	2020 £'000
Interest received	3	13
Repayment of PFI finance liability	(6,735)	(4,159)
	<u>(6,732)</u>	<u>(4,146)</u>

24. Cash Flow from investing activities

	2021 £'000	2020 £'000
Purchase of tangible fixed assets (note 12)	(9,350)	(3,625)
Cash transfer on conversion (note 30)	384	-
Capital grants from DfE/ESFA (including DFC)	6,983	2,431
	<u>(1,983)</u>	<u>(1,194)</u>

25. Analysis of changes in net debt

	Balance at 1 September	Cashflows	Acquisition / Disposal of subsidiaries	New Finance Leases	Other Non-cash Changes	Balance at 31 August
	2020 £'000	2021 £'000	2021 £'000	2021 £'000	2021 £'000	2021 £'000
Cash	21,102	4,722	-	-	-	25,824
Cash equivalents	-	-	-	-	-	-
Overdraft facilities repayable on demand	-	-	-	-	-	-
	<u>21,102</u>	<u>4,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,824</u>
Falling due less than one year PFI Finance lease obligations	(4,328)	-	-	-	93	(4,235)
Falling due after one year PFI Finance lease obligations	(55,822)	-	-	-	5,267	(50,555)
	<u>(60,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,360</u>	<u>(54,790)</u>

NOTES TO THE FINANCIAL STATEMENTS

26. Contingent Liabilities

There are no contingent liabilities of which the Directors or staff are aware as at 31 August 2021 which need to be reflected in the accounts.

27. 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.

28. Pension and Similar Obligations

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 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 based on quadrennial valuations using a prospective unit credit method.

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

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

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 teachers in Academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

NOTES TO THE FINANCIAL STATEMENTS

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £10,821,741 (2020: £9,718,954).

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 (GMPF, WYPF, MPF and Staffordshire). The total contribution made for the year ended 31 August 2021 was £5.6m (2020: £5.0m), of which employer's contributions totalled £4.2m (2020: £3.7m) and employees' contributions totalled £1.5m (2020: £1.3m). The agreed contribution rates for future years are between 13.7 and 25.2 per cent for employees depending on earnings.

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

NOTES TO THE FINANCIAL STATEMENTS

Principal Actuarial Assumptions

The following information is based on a full actuarial valuation of the fund as at 31 March 2019 updated to 31 August 2021 by a qualified independent actuary. Liabilities have been estimated by independent qualified actuaries on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuaries in updating the latest valuation of the Employer's assets and liabilities are as follows:

Principal Financial Assumptions (% per Annum)	2021	2020
Discount Rate %	1.7	1.7
CPI Inflation %	2.9	2.1
Rate of increase to pensions in payment %	2.9	2.2
Rate of increase to deferred pensions %	2.6	2.0
Rate of a general increase in salaries %	3.6	3.1
Commutations of pensions to lump sums %	55	55

Accounting for the McCloud/ Sargeant Judgement

In December 2018 the Government lost a court of Appeal case (the McCloud/ Sargeant case) which found that transitional protection arrangements put in place when the firefighter' and judges' schemes were reformed were age discriminatory. The Government's appeal to the Supreme Court was denied in June 2019. In a Written Ministerial Statement on 15 July 2019 the Government committed to seeking a remedy across all public sector schemes.

LGPS actuaries have been instructed by employers to calculate an approximate approach for quantifying a constructive obligation for accounting purposes and this was incorporated into liabilities at 31 August 2020 and continues to be included as at 31 August 2021.

Sensitivity Assumptions

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in Assumptions at 31st August 2021	Approx Increase to ER Liability %	Approx monetary Value £000
0.1% Decrease in real discount rate	3.0	3,860
0.1% Increase in the salary increase rate	3.0	582
0.1% Increase in the pension increase rate	2.0	3,312

NOTES TO THE FINANCIAL STATEMENTS

Mortality Assumptions

The mortality assumptions, which are based on recent actual mortality experience of members within the four Funds, allow for expected future mortality improvements. The ranges for 2021 reflect the fact that the four LGPS schemes are administered separately.

Retirement Dates	At 31 Aug 2021 Years	At 31 Aug 2020 Years
Retiring Today		
Male	20.5 - 22.6	20.5 - 21.8
Female	21.0 - 24.7	23.1 - 24.6
Retiring in 20 Years		
Male	21.9 - 22.6	22.0 - 22.5
Female	22.6 - 25.8	25.0 - 25.7

Expected Return on Assets

The approximate split of assets for the Fund as a whole (based on data supplied by the four Fund Administering Authorities) is shown in the table below:

Asset Categories	Fair Value 31 Aug 2021 £000	Fair Value 31 Aug 2020 £000
Equities	69,726	51,959
Bonds	13,489	11,408
Property	5,403	4,340
Cash	4,356	3,893
Other	1,458	1,132
Total Fair Value of Assets	94,432	72,732

The actual return/ (deficit) on scheme assets was £15,356,000 (2020: £(287,000))

NOTES TO THE FINANCIAL STATEMENTS

Movements in the Present Value of Defined Benefit Obligations were as follows:

	2021 £'000	2020 £'000
Valuation as at 1 September	130,987	107,091
Current Service Cost	11,112	9,617
Interest Cost	2,313	2,104
Employee contributions	1,466	1,327
Actuarial loss during the Year	20,615	7,952
Benefits Paid	(768)	(1,047)
Past Service Cost	-	-
Net Increase in Liabilities from Acquisitions	2,490	3,943
Valuation as at 31 August	168,215	130,987

Movements in the Fair Value of Academy's Share of Scheme Assets:

	2021 £'000	2020 £'000
Valuation as at 1 September	72,732	66,767
Return on Plan Assets (excluding net interest on the net defined pension liability)	1,298	1,319
Actuarial Gains	14,058	(1,606)
Employers Contributions	4,167	3,674
Employee Contributions	1,466	1,327
Benefits Paid	(768)	(1,047)
Net Increase in Assets from Acquisitions	1,479	2,298
Valuation as at 31 August	94,432	72,732

Total amounts recognised in the Statement of Financial Activities

Operating Charges	2021 £'000	2020 £'000
Current Service Cost	11,112	9,617
Net Interest Cost	1,015	785

NOTES TO THE FINANCIAL STATEMENTS

Actuarial (Losses)	(6,557)	(9,558)
Total Operating costs	5,570	844

Those employees of Co-op Academy's who transferred during the year (page 18) and who participated in the LGPS at the point of transfer were members of either the Greater Manchester Pensions Fund, Staffordshire Pension Fund, Merseyside Pension Fund or the West Yorkshire Fund.

29. Related Party Transactions

All transactions involving organisations in which the trustees may have an interest are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The Directors' consider that The Co-op Group is a related party by virtue of significant influence and common Directors. The Trust received support during the period from The Co-op Group in respect of Governor services at a total cost of £nil (2020: £nil) and IT and related services at a total cost of £228,848 (2020: £248,190). At the year-end, there was a balance owed to The Co-op Group of £204,887 (2020: £163,455).

Donations of £110,949 (2020: £100,000) shown in Note 2 and growth funding totalling £1,030,000 (2020: £1,230,170) shown in Note 4 (included within Other Income) were received from The Co-op Group during the year.

In entering into transactions the Trust has complied with the requirements of the ESFA's Academy Financial Handbook 2020.

30. Conversion and Transfer to the Academy Trust

During the year the Trust received the Conversion of the Co-op Academy Clarice Cliff on the 1 December 2020.

The assets and liabilities transferred on conversion from the Academy to the Trust have been valued at their fair value. Fair value is derived based on the cost of an equivalent item. For land and buildings, the buildings were transferred at their depreciated replacement cost as recorded in the relevant accounts as at the date of transfer. The fair value is in accordance with the accounting policies set out for The Trust.

The amounts have been recognised under the appropriate balance sheet categories with a corresponding amount recognised in donations and capital grants as net income in the Statement of Financial Activities in the year of acquisition and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out below.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities. The consideration was £nil.

NOTES TO THE FINANCIAL STATEMENTS

Surplus Funds Acquired	Unrestricted General Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Academy Conversions				
Fixed Assets	-	-	5,159	5,159
Cash Balances	-	384	-	384
Current Assets	-	-	-	-
Current Liabilities	-	-	-	-
Amounts owed in respect of assets under PFI arrangements	-	-	-	-
LGPS Pension Liability	-	(1,011)	-	(1,011)
Total Donations and Capital Grants	-	(627)	5,159	4,532
Academy Transfers				
Fixed Assets	-	-	-	-
Cash Balances	-	-	-	-
Current Assets	-	-	-	-
Current Liabilities	-	-	-	-
Amounts owed in respect of assets under PFI arrangements	-	-	-	-
LGPS Pension Liability	-	-	-	-
Total Donations and Capital Grants	-	-	-	-
Trust Total	-	(627)	5,159	4,532

Since conversion the Co-op Academy Clarice Cliff has had income of £1,809k and expenditure of £1,832k.

NOTES TO THE FINANCIAL STATEMENTS

31. Post Balance Sheet Events

At its meeting in July 2021, the Trust Board gave approval for the commencement of the due diligence process for the acquisitions of Glebe Academy and New Islington Free School. Subject to the completion of the due diligence process and the completion of transfer documentation with the Department for Education the Board would envisage the two schools joining the Trust in 2022.

32. Agency Arrangements

The academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy Trust received £121,556 (2020: £125,643) and disbursed £76,527 (2020: £111,768) from the fund. An amount of £100,082 (2020: £76,608) is included in other creditors relating to undistributed funds that is repayable to ESFA.

Co-op Academy Grange distributes funds relating to the South Behaviour and Attendance Collaboration. In the accounting period ending 31 August 2021 Co-op Academy Grange received funds of £231,669 (2020: £292,200) and distributed funds of £134,124 (2020: £88,215). The undistributed fund of £658,944 (2020: £561,401) is held in other creditors.