



Academies Trust

A photograph of three young children in school uniforms playing in a schoolyard. One girl in the foreground is jumping over colorful mats. Another child is standing behind her, and a third child is sitting on the ground to the right, playing with a yellow rope. The background shows a brick wall and a window.

# Annual Report and Financial Statements

For Year Ended 31 August 2020

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 2020, it was comprised of the following Academies:

Secondary Academies	Primary Academies	Primary Academies
Co-op Academy Leeds	Co-op Academy Brownhill	Co-op Academy Smithies Moor ⇒
Co-op Academy Priesthorpe	Co-op Academy Oakwood	Co-op Academy Princeville ►
Co-op Academy Swinton	Co-op Academy Woodlands	
Co-op Academy Manchester	Co-op Academy Nightingale	Special Academies
Co-op Academy North Manchester	Co-op Academy Beckfield	Co-op Academy Delius
Co-op Academy Failsworth	Co-op Academy Portland	Co-op Academy Southfield
Co-op Academy Stoke-on-Trent	Co-op Academy Broadhurst	
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

⇒ Joined the Trust on 1/11/2019      ► Joined the Trust on 1/2/2020

Post 31 August 2020 a single new school joined the Trust and details are shown in note 30.

Trust Members	Appointment	Trust Members	Appointment
Russell Gill	30 May 2014	Caroline Sellers	1 September 2014
Gill Gardner	1 September 2014	Pippa Wicks (Resigned 31/7/2020)	26 June 2018
Andrew Lang	1 April 2019	Rebecca Birkbeck	10 August 2020

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	Simon Bourne ▲	1 September 2018
Claire Camara ■	1 September 2018	Geoff Clarke ●	1 September 2018
Patsy Kane ■	7 May 2019	Gill Gardner ●	1 September 2018
Nick Lowry (Resigned 3 March 2020)	1 September 2018	Shaheen Myers ▲	1 September 2018

## REFERENCE AND ADMINISTRATION DETAILS

Seconded Members	Appointment	Seconded Members	Appointment
Anthony Crossland ●	1 September 2018	Tony Hind ▲	1 September 2018
● Members of the Audit and Risk Committee and Finance Committees		■ 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 (From 1 June 2020)
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)

**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

<b>Solicitors:</b>	Ward Hadaway Solicitors	Squire Patton Boggs (UK) LLP
	Sandgate House	No 1 Spinningfields
	102 Quayside	1 Hardman Square
	Newcastle upon Tyne	Manchester M3 3EB

**Insurance Brokers:** Arthur J Gallagher  
8-10 South Parade  
Wakefield, West Yorkshire WF1 1LR

# REPORT OF THE DIRECTORS

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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 2020. The annual report serves the purpose of both a Trustees' Report and Strategic Report under company law.

As at the 31 August 2020, the Trust operated twelve 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 16,865 in the school census on 1 October 2020.

## 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,

## REPORT OF THE DIRECTORS

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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.

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 2020, the Trust included twenty-four 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 2019 to March 2020 and is summarised below:

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## Relevant Union Official

Number of employees who were relevant union officials during the relevant period	35.0
Full time equivalent employee number	33.8

## Percentage of Time Spent on Facility Time

0%	20
1 - 50%	12
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.

The remaining colleagues did occasional trade union work, with those spending less than one day (Ave 6.5 hours) across the year being classed as 0%.

## Percentage of Pay Bill Spent on Facility Time

Total cost of facility time £	£74,430
Total pay bill £	£74,509,111
% of pay bill spent on facility time	0.1%

The cost of facility time takes into account the paid time spent by relevant union officials on trade union work, and the money paid by academies in to local authority shared facility arrangements, as well as the money reimbursed for salaries of colleagues seconded to local officer roles.

## Paid trade union activities

Time on paid activities, as a % of all paid TU activities	2.13%
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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.

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## 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 28.

## 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 and prospective parents of 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.
- 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 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.

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- 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 page 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-four 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 to be 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 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.

# REPORT OF THE DIRECTORS

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## 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 25,000 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 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.
- 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.

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## 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.

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**

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## 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:

- education for pupils of different abilities between the ages of 3 and 16;
- 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

# REPORT OF THE DIRECTORS

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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 balanced scorecard. Academy governing bodies monitor achievement at an academy level at each governing body meeting. The Trust's educational outcomes are considered to be the Trust KPI's.

### Secondary Academies

Currently in the Trust we have ten secondary academies with no new additions in 2019/20. We were successful in being selected from a very strong field of applicants to build a new Secondary academy in Manchester called Co-op Academy Belle Vue which will open in September 2021. We have expanded our school improvement offer, leadership capacity and increased accountability to improve outcomes and from the centre assessed grades five academies would have achieved positive progress eight compared to one in 2019. In fact three academies after a robust data procedures and system were put in place for the centre assessed grades achieved over 0.3 for their progress 8. We are quietly optimistic that performance will improve next year further in difficult circumstances. Manchester and Stoke are our strongest secondaries with Manchester's attendance being particularly strong at 97% year on year and by far the best in the region.

### Primary Academies

We have 12 academies that are Primary this includes two new academies which joined the Trust in 2019/20 with a new thirteenth school joining us in November 2020 called Clarice Cliff from Stoke. In the Trust the most successful category of schools are the more established Primary academies in West Yorkshire producing excellent progress scores. In the 2019 league tables overall the Trust was 9th for Maths, 20th for Writing and 38th for Reading out of 297 Trusts. Obviously there were no Key Stage two SATS exams this year but after expanding our school improvement offer, leadership capacity and increased accountability we were hoping for a consistently strong outcome for all our primaries not just the well established ones. We have some outstanding practise in several of our academies in West Yorkshire.

### 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 so very severe and don't sit public exams. Both are based in Bradford West Yorkshire and the Primary acts as a feeder school to the secondary. This year we were successful in our application to build a new Secondary Special school in Leeds which will open September 2022 (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 consistently now achieved above pupil number projections. This year with centre assessed grades both A level and Vocational outcomes would have improved on 2019 outcomes.. A level courses went from ALPS 4 to 2 overall (top 10% in the country) and Vocational Education went from

## REPORT OF THE DIRECTORS

ALPS 2 to 1 (top 5% in the country) giving a strong overall positive in terms of progress scores. We hope to develop the capacity of the College to increase the pupil numbers to meet the local demand.

A summary of the Trust's educational outcomes (Considered to be the Trust KPI's) is shown in the tables below and split between secondary and primary academies.

Secondary Academies	Trust Weighted Aggregate	
Key Stage 2 GCSE outcomes 2020	2020	2019
<b>All Students</b>		
A8	42.6	39.3
P8	0.02	-0.39
En 4+ (%)	71	67
Ma 4+ (%)	62	56
E&M 4+ (%)	57	50
En 5+ (%)	50	50
Ma 5+ (%)	38	31
E&M 5+ (%)	33	26
EBacc 4+ (% of Yr 11)	18	13
EBacc 5+ (% of Yr 11)	9	7
<b>Pupil Premium</b>		
A8	37.6	34.57
P8	-0.22	-0.57
En 4+ (%)	63	59
Ma 4+ (%)	51	44
E&M 4+ (%)	46	39
En 5+ (%)	40	42
Ma 5+ (%)	28	21
E&M 5+ (%)	23	18
EBacc 4+ (% of Yr 11)	11	7
EBacc 5+ (% of Yr 11)	5	3

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Primary Academies Key Stage 2 SATS Outcomes 2020	Trust Weighted Aggregate	
	2020	2019
<b>All Students</b>		
<b>Expected</b>		
Reading %	N/A	58
Writing %	N/A	62
Mathematics %	N/A	61
Combined %	N/A	45
<b>Greater Depth</b>		
Reading %	N/A	15
Writing %	N/A	10
Mathematics %	N/A	14
Combined %	N/A	5
<b>Progress</b>		
Reading %	N/A	0
Writing %	N/A	0.2
Mathematics %	N/A	-0.2
<b>Pupil Premium Students</b>		
<b>Expected</b>		
Reading %	N/A	53
Writing %	N/A	60
Mathematics %	N/A	60
Combined %	N/A	40
<b>Greater Depth</b>		
Reading %	N/A	11
Writing %	N/A	6
Mathematics %	N/A	10
Combined %	N/A	2
<b>Progress</b>		
Reading %	N/A	0
Writing %	N/A	0
Mathematics	N/A	0

Due to the impact of COVID-19 no Key Stage 2 SATS were taken during 2020.

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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 two new academies join the Trust and significant work undertaken to achieve as many as 7 more by 31 August 2021.

## 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 decision in the long term

The Trust makes all key decision 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 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.

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## 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 (weekly) 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 2019-20 and updated business plans for 2020-21;
- Dashboard reporting to SLT and Board; and
- Liaison with CST and DfE.

During the initial lockdown period and through the summer holiday, and October half term 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 balance was funded through the Trust's business sponsor. During the year, the Trust has submitted exceptional cost claims of £415k of which £237k was for free 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 generated a net income for the year of £7,147k (2019: £60,048) including net assets from academy transfers of £12,231k (2019: £64,927k) on a total income of £134,820k (2019: £153,563k). The Trust has received a substantial increase in Educational Income due the growth seen in the previous financial year. A summary of the Trust's financial performance over the last five years is shown below:

### Trust five-year financial summary

Statement of Financial Activities (£000)	2019/20 Actual	2018/19 Actual	2017/18 Actual	2016/17 Actual	2015/16 Actual
Donations and Capital Grants	2,741	3,322	12,572	7,024	1,227
Academy Transfers	12,231	64,927	39,721	12,320	33,658
Funding - Educational Income	117,086	82,556	54,015	36,106	30,101
Other Trading Activities	2,762	2,758	1,234	454	337
<b>Total Incoming Resources</b>	<b>134,820</b>	<b>153,563</b>	<b>107,542</b>	<b>55,904</b>	<b>65,323</b>
Staffing Costs	94,491	67,619	44,927	30,827	24,277
Premises Costs	17,544	13,733	9,035	5,908	4,939
Educational Costs	9,013	5,936	4,155	2,784	2,403
Other	6,625	6,227	4,395	2,811	2,659
<b>Total Resources Expended</b>	<b>127,673</b>	<b>93,515</b>	<b>62,512</b>	<b>42,330</b>	<b>34,278</b>
<b>Net Income / Expenditure</b>	<b>7,147</b>	<b>60,048</b>	<b>45,030</b>	<b>13,574</b>	<b>31,045</b>
Other recognised Gains / (Losses)	(9,558)	(16,701)	5,062	7,510	(7,656)
<b>Net Movement in Funds</b>	<b>(2,411)</b>	<b>43,347</b>	<b>50,092</b>	<b>21,084</b>	<b>23,389</b>

Balance Sheet (£000)	2019/20 Actual	2018/19 Actual	2017/18 Actual	2016/17 Actual	2015/16 Actual
Tangible Assets	293,648	283,970	159,328	100,294	81,798
Current Assets	26,857	19,020	9,449	10,301	9,644
Current Liabilities	(18,880)	(14,823)	(6,318)	(5,477)	(3,403)
<b>Total Assets less Current Liabilities</b>	<b>301,625</b>	<b>288,167</b>	<b>162,459</b>	<b>105,118</b>	<b>88,039</b>
Liabilities falling due > 1 Year	(114,079)	(98,210)	(15,849)	(8,600)	(12,605)
<b>Net Assets</b>	<b>187,546</b>	<b>189,957</b>	<b>146,610</b>	<b>96,518</b>	<b>75,434</b>

Balance Sheet (£000)	2019/20 Actual	2018/19 Actual	2017/18 Actual	2016/17 Actual	2015/16 Actual
<b>Academy Funds</b>					
Restricted - Fixed Asset /General	241,675	226,417	151,216	102,697	85,905
Pension Reserve	(58,255)	(40,324)	(8,241)	(8,600)	(12,605)
<b>Total Restricted Funds</b>	<b>183,420</b>	<b>186,093</b>	<b>142,975</b>	<b>94,097</b>	<b>73,300</b>
Unrestricted Funds	4,126	3,864	3,635	2,421	2,134
<b>Total Academy Funds</b>	<b>187,546</b>	<b>189,957</b>	<b>146,610</b>	<b>96,518</b>	<b>75,434</b>

## REPORT OF THE DIRECTORS

During the financial year balances transferred on acquisition from additions to the Trust was £12,231k (2019 £64,927k) relating to the following Academies:

Academy, College	Conversion/ transfer	Joining Date	Trading Activity
Co-op Academy Smithies Moor	Transfer	1 November 2019	10 Months
Co-op Academy Princeville	Conversion	1 February 2020	7 Months

During the year the above Academies had an income of £3,606k and expenditure of £3,070k. Details of the balances transferred are shown in note 29.

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 36.

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 2015), 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 £293,648k (2019 £283,970k), which again reflects balances acquired for the above Academies/ College joining the Trust. Movements in tangible fixed assets are detailed in note 12. The balance at the bank was £21,102k (2019 £15,306k). The net movement is detailed in the Cash Flow statement on page 38.

During the year ending 31 August 2020 the Trust's expenditure of £127,673k (2019 £93,515k) including the trading activities of the above Academies 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 £1,308k (2019 £1,384k) which was a combination of growth funding of £1,208k (2019 £1,082k) shown in note 4 (included within Other Income) and a donation towards operational costs of £100k (2019 £302k) shown in note 2. The Trust also received a School Condition Allocation (SCA) grant from the ESFA amounting to £1,100k, for Academy improvements. This grant has been included in the SOFA as income but the expenditure will not be incurred until the next academic year (2020-21).

During the year the Trust has generated a core net operating surplus, from restricted general and unrestricted funds, of £3,787k (2019: £1,773k). 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 £12,305k (2019 £8,305k) which is within the reserves policy.

Co-op Academies of Leeds and Oakwood are both situated in Private Finance Initiative (PFI) buildings which are owned by Carillion plc (in liquidation) and operated by MITIE plc. Operating payments made under the PFI contract this financial year totalled £1,683k (2019 £1,600k), this includes associated costs for catering, cleaning, utilities, and other ancillary services. Additional

## REPORT OF THE DIRECTORS

funding is received from the ESFA in relation to the PFI costs. The term of each lease is 25 years from commencement on 31 August 2012. Please see financial commitments note 21. 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. 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 that 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 £60,152k (2019 £62,045) 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 £40,324k at the start of the year to £58,255K by the end of the year. The two new Academies joining in the year (see above details) accounted for £1,645k 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.

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

## REPORT OF THE DIRECTORS

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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 27, 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% (£18,100k) of General Annual Grant (GAG) 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 2020 the revenue reserves across the Trust was £12,305k (2019 £8,305k) with total Trust funds of £187,546k (2019 £189,957k) and at an academy level, reserves was £10,949k (2019 £8,107k) which was in excess of the required limits. This was predominantly due to the Trust's revenue reserves including £1.1m of ESFA capital grant which was received during the year but the corresponding expenditure has been delayed (due to COVID-19) until 2021.

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 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).

# REPORT OF THE DIRECTORS

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## 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 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; and
- Detailed assessment of potential growth opportunities, including the impact on the Trust's existing academies.
- Additional investment into chromebooks and IT infrastructure to support online learning as required.

## 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 August 2020 was £20.1m and over the three-year planning process is not anticipated to fall below £12.2m.

The Trust's total income is funded mainly by Government and local authority grants (95.5% during 2019-20 academic year) and has not be 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 £0.4m being made. To date, Government or local authority grant funding has not be impacted and only a small number of staff (providing services to third parties) have been placed on the Government's Coronavirus Job Retention Scheme.

## REPORT OF THE DIRECTORS

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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.

### 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;
- 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

## REPORT OF THE DIRECTORS

- 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

In March 2020 the Trust Board agreed to Clarice Cliff Primary School joining the Trust. Following a successful due diligence review it joined in December 2020.

### 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 first year of the new reporting requirements.

	2020	2019
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#### UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

Energy consumption used to calculate emissions KgwWh	21,982	-
Gas consumption in metric tonnes KgCO <sub>2</sub> e	2,471	-
Purchased electricity in metric tonnes KgCO <sub>2</sub> e	1,957	-
Academy travel in metric tonnes KgCO <sub>2</sub> e	37	-

# REPORT OF THE DIRECTORS

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Total gross emissions in metric tonnes KgCO2e	4,465	-
Intensity ratio in Tonnes CO2e per pupil	0.26	-

## Quantification and reporting methodology

The Trust has followed the 2019 HM Government Environmental Reporting Guidelines. The Trust has also used the GHG Reporting Protocol - Corporate Standard and have used the 2020 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 for 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 started to move all academies to good quality REGO backed renewable power aligning with the Co-op Group. It has also started the roll out of further smart meters to enable energy efficiency improvements planned for the year ahead including a trust wide improvement forum sharing best practice.

The Trust has increased video conferencing technology for staff and external stakeholder meetings, to reduce the need for general travel.

## 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 2020 and signed on its behalf by:



**Mr R Gill**  
Chair

# GOVERNANCE STATEMENT

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## 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.

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	4	80%
Jane Cowell	5	5	100%
Mike Greenacre	5	5	100%
Patsy Kane	5	5	100%
Simon Bourne	5	5	100%
Caire Camara	5	4	80%
Geoff Clarke	5	5	100%
Nick Lowry (Resigned 3 March 2020)	3	3	100%
Shaheen Myers	5	5	100%
Gill Gardner	5	4	80%

Board members also attended upto 18 other delegated subcommittee meetings to maintain effective management and oversight.

## GOVERNANCE STATEMENT

Whilst there have been less 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 reviewed the governance arrangements of the Trust. At its meeting in October 2020, 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 review of Board effectiveness including skills sets took place in July 2020.

### Audit and Risk Committee

The committee is a sub-committee of the main Board of Directors. Its purpose is to support both the director of the Trust 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	5	5	100%
Anthony Crossland	5	2	40%
Gill Gardner	5	4	80%
Russell Gill	5	5	100%
Shaheen Myers (Resigned 6 May 2020)	4	4	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 director of the Trust 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:

## GOVERNANCE STATEMENT

Director	Meetings Eligible	Meetings Attended	Attendance %
Neil Braithwaite (Chair)	5	5	100%
Geoff Clarke	5	5	100%
Anthony Crossland	4	4	100%
Gill Gardner	4	4	100%
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 Director 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	4	1	25%
Jane Cowell	4	4	100%
Patsy Kane	4	3	75%
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 Director 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	6	6	100%
Russell Gill	6	6	100%
Mike Greenacre	5	6	83%
Tony Hind	4	6	67%
Nick Lowry (Resigned 3 March 2020)	4	4	100%
Shaheen Rasool (Joined 15 May 2020)	1	1	100%

### 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

## GOVERNANCE STATEMENT

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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 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 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

# GOVERNANCE STATEMENT

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## 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:

- Budgetary Controls;
- Governance Review (Inc New Academies);
- IT Strategy and Security; and
- Risk Management.

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.

## 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.

## GOVERNANCE STATEMENT

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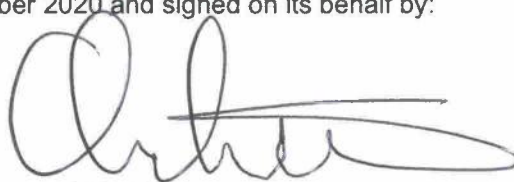
During the last year, the Trust has produced an Anti-Slavery & Human Trafficking Policy and cascaded this out to all colleagues. Our safer recruitment processes ensure that all prospective employees are legally entitled to work in the UK. Further details of actions taken during the last 12 months are 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 10<sup>th</sup> December 2020 and signed on its behalf by:



**Mr R Gill**  
Chair



**Mr C Tomlinson**  
Accounting Officer

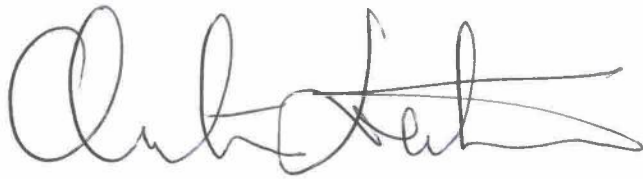
## STATEMENT ON REGULARITY, PROPRIETY & COMPLIANCE

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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 2019.

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 2019.

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.



**Mr C Tomlinson**

**Accounting Officer**

**10<sup>th</sup> December 2020**

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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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 2019 to 2020;
- 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 10<sup>th</sup> December 2020 and signed on its behalf by:



**Mr R Gill**  
**Chair**

# INDEPENDENT AUDITOR'S REPORT

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## TO THE MEMBERS OF THE CO-OPERATIVE ACADEMIES TRUST Year Ending 31 August 2020

### Opinion

We have audited the financial statements of The Co-operative Academies Trust (the "charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities including (Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 2019 to 2020 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 2020 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 2019 to 2020 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

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

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

### Other information

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

# INDEPENDENT AUDITOR'S REPORT

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 Directors' Report 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.

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.

# INDEPENDENT AUDITOR'S REPORT

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## Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <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: *21 December 2020*

# FINANCIAL STATEMENTS For The Year Ending 31 August 2020

## Statement of Financial Activities (Including Income and Expenditure)

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2020 £'000	Total 2019 £'000
<b>Income and Endowments from :</b>						
Donations and Capital Grants	2	310	-	2,431	2,741	3,322
Academy transfer from local authority	29	-	(959)	10,650	9,691	25,174
Transfer from existing academy	29	-	(474)	3,014	2,540	39,753
<b>Charitable activities:</b>						
Funding for the trust's educational operations	3	964	116,122	-	117,086	83,638
Other trading activities	4	2,749	-	-	2,749	1,663
Investments	5	13	-	-	13	13
<b>Total incoming resources</b>		<b>4,036</b>	<b>114,689</b>	<b>16,095</b>	<b>134,820</b>	<b>153,563</b>
<b>Expenditure on:</b>						
<b>Charitable activities:</b>						
Trust's educational operations	6/7	4,220	115,900	7,553	127,673	93,515
<b>Total Resources Expended</b>		<b>4,220</b>	<b>115,900</b>	<b>7,553</b>	<b>127,673</b>	<b>93,515</b>
<b>Net Income/(Expenditure)</b>		<b>(184)</b>	<b>(1,211)</b>	<b>8,542</b>	<b>7,147</b>	<b>60,048</b>
<b>Transfers between funds</b>	18	446	(3,424)	2,978	-	-
<b>Other recognised (losses)/gains</b>						
Remeasurement of net defined benefit obligations	27	-	(9,558)	-	(9,558)	(16,701)
<b>Net Movement in funds</b>		<b>262</b>	<b>(14,193)</b>	<b>11,520</b>	<b>(2,411)</b>	<b>43,347</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		3,864	(35,883)	221,976	189,957	146,610
Total funds carried forward		<b>4,126</b>	<b>(50,076)</b>	<b>233,496</b>	<b>187,546</b>	<b>189,957</b>

# FINANCIAL STATEMENTS For The Year Ending 31 August 2020

## Balance Sheet as at 31 August 2020

Company Registration Number: 7747126

	Note	Total 2020 £'000	Total 2020 £'000	Total 2019 £'000	Total 2019 £'000
<b>Fixed assets</b>					
Tangible assets	12		293,648		283,970
<b>Current assets</b>					
Stock	13	17		24	
Debtors	14	5,738		3,690	
Cash at bank and in hand		21,102		15,306	
		<u>26,857</u>		<u>19,020</u>	
<b>Current Liabilities</b>					
<b>Creditors:</b> amounts falling due within 1yr	15	<u>(18,880)</u>		<u>(14,823)</u>	
<b>Net current assets</b>			7,977		4,197
<b>Total assets less current liabilities</b>			<u>301,625</u>		<u>288,167</u>
<b>Creditors:</b> amounts falling due greater 1yr	15		(55,824)		(57,886)
Defined benefit pension scheme liability	27		(58,255)		(40,324)
<b>Net assets</b>			<u>187,546</u>		<u>189,957</u>
<b>Funds of the academy trust:</b>					
<b>Restricted Funds</b>					
Fixed asset fund	18		233,496		221,976
General fund	18		8,179		4,441
Pension reserve	18		(58,255)		(40,324)
<b>Total restricted funds</b>			<u>183,420</u>		<u>186,093</u>
<b>Unrestricted Fund</b>	18		4,126		3,864
<b>Total Funds</b>			<u>187,546</u>		<u>189,957</u>

The financial statements on pages 36 to 73 were approved by the directors, and authorised for issue on the 10 December 2020 and signed on their behalf by:



**Mr R Gill - Chair**

# FINANCIAL STATEMENTS For The Year Ending 31 August 2020

## Cash Flow Statement for the year ended 31 August 2020

	Note	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>			
Net Cash flow provided by operating activities	22	11,136	8,017
Net Cash flows from financing activities	23	(4,146)	(2,531)
Net Cash flows from investing activities	24	(1,194)	3,038
<b>Net increase in cash and cash equivalents in the reporting period</b>		<b>5,796</b>	<b>8,524</b>
Cash and cash equivalent at 1 September 2019		15,306	6,782
<b>Cash and cash equivalent at 31 August 2020</b>		<b>21,102</b>	15,306

# NOTES TO THE FINANCIAL STATEMENTS

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## 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 2019/20 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 Smithies Moor and Co-op Academy Princeville 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 29.

### 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

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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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 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)
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.

The estimated useful economic life of long leasehold land was reconsidered by management in the year under review. A change in estimation was made, resulting in an adjustment to Fixed asset reserves of £374k.

## Leased Assets

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

# NOTES TO THE FINANCIAL STATEMENTS

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## 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, Walden, Bebington, Southfield and Grange.

All other PFI arrangements where the Trust are not a party to the agreement, or 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 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.

## 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).

## NOTES TO THE FINANCIAL STATEMENTS

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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 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.

## NOTES TO THE FINANCIAL STATEMENTS

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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 31.

### 1a. 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 27, 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 2020. 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.

The Trust has considered the implication of the McCloud/ Sargeant judgement in the 2019 financial statements, and is satisfied with the actuarial treatment within the valuations at 31 August 2020 as detailed in note 27.

#### 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 £60,152k (2019: £62,045k)

# NOTES TO THE FINANCIAL STATEMENTS

## Critical accounting estimates – Useful economic lives 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 £293,648k (2019: £283,970k)

## 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 2020 £'000	Total 2019 £'000
DfE/ ESFA Capital Grants	-	2,205	<b>2,205</b>	1,682
Devolved Formula Capital Grants	-	226	<b>226</b>	603
Local Authority Capital Grants	-	-	-	720
Other donations	210	-	<b>210</b>	15
Contributions from sponsor	100	-	<b>100</b>	302
	<b>310</b>	<b>2,431</b>	<b>2,741</b>	<b>3,322</b>

The income from donations and capital grants in 2019 were £3,322,000 of which £317,000 was unrestricted, £3,005,000 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 2020 £'000	Total 2019 £'000
<b>DfE/ ESFA Grant</b>				
General Annual Grant (GAG)	-	84,129	<b>84,129</b>	62,721
GAG - PFI Income	-	5,041	<b>5,041</b>	3,331
Start Up Grants	-	147	<b>147</b>	293
Funding for Sixth Form	-	3,534	<b>3,534</b>	2,526
Insurance Income	-	65	<b>65</b>	62
Rates Relief	-	516	<b>516</b>	357
Pupil Premium	-	6,972	<b>6,972</b>	5,496
Exceptional Covid-19 Income	-	415	<b>415</b>	-
CJRS Income	-	18	<b>18</b>	-
Other DfE/ ESFA	-	5,301	<b>5,301</b>	1,714
	-	<b>106,138</b>	<b>106,138</b>	76,500
<b>Other Government Grants</b>				
FFI Funding (SEND)	-	4,531	<b>4,531</b>	2,432
Nursery Funding LA	-	996	<b>996</b>	808
Other Local Authority Grants	-	3,920	<b>3,920</b>	1,406
	-	<b>9,447</b>	<b>9,447</b>	4,646
<b>Other Income</b>				
Catering Income	964	-	<b>964</b>	1,122
Other Grants	-	537	<b>537</b>	1,370
	<b>964</b>	<b>537</b>	<b>1,501</b>	2,492
<b>Total</b>	<b>964</b>	<b>116,122</b>	<b>117,086</b>	<b>83,638</b>

Funding for the Trust's educational operations in 2019 was £83,638,000 of which £2,204,000 was unrestricted, £nil was restricted fixed asset funds and £81,434,000 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 exceptional government funding.

The funding received for coronavirus exceptional support covers £415k of IT, Free School Meal and other additional running costs. These costs are included in note 7 below as appropriate.

Two academies furloughed some of its sports centre staff under the government's Coronavirus Job Retention Scheme. The funding received of £18k relates to staff costs in respect of sports centre staff which are included within note 8 below as appropriate.

### 4. Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	457	-	457	527
Trip Income	129	-	129	197
Other Income	1,798	-	1,798	619
Charges to other bodies	365	-	365	320
	<b>2,749</b>	<b>-</b>	<b>2,749</b>	<b>1,663</b>

Other trading activities in 2019 was £1,663,000 of which £1,663,000 was unrestricted, £nil was restricted fixed asset funds and £nil was restricted general funds.

### 5. Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2020 £'000	Total 2019 £'000
Short term deposits	13	-	13	13
	<b>13</b>	<b>-</b>	<b>13</b>	<b>13</b>

Investment Income in 2019 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	2020 £'000	2019 £'000
Trust's educational operations					
Direct costs	76,948	7,553	6,120	<b>90,621</b>	65,634
Allocated support costs	17,543	10,045	9,464	<b>37,052</b>	27,881
Costs of educational operations	<b>94,491</b>	<b>17,598</b>	<b>15,584</b>	<b>127,673</b>	93,515
Total Resources expended	<b>94,491</b>	<b>17,598</b>	<b>15,584</b>	<b>127,673</b>	93,515

Resources Expended on Charitable Activities in 2019 was £93,515,000 of which £3,968,000 was unrestricted, £5,936,000 was restricted fixed asset fund and £83,611,000 was restricted general funds.

	2020 £'000	2019 £'000
Net income/(expenditure) for the year includes		
Operating lease rentals	<b>7,891</b>	7,404
Depreciation	<b>7,553</b>	5,936
Net interest on defined pension liabilities	<b>785</b>	527
Interest in respect of liabilities on those schools with PFI arrangements in place	<b>2,126</b>	849
Fees payable to RSM UK Audit LLP		
- Audit service – Statutory audit	<b>68</b>	62
- Tax compliance	-	2
- Other non-audit services	<b>23</b>	12

A redundancy payment above £5k totalled £25k (2019: £60k). This payment was made on 1 September 2019.

## NOTES TO THE FINANCIAL STATEMENTS

### 7. Charitable Activities - Educational Operations

Direct costs	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Assets £'000	Total 2020 £'000	Total 2019 £'000
Teaching and Ed support staff costs	-	76,948	-	<b>76,948</b>	54,058
Depreciation	-	-	7,553	<b>7,553</b>	5,936
Educational Supplies	-	2,331	-	<b>2,331</b>	2,101
Examination Fees	-	1,032	-	<b>1,032</b>	878
Pupil Support	-	600	-	<b>600</b>	842
Educational consultancy	-	2,157	-	<b>2,157</b>	1,819
<b>Total Direct Costs</b>	<b>-</b>	<b>83,068</b>	<b>7,553</b>	<b>90,621</b>	65,634
<b>Allocated support costs</b>					
Support Staff Costs	1,321	15,202	-	<b>16,523</b>	12,693
Catering and trip expenditure	2,626	-	-	<b>2,626</b>	2,069
Recruitment and support	-	1,020	-	<b>1,020</b>	868
Maintenance of premises	-	3,086	-	<b>3,086</b>	1,930
PFI Operating Costs	-	3,398	-	<b>3,398</b>	3,559
PFI Interest Costs	-	2,126	-	<b>2,126</b>	849
Electricity, Gas and Water	-	1,333	-	<b>1,333</b>	1,224
Cleaning, refuse and other	-	1,509	-	<b>1,509</b>	578
Legal and Professional fees	140	375	-	<b>515</b>	613
Governance Costs - Audits	-	152	-	<b>152</b>	104
Rent and Rates	-	560	-	<b>560</b>	394
Security and transport	-	159	-	<b>159</b>	112
Bank interest and charges	-	8	-	<b>8</b>	16
Technology costs	-	1,808	-	<b>1,808</b>	1,410
Marketing and Promotion	133	-	-	<b>133</b>	300
Telephone, Post and Stationery	-	612	-	<b>612</b>	425
Non-educational consultancy	-	1,484	-	<b>1,484</b>	737
<b>Total Support Costs</b>	<b>4,220</b>	<b>32,832</b>	<b>-</b>	<b>37,052</b>	27,881
<b>Total Costs</b>	<b>4,220</b>	<b>115,900</b>	<b>7,553</b>	<b>127,673</b>	93,515

# NOTES TO THE FINANCIAL STATEMENTS

## 8. Staff Costs and Staff Numbers

Staff costs during the period	2020 £'000	2019 £'000
Wages and salaries	72,199	49,103
Social Security Costs	5,587	4,262
Operating cost of defined benefit pension schemes	12,781	11,180
<b>Total Staff Costs</b>	<b>90,567</b>	<b>64,545</b>
Supply Staff Costs	3,739	2,917
Staff restructuring costs	185	157
	<b>94,491</b>	<b>67,619</b>

Staff restructuring costs	2020 £'000	2019 £'000
Redundancy payments	25	67
Severance payments	160	90
	<b>185</b>	<b>157</b>

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 £160k (2019: £90k). Individually these payments were £16,447 April 2020, £9,115 August 2020, £10,049 February 2020, £8,223 May 2020, £15,505 November 2019, £3,613 May 2020, £2,193 February 2020, £4,500 November 2019, £15,837 February 2020, £27,859 February 2020, £17,794 Oct 2019, £6,792 Oct 2019, £19,004 Mar 2020, and £2,640 Feb 2020.

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	2020 Headcount	2019 Headcount
Leadership	131	135
Teachers	920	894
Administration and support	1,345	1,267
	<b>2,397</b>	<b>2,296</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## 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	2020 No	2019 No
£60,001 - £70,000	32	15
£70,001 - £80,000	15	12
£80,001 - £90,000	6	-
£90,001 - £100,000	2	6
£100,001 - £110,000	7	3
£110,001 - £120,000	5	3
£120,001 - £130,000	2	-
£130,001 - £140,000	-	-
£140,001 - £150,000	1	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 £1,016,661 (2019: £835,689).

# NOTES TO THE FINANCIAL STATEMENTS

## 10. Directors' Remuneration and Expenses

Two Directors only receive remuneration in respect of services they provide undertaking the roles as staff under a contract of employment and not in respect of their services as directors. 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	2020 £'000	2019 £'000
1. Accounting Officer and Director of Trust (not a statutory director)		
Remuneration	150	145
Employers' Pension Contribution	35	28
	<u>185</u>	<u>175</u>
2. Other Directors		
Remuneration	172	164
Employer's Pension Contribution	40	27
	<u>212</u>	<u>196</u>

During the year ended 31 August 2020, the highest paid director annual remuneration is £107,000, employers pension contribution (Teachers Pension Scheme) £25,000 including year end accrual of £2,159. Travel and subsistence expenses totalling £5,972 (2019: £7,355) were reimbursed to two directors. Related party transactions involving the directors are set out in note 28.

## 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 2020 was £8,820 (2019: £7,350). 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
<b>Costs</b>							
At 1 September 2019	71,722	220,932	12	5,294	3,189	212	301,361
Acquired on transfers of existing academies to the Trust	2,986	-	-	3	25	-	3,014
Acquired on local authority transfers to the Trust	-	10,517	-	83	43	7	10,650
Transfer to/from assets under construction	-	-	(51)	-	-	-	(51)
Additions	-	1,023	495	1,079	1,018	10	3,625
Disposals	-	-	-	-	-	(7)	(7)
<b>At 31 August 2020</b>	<b>74,708</b>	<b>232,472</b>	<b>456</b>	<b>6,459</b>	<b>4,275</b>	<b>222</b>	<b>318,592</b>
<b>Depreciation</b>							
At 1 September 2019	2,845	9,682	-	2,767	1,991	106	17,391
Charged in year	1,751	4,586	-	589	589	38	7,553
Disposals	-	-	-	-	-	-	-
<b>At 31 August 2020</b>	<b>4,596</b>	<b>14,268</b>	<b>-</b>	<b>3,356</b>	<b>2,580</b>	<b>144</b>	<b>24,944</b>
<b>Net Book Values</b>							
<b>At 31 August 2020</b>	<b>70,112</b>	<b>218,204</b>	<b>456</b>	<b>3,103</b>	<b>1,695</b>	<b>78</b>	<b>293,648</b>
At 31 August 2019	68,878	211,250	12	2,526	1,198	106	283,970

During the year the Land and Buildings, Plant & Machinery and Furniture at the Co-op Academies Smithies Moor and Princeville were 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 29 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 13. Stocks

	2020 £'000	2019 £'000
Uniform Stock	17	24

### 14. Debtors

	2020 £'000	2019 £'000
Trade Debtors	253	312
Prepayments	1,931	1,022
Accrued Income	1,976	1,226
VAT recoverable	1,548	1,113
Other Debtors	30	17
	<b>5,738</b>	<b>3,690</b>

### 15. Creditors: Amounts falling due within one year

	2020 £'000	2019 £'000
Trade Creditors	5,827	2,534
Other Creditors	896	1,287
Amounts owed in respect of assets under PFI arrangements	4,328	4,159
Other taxation and social security	1,585	1,051
Accruals and deferred income	6,244	5,792
	<b>18,880</b>	<b>14,823</b>

Deferred Income	2020 £'000	2019 £'000
Deferred Income at 1 September 2019	1,536	1,381
Resources deferred in the year	2,141	1,536
Amounts released from previous years	(1,536)	(1,381)
Deferred Income at 31 August 2019	<b>2,141</b>	<b>1,536</b>

## NOTES TO THE FINANCIAL STATEMENTS

Deferred Income at 31 August 2020 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 2020 and SEN funding from Local Authorities paid in advance.

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

	2020 £'000	2019 £'000
Amounts owed in respect of assets under PFI arrangements	55,824	57,886
	<u>55,824</u>	<u>57,886</u>

### 16. Financial Instruments

	2020 £'000	2019 £'000
The carrying amount of the Company's financial instruments at 31st August were:		
<b>Financial Assets</b>		
Debt Instruments measured at amortised cost	408	1,555
Total	<u>408</u>	<u>1,555</u>
<b>Financial Liabilities</b>		
Measured at amortised costs	72,564	73,040
Total	<u>72,564</u>	<u>73,040</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 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% of GAG income (adjusted for pupil premium and capital PFI payments) basis and was as follows:	2020 £'000	2019 £'000
Co-op Academy Leeds	174	171
Co-op Academy Priesthorpe	175	174
Co-op Academy Brownhill	56	57
Co-op Academy Woodlands	56	55
Co-op Academy Oakwood	56	60
Co-op Academy Nightingale	61	50
Co-op Academy Beckfield	25	25
Co-op Academy Parklands	35	29
Co-op Academy Delius	97	35
Co-op Academy Grange	272	74
Co-op Academy Southfield	187	43
Co-op Academy Smithies Moor (Joined 1/11/2019)	33	-
Co-op Academy Princeville (Joined 1/2/2020)	38	-
Co-op Academy Manchester	241	225
Co-op Academy North Manchester	197	196
Co-op Academy Failsworth	223	222
Co-op Academy Swinton	118	112
Co-op Academy Walkden	204	144
Co-op Academy Broadhurst	31	26
Connell Co-op Academy	63	23
Co-op Academy Bebington	187	77
Co-op Academy Portland	23	22
Co-op Academy Woodslee	29	23
Co-op Academy Friarswood	21	16
Co-op Academy Stoke	166	155
Total	2,768	2,014

# NOTES TO THE FINANCIAL STATEMENTS

## 18. Funds

Trust 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
<b>Restricted general funds</b>					
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)
	<b>(35,883)</b>	<b>114,689</b>	<b>(115,900)</b>	<b>(12,982)</b>	<b>(50,076)</b>
<b>Restricted fixed asset funds</b>					
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
PFI capitalisation reserve	(62,045)	-	-	1,893	(60,152)
Capital expenditure from GAG	1,834	-	-	1,085	2,919
	<b>221,976</b>	<b>16,095</b>	<b>(7,553)</b>	<b>2,978</b>	<b>233,496</b>
<b>Total restricted Funds</b>	<b>186,093</b>	<b>130,784</b>	<b>(123,453)</b>	<b>(10,004)</b>	<b>183,420</b>
<b>Unrestricted funds</b>					
Unrestricted funds	3,304	4,036	(4,220)	446	3,566

## NOTES TO THE FINANCIAL STATEMENTS

Transfer in of academies	560	-	-	-	560
<b>Total unrestricted funds</b>	<b>3,864</b>	<b>4,036</b>	<b>(4,220)</b>	<b>446</b>	<b>4,126</b>
Total funds	<b>189,957</b>	<b>134,820</b>	<b>(127,673)</b>	<b>(9,558)</b>	<b>187,546</b>

Trust Funds as at 31 August 2019:

	Balance at 1 September 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
<b>Restricted general funds</b>					
General Annual Grants (GAG)	(91)	65,247	(63,413)	415	2,158
GAG - PFI	-	3,331	(3,331)	-	-
Start-Up Grant	-	293	(293)	-	-
LEA and other grants	-	4,934	(4,934)	-	-
Pupil Premium	-	5,496	(5,496)	-	-
Other restricted	-	2,133	(2,133)	-	-
Transfer in of academies (excluding pensions)	108	2,931	-	(756)	2,283
Sub-total	17	84,365	(79,600)	(341)	4,441
Pension reserve	(8,241)	(11,371)	(4,011)	(16,701)	(40,324)
	<b>(8,224)</b>	<b>72,994</b>	<b>(83,611)</b>	<b>(17,042)</b>	<b>(35,883)</b>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	1,989	2,285	-	-	4,274
Local Authority Capital grants	18,249	720	-	-	18,969
Transfer in of academies	81,570	14,038	(2,211)	-	93,397
Transfer in of academies - PFI	-	46,174	(309)	-	45,865
Local Authority Transfer on conversion	19,448	26,050	(1,929)	-	43,569
Local Authority Transfer on conversion - PFI	35,873	41,727	(1,487)	-	76,113
PFI capitalisation reserve	(8,179)	(54,622)	-	756	(62,045)
Capital expenditure from GAG	2,249	-	-	(415)	1,834
	<b>151,199</b>	<b>76,372</b>	<b>(5,936)</b>	<b>341</b>	<b>221,976</b>

## NOTES TO THE FINANCIAL STATEMENTS

<b>Total restricted Funds</b>	<b>142,975</b>	<b>149,366</b>	<b>(89,547)</b>	<b>(16,701)</b>	<b>186,093</b>
<b>Unrestricted funds</b>					
Unrestricted funds	3,075	4,197	(3,968)	-	3,304
Transfer in of academies	560	-	-	-	560
<b>Total unrestricted funds</b>	<b>3,635</b>	<b>4,197</b>	<b>(3,968)</b>	<b>-</b>	<b>3,864</b>
<b>Total funds</b>	<b>146,610</b>	<b>153,563</b>	<b>(93,515)</b>	<b>(16,701)</b>	<b>189,957</b>

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 2020 as outlined in the Academies Financial Handbook or otherwise as the Secretary of State may specify.

<b>Analysis of fund balances by Academy</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
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**Fund balances at 31st August 2020 were allocated as follows:**

Co-op Academy Leeds	453	279
Co-op Academy Priesthorpe	69	(189)
Co-op Academy Brownhill	1,286	1,259
Co-op Academy Woodlands	601	465
Co-op Academy Oakwood	352	170
Co-op Academy Nightingale	633	237
Co-op Academy Beckfield	178	185
Co-op Academy Parklands	68	72
Co-op Academy Delius	747	524
Co-op Academy Grange	1,331	813
Co-op Academy Southfield	825	340
Co-op Academy Smithies Moor (Joined 1/11/2019)	240	-

## NOTES TO THE FINANCIAL STATEMENTS

Co-op Academy Princeville (Joined 1/2/2020)	340	-
Co-op Academy Manchester	571	362
Co-op Academy North Manchester	871	808
Co-op Academy Failsworth	964	1,170
Co-op Academy Swinton	(659)	(447)
Co-op Academy Walkden	946	829
Co-op Academy Broadhurst	147	267
Connell Co-op Academy	-	(12)
Co-op Academy Bebington	347	226
Co-op Academy Portland	161	282
Co-op Academy Woodslee	226	204
Co-op Academy Friarswood	103	180
Co-op Academy Stoke	149	83
Central Services	1,356	198
	<b>12,305</b>	<b>8,305</b>
<b>Restricted fixed asset fund</b>	<b>233,496</b>	<b>221,976</b>
Pension reserve	(58,255)	(40,324)
	<b>187,546</b>	<b>189,957</b>

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 4 years.

Analysis of cost by Academy	Teaching and Educ Support Staff Costs £'000	Other Support Costs £000	Educ Supplies £000	Other Costs (excluding depr) £000	2020 Total £000	2019 Total £000
Expenditure incurred by each Academy during the year was						
Co-op Academy Leeds	4,727	735	403	1,472	7,337	7,483
Co-op Academy Priesthorpe	4,439	1,008	575	766	6,788	6,601
Co-op Academy Brownhill	1,813	275	174	300	2,562	2,375
Co-op Academy Woodlands	1,697	280	152	327	2,456	2,498
Co-op Academy Oakwood	1,721	342	111	532	2,706	2,756

## NOTES TO THE FINANCIAL STATEMENTS

Co-op Academy Nightingale	1,494	226	118	349	<b>2,187</b>	1,935
Co-op Academy Beckfield	766	226	77	158	<b>1,227</b>	1,261
Co-op Academy Parklands	1,098	238	109	265	<b>1,710</b>	1,409
Co-op Academy Delius	2,361	677	121	430	<b>3,589</b>	740
Co-op Academy Grange	7,151	1,367	758	1,921	<b>11,197</b>	2,937
Co-op Academy Southfield	4,741	1,063	236	697	<b>6,737</b>	1,550
Co-op Academy Smithies Moor	827	141	76	203	<b>1,247</b>	-
Co-op Academy Princeville	1,165	284	48	210	<b>1,707</b>	-
Co-op Academy Manchester	6,149	2,271	911	1,140	<b>10,471</b>	9,277
Co-op Academy North Manchester	5,404	1,047	746	909	<b>8,106</b>	7,866
Co-op Academy Failsworth	6,755	867	602	1,693	<b>9,917</b>	9,633
Co-op Academy Swinton	3,257	763	405	606	<b>5,031</b>	4,661
Co-op Academy Walkden	5,839	782	489	1,576	<b>8,686</b>	6,499
Co-op Academy Broadhurst	1,053	211	125	234	<b>1,623</b>	1,186
Connell Co-op Academy	1,797	425	437	335	<b>2,994</b>	1,486
Co-op Academy Bebington	4,682	981	698	1,054	<b>7,415</b>	2,948
Co-op Academy Portland	723	137	72	145	<b>1,077</b>	977
Co-op Academy Woodslee	1,014	231	128	157	<b>1,530</b>	1,059
Co-op Academy Friarswood	775	156	66	133	<b>1,130</b>	754
Co-op Academy Stoke	4,501	1,029	475	592	<b>6,597</b>	6,129
Central Services	1,000	1,781	901	411	<b>4,093</b>	3,559
	<b>76,949</b>	<b>17,543</b>	<b>9,013</b>	<b>16,615</b>	<b>120,120</b>	<b>87,579</b>

Depreciation of £7,553k (2019 £5,936k) has been excluded from the above figures.

# NOTES TO THE FINANCIAL STATEMENTS

## 19. Analysis of net assets between funds

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	<b>293,648</b>	283,970
Current assets	4,126	22,731	-	<b>26,857</b>	19,020
Current liabilities	-	(14,552)	(4,328)	<b>(18,880)</b>	(14,823)
Liabilities greater 1 year	-	-	(55,824)	<b>(55,824)</b>	(57,886)
Pension scheme liability	-	(58,255)	-	<b>(40,324)</b>	(40,324)
<b>Total net assets</b>	<b>4,126</b>	<b>(50,076)</b>	<b>233,496</b>	<b>187,546</b>	189,957

Fund balances at 31 August 2019 are represented by:	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	2019 Total Funds £'000	2018 Total Funds £'000
Tangible fixed assets	-	-	283,970	<b>283,970</b>	159,328
Current assets	3,864	15,156	-	<b>19,020</b>	9,449
Current liabilities	-	(10,715)	(4,108)	<b>(14,823)</b>	(6,318)
Liabilities greater 1 year	-	-	(57,886)	<b>(57,886)</b>	(7,608)
Pension scheme liability	-	(40,324)	-	<b>(40,324)</b>	(8,241)
<b>Total net assets</b>	<b>3,864</b>	<b>(35,883)</b>	<b>221,976</b>	<b>189,957</b>	146,610

## 20. Capital commitments

	2020 £'000	2019 £'000
Contracted for, but not provided in the financial statements	<b>761</b>	341

The above relates to planned capital projects delayed as a result of covid.

## NOTES TO THE FINANCIAL STATEMENTS

### 21. Financial commitments

#### A) Operating leases

As at 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases relating to equipment was:

Equipment	2020 £'000	2019 £'000
Amounts due within one year	348	139
Amounts due within one to two years	794	135
Amounts due after five years	26	85
	<b>1,168</b>	<b>359</b>

#### B) Commitments - maintenance

Land and Buildings	2020 £'000	2019 £'000
Amounts due within one year	3,216	3,063
Amounts due within one to two years	13,053	12,172
Amounts due after five years	28,180	26,018
	<b>44,449</b>	<b>41,253</b>

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 2020 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	12 Years 28 Weeks	31 Jan 2033
Walkden	S&W TLP (Project Co One) Ltd	15 Years 50 Weeks	13 August 2036
Bebington	Wirral Schools Services Ltd	10 Years 48 Weeks	31 July 2031
Southfield / Grange	Integrated Bradford SPV Two Ltd	15 Years 27 Weeks	13 March 2036
Leeds	Owned by Carillion and operated by MITIE	12 Years 48 Weeks	31 July 2033

# NOTES TO THE FINANCIAL STATEMENTS

Oakwood

Education Support Company

9 Years 48 Weeks

31 July 2030

## C) Commitments - finance leases

Maturity of PFI debt associated with PFI arrangements:	2020 £'000	2019 £'000
PFI capital payments within:		
Amounts due within one year	4,328	4,159
Amounts due within one to two years	17,105	16,604
Amounts due after five years	38,719	41,282
	<b>60,152</b>	<b>62,045</b>

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

	2020 £'000	2019 £'000
Net income for the reporting period (as per the Statement of Financial Activities)	7,147	60,048
Depreciation (note 12)	7,553	5,936
PFI notional Interest (note 7)	2,126	849
Capital grants from DfE and other capital income	(2,741)	(3,322)
Investment Income (note 5)	(13)	(13)
FRS 102 Pension cost less contributions payable (note 27)	5,943	3,501
FRS 102 Pension finance cost (note 27)	785	527
Decreases in Stocks	(7)	(17)
(Increase)/Decrease in debtors	(2,957)	1,941
Increase in creditors	5,531	3,494
Voluntary Income - transfer and conversions into the Trust (note 29)	(12,231)	(64,927)
<b>Net cash inflow from operating activities</b>	<b>11,136</b>	<b>8,017</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 23. Cash Flow from financing activities

	2020 £'000	2019 £'000
Interest received	13	13
Repayment of PFI finance liability	(4,159)	(2,544)
	<b>(4,146)</b>	<b>(2,531)</b>

### 24. Cash Flow from investing activities

	2020 £'000	2019 £'000
Purchase of tangible fixed assets (note 12)	(3,625)	(2,589)
Cash transfer on conversion (note 29)	-	2,622
Capital grants from DfE/ESFA (including DFC)	2,431	3,005
	<b>(1,194)</b>	<b>3,038</b>

### 25. Analysis of changes in net debt

	Balance at 1 September 2019 £'000	Cashflows £'000	Acquisition / Disposal of subsidiaries £'000	New Finance Leases £'000	Other Non-cash Changes 2020 £'000	Balance at 31 August 2020 £'000
Cash	15,306	5,796	-	-	-	21,102
Cash equivalents	-	-	-	-	-	-
Overdraft facilities repayable on demand	-	-	-	-	-	-
	<b>15,306</b>	<b>5,796</b>	-	-	-	<b>21,102</b>
Finance lease obligations	(66,373)	4,328	-	-	1,895	(60,150)
	<b>(66,373)</b>	<b>4,328</b>	-	-	<b>1,895</b>	<b>(60,150)</b>

### 26. Contingent Liabilities

There are no contingent liabilities of which the Directors or staff are aware as at 31 August 2020 which need to be reflected in the accounts.

## NOTES TO THE FINANCIAL STATEMENTS

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### 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.

Valuation of the Teachers' Pension Scheme

## NOTES TO THE FINANCIAL STATEMENTS

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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 £9,718,954 (2019: £5,190,039).

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 2020 was £4,305,746 (2019: £3,667,000), of which employer's contributions totalled £3,062,292 (2019: £2,731,000) and employees' contributions totalled £1,243,184 (2019: £953,000). The agreed contribution rates for future years are between 5.5 and 12.5 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.

### 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 2020 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:

## NOTES TO THE FINANCIAL STATEMENTS

Principal Financial Assumptions (% per Annum)	2020	2019
Discount Rate %	1.7	1.9
RPI Inflation %	3.1	3.0
CPI Inflation %	2.1	2.0
Rate of increase to pensions in payment %	2.2	2.1 - 2.3
Rate of increase to deferred pensions %	2.0	2.0
Rate of a general increase in salaries %	3.1	2.7 - 3.5
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 2019 and continues to be included as at 31 August 2020.

### Sensitivity Assumptions

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

Change in Assumptions at 31st August 2020	Approx Increase to ER Liability %	Approx monetary Value £000
0.5% Decrease in real discount rate	13	9,385
0.5% Increase in the salary increase rate	2	1,444
0.5% Increase in the pension increase rate	12	1,534

# 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 2020 reflect the fact that the four LGPS schemes are administered separately.

Retirement Dates	At 31 Aug 2020 Years	At 31 Aug 2019 Years
<b>Retiring Today</b>		
Male	20.5 - 21.8	20.6 - 22.2
Female	23.1 - 24.6	23.1 - 25.4
<b>Retiring in 20 Years</b>		
Male	22.0 - 22.5	22.0 - 25.2
Female	25.0 - 25.7	24.8 - 27.9

## 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 2020 £000	Fair Value 31 Aug 2019 £000
Equities	70,570	48,085
Bonds	11,408	10,288
Property	4,340	4,286
Cash	3,893	3,589
Other	1,131	519
<b>Total Fair Value of Assets</b>	<b>91,342</b>	<b>66,767</b>

The actual return/ (deficit) on scheme assets was £(287,000) (2019: £3,383,000)

# NOTES TO THE FINANCIAL STATEMENTS

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

	2020 £'000	2019 £'000
<b>Valuation as at 1 September</b>	<b>107,091</b>	<b>49,581</b>
Current Service Cost	9,617	5,287
Interest Cost	2,104	2,039
Employee contributions	1,327	953
Actuarial loss during the Year	7,952	18,572
Benefits Paid	(1,047)	(59)
Past Service Cost	-	928
Net Increase in Liabilities from Acquisitions	3,943	29,790
<b>Valuation as at 31 August</b>	<b>130,987</b>	<b>107,091</b>

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

	2020 £'000	2019 £'000
<b>Valuation as at 1 September</b>	<b>66,767</b>	<b>41,340</b>
Return on Plan Assets (excluding net interest on the net defined pension liability)	1,319	1,512
Actuarial Gains	(1,606)	1,871
Employers Contributions	3,674	2,731
Employee Contributions	1,327	953
Benefits Paid	(1,047)	(59)
Net Increase in Assets from Acquisitions	2,298	18,419
<b>Valuation as at 31 August</b>	<b>72,732</b>	<b>66,767</b>

## Total amounts recognised in the Statement of Financial Activities

Operating Charges	2020 £'000	2019 £'000
Current Service Cost (net of employee contributions)	9,617	6,215
<b>Total Operating Charge</b>	<b>9,617</b>	<b>6,215</b>

# NOTES TO THE FINANCIAL STATEMENTS

Analysis of Pension Finance Costs	2020 £'000	2019 £'000
<b>Total Net Interest Cost</b>	<b>785</b>	<b>527</b>

Actuarial Gain / (Losses)	2020 £'000	2019 £'000
<b>Total Actuarial (Losses)</b>	<b>(9,558)</b>	<b>(16,701)</b>

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 (2019: £nil) and IT and related services at a total cost of £248,190 (2019: £82,153). At the year-end, there was a balance owed to The Co-op Group of £163,455 (2019: £54,697).

Donations of £100,000 shown in Note 2 and growth funding totalling £1,230,170 shown in Note 4 (included within Other Income) were received from The Co-op Group during the year (2019: £1,393,204).

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

## 30. Conversion and Transfer to the Academy Trust

During the year the Trust received the Conversion of the Co-op Academy Princeville on the 1 February 2020, and the transfer of Co-op Academy Smithies Moor on the 1 November 2019. In respect of Co-op Academy Smithies Moor the trade and assets were transferred to the Trust for nil consideration.

The assets and liabilities transferred on conversion from the Academy's 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

## NOTES TO THE FINANCIAL STATEMENTS

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.

Surplus Funds Acquired	Unrestricted General Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
<b>Academy Conversions</b>				
Fixed Assets	-	-	10,650	<b>10,650</b>
Cash Balances	-	-	-	-
Current Assets	-	196	-	<b>196</b>
Current Liabilities	-	-	-	-
Amounts owed in respect of assets under PFI arrangements	-	-	-	-
LGPS Pension Liability	-	(1,155)	-	<b>(1,155)</b>
Total Donations and Capital Grants	-	<b>(959)</b>	<b>10,650</b>	<b>9,691</b>
<b>Academy Transfers</b>				
Fixed Assets	-	-	3,014	<b>3,014</b>
Cash Balances	-	-	-	-
Current Assets	-	266	-	<b>266</b>
Current Liabilities	-	(250)	-	<b>(250)</b>
Amounts owed in respect of assets under PFI arrangements	-	-	-	-
LGPS Pension Liability	-	(490)	-	<b>(490)</b>
Total Donations and Capital Grants	-	<b>(474)</b>	<b>3,014</b>	<b>2,540</b>
Trust Total	-	<b>(1,433)</b>	<b>13,664</b>	<b>12,231</b>

Since transfer the Co-op Academies Smithies Moor and Princeville had income of £3,606k and expenditure of £3,070k.

## NOTES TO THE FINANCIAL STATEMENTS

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### 31. Post Balance Sheet Events

At its meeting on 3 March 2020, the Trust Board gave approval for the acquisition of Clarice Cliff Primary School subject to the completion of due diligence and the completion of transfer documentation with the Department for Education. Clarice Cliff Primary School (now named the Co-op Academy Clarice Cliff) formally joined the Trust on 1 December 2020.

At its meeting on 17 October 2019, the Trust Board gave approval for the acquisition of Glebe Primary School, subject to its completion of due diligence and the completion of transfer documentation with the Department for Education.

### 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 2020 the academy Trust received £125,643 (2019: £84,933) and disbursed £111,768 (2018: £48,987) from the fund. An amount of £76,608 (2019: £Nil) 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 2020 The academy received funds of £292,200 and distributed fund of £88,215. The undistributed fund of £561,401 is held in other creditors.

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CO-OPERATIVE ACADEMIES TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY**

### **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 3 October 2017 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2019 to 2020, to obtain limited assurance about whether the expenditure disbursed and income received by The Co-operative Academies Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Basis for conclusion**

The framework that has been applied is set out in the Academies Accounts Direction 2019 to 2020 Annex B: Regularity Reporting. We are independent of The Co-operative Academies Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

### **Responsibilities of The Co-operative Academies Trust's accounting officer and directors**

The accounting officer is responsible, under the requirements of The Co-operative Academies Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The directors (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of The Co-operative Academies Trust and appointment of the accounting officer.

### **Reporting Accountant's responsibilities for reporting on regularity**

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2019 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety.

We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2019 to 2020.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

**Use of our report**

This report is made solely to The Co-operative Academies Trust and the ESFA in accordance with the terms of our engagement letter dated 3 October 2017. Our work has been undertaken so that we might state to the The Co-operative Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Co-operative Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

*RSM UK Audit LLP*

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Date: *21 December 2020*