



Academies Trust

Financial Statements

for year ended 31 August 2018

Co-op Academies Trust
Company limited by guarantee
Registration Number 7747126 (England and Wales)

CONTENTS

Reference and Administration Details	2-3
Report of the Directors	4-16
Governance Statement	17-21
Statement on Regularity, Propriety and Compliance	22
Statement of Directors Responsibilities	23
Independent Auditor's Report	24-26
Statement of Financial Activities incorporating Income & Expenditure Account	27
Balance Sheet	28
Cash Flow Statement	29

Notes to the Financial Statements, Incorporating:

Statement of Accounting Policies	30-35
Other notes to Financial Statements	35-61

REFERENCE AND ADMINISTRATION DETAILS

The Co-operative Academies Trust (Trust) is a Multi Academy Trust. As at 31 August 2018 it was made up of the following Academies:

Secondary Academies

Co-op Academy Leeds
Co-op Academy Priesthorpe
Co-op Academy Swinton
Co-op Academy Manchester
Co-op Academy North Manchester
Co-op Academy Failsworth
Co-op Academy Stoke-on-Trent

Primary Academies

Co-op Academy Brownhill
Co-op Academy Oakwood
Co-op Academy Woodlands
Co-op Academy Nightingale
Co-op Academy Beckfield

Post 31st August 2018 a number of new schools joined the Trust and their details are shown in note 30.

Members

Russell Gill
Gill Gardner
Caroline Sellers
Pippa Wicks

Appointed 1 Sept 2014
Appointed 1 Sept 2014
Appointed 1 Sept 2014
Appointed 26 June 2018

Directors

Russell Gill ●■▲►
Mags Bradbury ■►
Neil Braithwaite ●►
Steve Brice
Mike Greenacre ●▲►
Flo Hadley ●■
Paul Brennan ■
Jane Cowell ●▲►
Rufus Olins
Simon Bourne ▲
Claire Camara ►
Geoff Clarke ●
Eric Craven
Gill Gardner ●
Nick Lowry ▲
Shaheen Rasool ●

Chair – Appointed 1 Sept 2014
Appointed 19 August 2011
Appointed 1 Sept 2014
Appointed 1 Sept 2014, Resigned 31 August 2018
Appointed 1 Sept 2014
Appointed 1 Sept 2014, Resigned 31 August 2018
Appointed 1 Sept 2014, Resigned 31 August 2018
Appointed 9 Dec 2014
Appointed 1 July 2017, Resigned 1 April 2018
Appointed 1 Sept 2018
Appointed 1 Sept 2018
Appointed 1 Sept 2018
Appointed 1 Sept 2018
Appointed 1 Sept 2018
Appointed 1 Sept 2018
Appointed 1 Sept 2018

Seconded Committee Members

Anthony Crossland ●
Tony Hind ▲

Appointed 1 Sept 2018
Appointed 1 Sept 2018

- Member of the Audit and Risk Committee
- Member of the Outcomes Committee
- ▲ Member of the Acquisitions and Development Committee
- Member of the Chairs Committee

REPORT OF THE DIRECTORS

Company Secretary

Gary Lagar

Appointed 21 November 2016

Senior Management Team

Frank Norris

Director of the Trust and Accounting Officer

Mark Williams

Education Director - West Pennines

Lynda Johnson

Education Director - East Pennines

Gary Lagar

Finance & Resources Director

Principal and Registered Office:

% Membership Department
1 Angel Square
Manchester
M60 0AG

Company Registration Number:

7747126 (England & Wales)

VAT Registration Number:

173 1108 39

Independent Auditor:

RSM UK Audit LLP
3 Hardman Street
Manchester
M3 3HF

Bankers:

Lloyds Bank
42-46 Market Street
Manchester
M1 1PW

Solicitors:

Ward Hadaway Solicitors
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3 DX

Insurance Brokers:

Arthur J Gallagher
8-10 South Parade
Wakefield
West Yorkshire
WF1 1LR

REPORT OF THE DIRECTORS

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018.

The Trust operates five primary and seven secondary academies in the North of England. Its academies have a combined pupil capacity of 11,073 and have a roll of 9,249 in the school census on 1 October 2018.

Structure, Governance and Management

Constitution

The Trust is a charitable company limited by guarantee (without share capital). The charitable company's articles of association is 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 except as noted are included in the Reference and Administration details on page 2.

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 based on the required skills and knowledge to provide strategic leadership and good governance to the Trust.

Governance

The Trust has members 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. The sponsor appoints between two and five governors in addition to two staff governors, two parent governors and the Principal/Headteacher. Up to two further governors can be drawn from formal partners and up to one from the local authority.

REPORT OF THE DIRECTORS

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

Policies and Procedure Adopted for the Induction and Training of Governors

The training and induction provided for directors and new governors depends 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 31st August 2018, the Trust included seven secondary Academies: Co-op Academy Leeds, Co-op Academy Priesthorpe, Co-op Academy Swinton, Co-op Academy Manchester, Co-op Academy North Manchester, Co-op Academy Failsworth, Co-op Academy Stoke-on-Trent and five primary Academies: Co-op Academy Brownhill, Co-op Academy Oakwood, Co-op Academy Woodlands, Co-op Academy Nightingale and Co-op Academy Beckfield. In the autumn of 2018, the following Schools joined the Trust: Co-op Academy Portland (1 October 2018), Co-op Academy Parkland (1 November 2018), Co-op Academy Broadhurst (1 November 2018), Co-op Academy Walkden, Co-op Academy Friarswood and Co-op Academy Woodslee (1 December 2018).

Details of the directors (including the Trust Accounting Officer) who served during the year is included in the Reference and Administration details on page 2.

The Trust Board sets the strategic direction for the Trust and is responsible for the performance of all academies within the Trust. 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.

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 director of the Trust and recommends any pay awards for the Trust Board to consider. No Trust Board member is paid for their services to the Trust.

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 first published report covers the year from April 2017 to March 2018 and is summarised in note 9.

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.

REPORT OF THE DIRECTORS

Risk Management

Details of the Trust's risk management arrangements and principal risks are included within the Strategic Report on page 13.

Objectives and Aims

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 a 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 primary and secondary academies along the M62 corridor from Greater Manchester in the west to Leeds in the east and academies clustered around Stoke-on-Trent, with a significant concentration in Greater Manchester, close to the Co-op's support centre. 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.

All of the academies have improved in terms of the standards achieved by the pupils and students and this is reflected in the Ofsted grades awarded. Currently, only one of the established academies is not graded as 'Good' and the DfE performance tables indicate strong academic performance particularly for disadvantaged children and when compared against other sponsored academies. The Education Policy Institute report published in summer 2018 ranked the trust's academies as 26th out of 218 local authority and multi academy trusts for pupil progress.

The Trust has created a strong governance model that has a credible and highly skilled Trust Board. It's 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.

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

30,000 more than we currently educate

REPORT OF THE DIRECTORS

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

Introduce special education, 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

See more students going to university and up to 250 gaining an apprenticeship in the Co-op

What sort of trust do we want to be?

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

REPORT OF THE DIRECTORS

active citizens. Emphasises the central importance of proficient reading, writing and numeracy skills as the basis of a good education and future personal and social contribution to society.

Strengthen our co-operation

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

Our Core Values that underpin how we work

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

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

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

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

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

Equity – a fair and unbiased community

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

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

REPORT OF THE DIRECTORS

The Trust's Strategic Objectives 2018-2022

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.

Pupils and students (including those eligible for pupil premium funding):

- attend regularly, behave well, know how to keep themselves safe and able to contribute fully to their community;
- aspire to be the best they can and provided with help and support to help make this happen; and
- have knowledge, skills and understanding that ensure they contribute positively to society.

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.

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.

Operate a trust model that relies on a regional hub presence that shares best practice, improves academy effectiveness and overall efficiency.

Create a formidable pipeline for academy students into Co-op apprenticeship opportunities.

Have staff that are ambitious for the pupils and students and for themselves.

The majority of senior appointments are drawn from our own workforce flowing a competitive external recruitment campaign.

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 facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

REPORT OF THE DIRECTORS

Strategic Report

Key Performance Indicators - Achievement and performance

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 academic achievements of our pupils and students in 2018 matched the strong performance in 2017. The tougher examinations and assessments were, on the whole, overcome and there were some notable improvements particularly for some of the newer academies. These achievements are the more remarkable because some of the academies have had to cope with significant numbers of admissions during the course of the year. Despite this, it is heartening to see significant improvements in attendance rates with nearly all either close to or above the national average. The achievements were acknowledged by Ofsted when they visited four of the academies during the year.

The decision of the Co-op Executive Board to support the Trust's growth strategy was a true 'red letter' day. To achieve a £3.6m investment in the Trust signals 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. The year saw three new academies join the Trust and significant work undertaken to achieve as many as 6 or 7 by the end of 2018.

The work of the Trust has gained national prominence for all the right reasons with a significant television, radio and newspaper coverage. The ITV Calendar series focused on the work of Co-op Academy Leeds and the campaign at the academy to prevent students being forced into marriage gained international coverage.

The £18.6m extension at Co-op Academy Manchester was completed at the start of the Autumn 2018 term and this has increased its capacity to 1500. In addition, significant improvements took place at Co-op Academy Brownhill, Co-op Academy Stoke-on-Trent and Co-op Academy Priesthorpe.

Secondary academies

Co-op Academy	Leeds		Priesthorpe		Manchester		Stoke-on-Trent		North Manchester		Failsworth		Swinton	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Progress 8 (note 1)	-0.23	-0.06	-0.03	-0.27	-0.1	0.02	0.2	0.11	-0.5	-0.4	-0.8	-0.6	-0.3	-0.4
Attainment 8 (note 2)	3.4	3.36	4.13	4.04	40.9	4.3	41.4	4.06	38.6	37.1	40.6	42.3	43.4	3.67
Attend (note 3)	92.0 %	92.5 %	94.7 %	94.2 %	97.1 %	97.2 %	95.0 %	95.6 %	94.4 %	94.4 %	94.3 %	94.3 %	95.4 %	95.4 %
Staff cost as a % of income	77%	74%	80%	78%	77%	77%	79%	78%	77%	78%	69%	N/A	79%	78%

Note 1 - A Progress 8 score of 0 means that pupils met the national average. The Progress 8 score for sponsored academies is -0.19. The figures are provisional.

Note 2- Schools get a score based on how well pupils have performed in up to 8 qualifications, which include English, mathematics, 3 qualifications including sciences, computer science, history, geography and languages, and 3 other additional approved qualifications. The 2018 figures are provisional.

REPORT OF THE DIRECTORS

Note 3 - Provisional figures. Most recently published national average figure for secondary schools is 94.9%.

Primary academies

Co-op Academy	Brownhill		Oakwood		Woodlands		Nightingale		Beckfield	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
KS2 Reading Attainment measure (note 4)	48%	57%	45%	42%	66%	45%	N/A	N/A	48%	44%
KS2 Writing Attainment measure (note 4)	66%	67%	62%	49%	61%	49%	N/A	N/A	52%	19%
KS2 Mathematics Attainment measure (note 4)	64%	59%	55%	53%	64%	60%	N/A	N/A	33%	37%
KS2 Combined Attainment (note 6)	44%	52%	33%	28%	48%	35%	N/A	N/A	33%	19%
KS2 Reading Progress measure (note 5)	-0.2	+1.5	-1.1	-1.5	+2.9	+0.5	N/A	N/A	-4.25	-2.8
KS2 Writing Progress measure (note 5)	+2.5	+3.3	+1.6	+0.1	+2.4	+0.8	N/A	N/A	-1.86	-15.4
KS2 Mathematics Progress measure (note 5)	+0.6	+3.5	+1.2	+0.3	+1.3	+3.5	N/A	N/A	-5.51	-7.3
Attendance	94.5%	94.1%	95.9%	96.1%	95.1%	94.5%	93.3%	94.5%	93.6%	93.3%
Staff cost as a percentage income	70%	66%	73%	80%	77%	73%	67%	74%	74%	N/A

Note 4 and 5 - New measures to judge attainment and progress were introduced by the government in 2016. Nightingale did not have any pupils old enough to take the KS2 assessments in 2017 or 2018. All figures are provisional.

Note 6 - National comparative figures unavailable at the time of the audit.

REPORT OF THE DIRECTORS

Financial Review

The income of the Trust in the year was £107,542k (2017 £55,904k), which includes balances transferred on acquisition from additions to the Trust which were £39,721k (2017 £12,320k). During the financial year balances relating to the following Academies were transferred to the Trust using the acquisition method: Co-op Academy Failsworth (1 September 2017), Co-op Academy Beckfield (1 December 2017) and Co-op Academy Swinton (1 March 2018). Since transfer the Co-op Academy's Failsworth, Beckfield and Swinton have had income of £12,433k and expenditure of £12,456k. Details of the balances transferred are shown in note 29. The figures for 2017 included balances transferred from Co-op Academy Priesthorpe.

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 27.

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 £159,328k (2017 £100,294k), which again reflects balances acquired for The Co-op Academy's Failsworth, Beckfield and Swinton. Movements in the tangible fixed assets are detailed in note 12. The balance at the bank was £6,782k (2017 £6,717k). The net movement is detailed in the Cash Flow statement on page 29.

During the year ending 31 August 2018 the Trust's expenditure of £62,512k (2017 £42,300k) included full year operating costs of associated with both Co-op Academy Priesthorpe (joined on the 1 July 2017) and Co-op Academy Failsworth (joined on the 1 September 2017), nine months activity from the transfer of the Co-op Academy Beckfield and six months activity from the transfer of Co-op Academy Swinton. A detailed analysis of expenditure is shown in note 7.

In year the Trust has generated a revenue reserve deficit of £1,172k (2017 deficit £1,417k). This deficit is in line with business plan projections and in total, the Trust's combined revenue reserves are £3,652k (2017 £4,824) 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 £2,261k (2017 £1,586k), this includes associated costs for catering, cleaning, utilities and other ancillary services. 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.

Co-op Academy Failsworth is situated in Private Finance Initiative (PFI) buildings which are owned and managed by Academy Services (Oldham) Limited. Operating payments made under the PFI contract include costs for catering, cleaning, utilities and other ancillary services. The term of the PFI arrangement is 26 years eight months from commencement on 24 May 2006. 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 with Failsworth School and the Trust does have substantially all of the risks and rewards incidental to ownership. In addition, the Academy Trust is

REPORT OF THE DIRECTORS

making payments towards the capital cost of the building and ownership will transfer 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.

One of the most significant items in the current year is the reduction in the outstanding net liabilities to the Local Growth Government Pension Scheme which during the year reduced from £8,600k at the start of the year to £8,241K by the end of the year. The three new Academies joining in the year (Co-op Academies Failsworth, Beckfield and Swinton) accounted for £1,626k of the net liability at the year-end but there were significant reductions in the net liabilities across all our Academies.

Further details are shown in note 27.

Financial and Risk Management Objectives and Policies

Financial policies operate throughout the Trust, primarily the Financial Regulations and Scheme of Delegation which outline the roles and responsibilities of directors, governors, principal/head teachers and principals 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.

Going Concern

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

Reserves Policy

The directors have approved a Reserves Policy which requires academies to maintain a revenue reserve of between 5 and 10% of grant 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 2018 the revenue reserves across the Trust were £3,652k (2017 £4,824k) and at an academy level, reserves were £3,588k (2017 £4,754k) which was in excess of the required limits. Investment plans exist in a number of academies for growth in capacity.

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 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.

REPORT OF THE DIRECTORS

Principal Risks and Uncertainties

The directors have established a 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 not delivering improved outcomes for pupils, actual and potential financial challenges due to changes in funding and cost growth, and managing growth to ensure continued improvement for all the Trust's academies.

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.

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 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 prepared well 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.

REPORT OF THE DIRECTORS

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 attendance of pupils/students at least at the national average with very few permanent exclusions;
- all be full or have an increasing roll;
- have results of the annual survey of pupils/students, staff and parents that indicate year on year overall improvement in engagement and culture;
- see all stronger academies offering high quality support to each other so that any weaker academies improve quickly; and
- Demonstrate through teaching and learning and leadership and management that Co-operative values and principles and The Ways of Being Co-op are essential for effective education.

The Trust will have:

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

New and Prospective Academies

During the course of the year the Trust Board agreed to the following School's joining the Trust, subject to the completion of the final aspects of due diligence.

Portland Primary School (agreed by Board in July 2018 and joined in October 2018), Broadhurst Primary School (agreed by Board in April 2018 and joined in November 2018), Parkland Primary School (agreed by Board in July 2018 and joined in November 2018), Walkden High School (agreed by Board in July 2018 and joined in December 2018), Bebington High Sports College (agreed by Board in July 2018), Friarswood Primary School (agreed by Board in September 2018 and joined in December 2018) and Woodslee Primary School (agreed by Board in September 2018 and joined in December 2018).

REPORT OF THE DIRECTORS

Employees and Disabled Persons

The Trust has a single equality policy. We strive to ensure that the recruitment, retention and ongoing development of staff is undertaken in a fair and equitable manner to support the Trust's vision and values. We see all members of the Trust and wider community of equal value:

- Whether or not they are disabled;
- Whatever their ethnicity, culture, religious affiliation, national origin or socio-economic circumstances;
- Whichever their gender and sexual orientation; and
- Whatever their age.

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 14th December 2018 and signed on its behalf by:



Mr R Gill
Chairman

GOVERNANCE STATEMENT

Scope of Responsibility

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

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 of 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 four times during the year. Attendance during the year at meeting of the Board of Directors was as follows:

Director	Meetings Held	Meetings Attended	Attendance %
Russell Gill (Chair)	4	4	100%
Mags Bradbury	4	4	100%
Neil Braithwaite	4	4	100%
Paul Brennan (Resigned 31.8.18)	4	1	25%
Steve Brice (Resigned 31.8.18)	4	3	75%
Jane Cowell	4	2	50%
Mike Greenacre	4	3	75%
Flo Hadley (Resigned 31.8.18)	4	4	100%
Rufus Olins (Resigned 1.4.18)	3	1	25%

GOVERNANCE STATEMENT

Governance Reviews

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 and at its meeting in September 2018, approved revised governance documents to be implemented across the Trust. A review of governance arrangements takes place annually and included the feedback from academies and governing bodies.

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 meeting of the Committee was as follows:

Director	Meetings Held	Meetings Attended	Attendance %
Flo Hadley (Chair) (Resigned 31.8.2018)	3	3	100%
Neil Braithwaite	3	3	100%
Jane Cowell	3	2	67%
Mike Greenacre	3	2	67%

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 meeting of the Committee was as follows:

Director	Meetings Held	Meetings Attended	Attendance %
Mags Bradbury (Chair)	3	3	100%
Paul Brennan (Resigned 31.8.2018)	3	2	66%
Russell Gill	3	3	100%
Flo Hadley (Resigned 31.8.2018)	3	2	66%

Review of Value for Money

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

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

- Introducing an independent internal audit process that covers up to four themes each year including procurement and involving all academies;

GOVERNANCE STATEMENT

- 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;
- Establishing service level agreements with local schools and academies not in the Trust for providing school improvement services; and
- Procuring a Trust-wide external audit service at reduced cost per academy.

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 to money. Moving forward, the Trust will continue to identify and pursue opportunities to achieve procurement savings arising from 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 2017 to 31 August 2018 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 has been in place from 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Risk and Control Framework

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

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

GOVERNANCE STATEMENT

The Board of Directors appointed an internal auditor 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:

- governance;
- procurement and value for money;
- strategic planning and financial forecasting; and
- key financial controls.

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, head teachers and finance managers within the academies who have responsibility for the development and maintenance of the internal control framework.

Anti-Slavery & Human Trafficking Policy

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

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

GOVERNANCE STATEMENT

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 14th December 2018 and signed on its behalf by:



Mr R Gill
Chairman



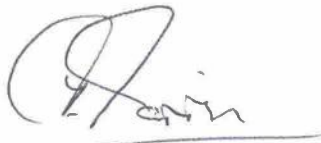
Mr F Norris
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Trust I have considered my responsibility to notify the Trust Board of Directors and the Education Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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 F Norris

Accounting Officer

14th December 2018

STATEMENT OF DIRECTORS RESPONSIBILITY

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 and the Academies Accounting Direction 2017 to 2018;
- 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 14th December 2018 and signed on its behalf by:



Mr R Gill
Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CO-OPERATIVE ACADEMIES TRUST Year Ending 31st August 2018

Opinion on financial statements

We have audited the financial statements of The Co-operative Academies Trust (the "charitable company") for the year ended 31 August 2018 which comprise the Statement of Financial Activities, 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 2017 to 2018 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 2018 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 2017 to 2018 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 and Financial Statements other than the financial statements and our 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.

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

INDEPENDENT AUDITOR'S REPORT

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 has 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 23 the directors (who act as trustees for the charitable activities of the charitable company and 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.

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.

INDEPENDENT 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: *20 December 2018*

FINANCIAL STATEMENTS For the Year Ended 31 August 2018

Balance Sheet as at 31 August 2018

Company Registration Number: 7747126

	Note	Total 2018 £'000	Total 2018 £'000	Total 2017 £'000	Total 2017 £'000
Fixed assets					
Tangible assets	12		159,328		100,294
Current assets					
Stock	13	7		14	
Debtors	14	2,660		3,570	
Cash at bank and in hand		6,782		6,717	
		9,449		10,301	
Current Liabilities					
Creditors: amounts falling due within 1yr	15	(6,318)		(5,477)	
Net current assets			3,131		4,824
Total assets less current liabilities			162,459		105,118
Creditors: amounts falling due greater 1yr	15	(7,608)			-
Defined benefit pension scheme liability	27	(8,241)			(8,600)
Net assets			146,610		96,518
Funds of the academy trust					
Restricted Fund					
Fixed asset fund	18		151,199		100,294
General fund	18		17		2,403
Pension reserve	18		(8,241)		(8,600)
Total restricted funds			142,975		94,097
Unrestricted Fund	18		3,635		2,421
Total Funds			146,610		96,518

The financial statements on pages 24 to 61 were approved by the directors, and authorised for issue on the 14th December 2018 and signed on their behalf by:



Mr R Gill - Chairman

FINANCIAL STATEMENTS For the Year Ended 31 August 2018

Statement of Financial Activities (Including Income and Expenditure)

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000	Total 2017 £'000
Income and endowments from						
Donations and Capital Grants	2	541	-	12,031	12,572	7,024
Academy transfer from local authority	29	11	(925)	29,926	29,012	12,320
Transfer from existing academy	29	-	(1,346)	12,055	10,709	-
Charitable activities						
Funding for the trust's educational operations	3	804	53,211	-	54,015	36,106
Other trading activities	4	1,224	-	-	1,224	437
Investments	5	10	-	-	10	17
Total incoming resources		2,590	50,940	54,012	107,542	55,904
Expenditure on						
<i>Charitable activities</i>						
Trust's educational operations	6/7	1,376	56,981	4,155	62,512	42,330
Total Resources Expended		1,376	56,981	4,155	62,512	42,330
Net Income/(Expenditure)		1,214	(6,041)	49,857	45,030	13,574
Transfers between funds	18	-	(1,048)	1,048	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	27	-	5,062	-	5,062	7,510
Net Movement in funds		1,214	(2,027)	50,905	50,092	21,084
Reconciliation of funds						
Total funds brought forward		2,421	(6,197)	100,294	96,518	75,434
Total funds carried forward		3,635	(8,224)	151,199	146,610	96,518

FINANCIAL STATEMENTS For the Year Ended 31 August 2018

Cash Flow Statement for the year ended 31 August 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities			
Net Cash flow provided by operating activities	22	266	(662)
Cash flows from financing activities	23	10	17
Cash flows from investing activities	24	(211)	(666)
Net increase/(decrease) in cash and cash equivalents in the reporting period		65	(1,311)
Cash and cash equivalent at 1 September 2017		6,717	8,028
Cash and cash equivalent at 31 August 2018		6,782	6,717

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

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

General Information

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

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 2017/18 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 combinations that involve both the conversion of local authority schools to academies and also the transfer of existing academies.

The transfer of the Co-op Academies Failsworth, Beckfield and Swinton 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 Governors 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 Governors make this assessment in respect of a period of at least one year from the date of approval of the financial statements. Cash and Revenue forecasts for this period have been produced on a conservative basis and show that the Trust will continue to trade as a going concern for the foreseeable future, and Governors therefore consider the accounts should be prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

Donated Services and Gifts in Kind

Gifts in kind, being the gift of a fixed asset, are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

Expenditure

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

Expenditure on Raising Funds

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

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.

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.

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 in 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
Long leasehold Land and buildings	50 Years
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

NOTES TO THE FINANCIAL STATEMENTS

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 circumstance indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased Assets

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

Assets subject to PFI Arrangements

An asset and corresponding liability are recognised for PFI agreements where the Trust has taken on the obligations in respect of the PFI arrangement and the Trust has 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 the Trust at the end of the PFI arrangement. The amount capitalised is the fair value of the asset subject to PFI agreements. 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.

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.

Stock

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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

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

Agency Arrangements

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

NOTES TO THE FINANCIAL STATEMENTS

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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

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 Funds £'000	Total 2018 £'000	Total 2017 £'000
DfE/ESFA Capital Grants	-	652	652	579
Devolved Formula Capital Grants	-	179	179	106
Local Authority Capital Grants	-	11,200	11,200	6,156
Other donations	418	-	418	81
Contributions from sponsor	123	-	123	102
	541	12,031	12,572	7,024

The income from donations and capital grants in 2017 was £7,024,000 of which £183,000 was unrestricted, £6,841,000 was restricted fixed asset funds and £nil was restricted general funds.

NOTES TO THE FINANCIAL STATEMENTS

3. Funding Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
DfE/ESFA Grant				
General Annual Grant (GAG)	-	45,657	45,657	30,202
Start Up Grants	-	55	55	64
Funding for Sixth Form	-	1,077	1,077	519
Insurance Income	-	21	21	-
Rates relief	-	339	339	199
Pupil Premium	-	4,091	4,091	3,067
Other DfE/ESFA	-	358	358	263
	-	51,598	51,598	34,314
Other Government Grants				
FFI Funding (SEND)	-	797	797	598
Nursery Funding LA	-	496	496	390
Other Local Authority Grants	-	249	249	206
	-	1,542	1,542	1,194
Other Income				
Catering Income	804	-	804	552
Other Grants	-	71	71	46
	804	71	875	598
Total	804	53,211	54,015	36,106

Funding for the Trust's educational operations in 2017 was £36,106,000 of which £552,000 was unrestricted, £nil was restricted fixed asset funds and £35,554,000 was restricted general funds.

NOTES TO THE FINANCIAL STATEMENTS

4. Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	287	-	287	142
Trip Income	80	-	80	67
Other Income	756	-	756	228
Charges to other bodies	101	-	101	-
	<u>1,224</u>	<u>-</u>	<u>1,224</u>	<u>437</u>

Other trading activities in 2017 was £437,000 of which £437,000 was unrestricted, £nil was restricted fixed asset funds and £nil was restricted general funds.

5. Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2018 £'000	Total 2017 £'000
Short term deposits	10	-	10	17
	<u>10</u>	<u>-</u>	<u>10</u>	<u>17</u>

Investment Income in 2017 was £17,000 of which £17,000 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	2018 £'000	2017 £'000
Trust's educational operations					
Direct costs	36,328	4,155	4,592	45,075	29,803
Allocated support costs	8,599	4,880	3,958	17,437	12,527
Costs of educational operations	44,927	9,035	8,550	62,512	42,330
Total Resources expended	44,927	9,035	8,550	62,512	42,330

Resources Expended on Charitable Activities in 2017 was £42,330,000 of which £902,000 was unrestricted, £2,785,000 was restricted fixed asset fund and £38,643,000 was restricted general funds.

Net income/(expenditure) for the year includes	2018 £'000	2017 £'000
Operating lease rentals	2,955	1,571
Depreciation	4,155	2,784
Net interest on defined pension liabilities	289	263
Fees payable to RSM UK Audit LLP		
- Audit service – Statutory audit	28	23
- Tax compliance	2	3
- Audit Related Services	9	25

NOTES TO THE FINANCIAL STATEMENTS

7. Charitable Activities - Educational Operations

Direct costs	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Assets £'000	Total 2018 £'000	Total 2017 £'000
Teaching and educational support staff costs	-	36,328	-	36,328	24,115
Depreciation	-	-	4,155	4,155	2,785
Educational Supplies	-	2,851	-	2,851	1,959
Examination Fees	-	585	-	585	300
Pupil Support	-	929	-	929	413
Educational consultancy	-	227	-	227	231
	-	40,920	4,155	45,075	29,803
Allocated support costs					
Support Staff Costs	-	8,599	-	8,599	6,712
Catering and trip expenditure	1,376	-	-	1,376	902
Recruitment and support	-	728	-	728	415
Maintenance of premises	-	1,039	-	1,039	584
PFI Operating Costs	-	2,261	-	2,261	1,592
Electricity, Gas and Water	-	706	-	706	379
Cleaning, refuse and other	-	130	-	130	116
Legal and Professional fees	-	232	-	232	179
Governance Costs - Audits	-	39	-	39	51
Rent and Rates	-	394	-	394	210
Insurance	-	290	-	290	203
Security and transport	-	60	-	60	40
Bank interest and charges	-	22	-	22	14
Technology costs	-	692	-	692	488
Marketing and Promotion	-	159	-	159	67
Telephone, Post and Stationery	-	567	-	567	420
Non-educational consultancy	-	143	-	143	155
	1,376	16,061	-	17,437	12,527
	1,376	56,981	4,155	62,512	42,330

NOTES TO THE FINANCIAL STATEMENTS

8. Staff Numbers and Staff Costs

Staff costs during the period	2018 £'000	2017 £'000
Wages and salaries	32,930	21,879
Social Security Costs	2,993	1,903
Operating cost of defined benefit pension schemes	7,109	5,520
Total Staff Costs	43,032	29,302
Supply Staff Costs	1,767	1,436
Staff restructuring costs	128	89
	44,927	30,827

Staff restructuring costs	2018 £'000	2017 £'000
Redundancy payments	24	15
Severance payments	104	74
	128	89

Non statutory/non contractual severance payments totalled £104k (2017: £74k). Individually these payments were £23,257 made on 27th Sept 2018, £20,000 made on 30th Jan 2018, £16,548 made on 28th August 2018, £13,000 made 20th June 2018, £1,036 made on 28th August 2018 and £10,147, £10,325 and £9,700 made on the 26th February 2018

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

	2018 Headcount	2017 Headcount
Leadership	78	58
Teachers	534	376
Administration and support	707	583
	1,319	1,017

NOTES TO THE FINANCIAL STATEMENTS

9. Staff Costs

Higher Paid Staff

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

Salary Bands	2018 No	2017 No
£60,001 - £70,000	13	8
£70,001 - £80,000	7	5
£80,001 - £90,000	0	3
£90,001 - £100,000	6	2
£100,001 - £110,000	5	2
£110,001 - £120,000	-	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-

Key management personnel compensation

The key management personnel of the Trust comprise 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 £699,236 (2017: £403,822).

NOTES TO THE FINANCIAL STATEMENTS

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 01 April 2017. The Trust's first published report covers the year from April 2017 to March 2018 and is summarised below.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	19
Full time equivalent employee number	16.74

Percentage of time spent on facility time

0%	7
1 - 50%	9
51 - 99%	1
100%	2

The three employees who spent 51% 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 16 employees did occasional trade union work, with those categorised as 0% spending no more than 0.4% of their working hours on trade union duties.

Percentage of pay bill spent on facility time

Total cost of facility time	£33,164
Total pay bill	£36,726,863
% of pay bill spent on facility time	0.09%

The cost of facility time takes in to 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 % of all paid TU work	5.50%
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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 related to internal union affairs.

NOTES TO THE FINANCIAL STATEMENTS

10. Directors Remuneration and Expenses

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	2018 £'000	2017 £'000
1. Accounting Officer and Director of Trust (not a statutory director) – Frank Norris		
Remuneration	140	135
Employers Pension Contribution	26	26
	166	161
2. Other Director – Steve Brice		
Remuneration	102	94
Employer's Pension Contribution	18	16
	120	110

The increase in remuneration relating to the Accounting Officer and Director of the Trust relates to a pay award approved mid-year, by Board in 2018. During the year ended 31 August 2018, travel and subsistence expenses totalling £346 (2017 £645) were reimbursed to 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 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 31st August 2018 was £7,000 (2017 £6,500). The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS

12. Tangible Fixed Assets

	Assets under Const £'000	Long Leasehold Land and Buildings £'000	Plant and Machine £'000	Furniture and Equip £'000	Comp Equip £'000	Motor Vehicles £'000	Total £'000
Costs							
At 1 September 2017	5,949	96,188	879	2,651	1,836	101	107,604
Acquired on Transfers of existing academy to the Trust	-	11,900	-	35	120	-	12,055
Acquired on local authority Transfers to the Trust	-	38,649	-	6	59	-	38,714
Additions	11,411	284	16	296	386	36	12,429
Disposals	-	-	-	-	-	(19)	(19)
At 31 August 2018	17,360	147,021	895	2,988	2,401	118	170,783
Depreciation							
At 1 September 2017	-	4,392	272	1,394	1,183	69	7,310
Charges in year	-	3,094	91	445	507	18	4,155
Disposals	-	-	-	-	-	(10)	(10)
At 31 August 2018	-	7,486	363	1,839	1,690	77	11,455
Net Book Values							
At 31 August 2018	17,360	139,535	532	1,149	711	41	159,328
At 31 August 2017	5,949	91,796	607	1,257	653	32	100,294

During the year the Land and Buildings, Plant & Machinery and Furniture at the Co-op Academies Failsworth, Beckfield and Swinton 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

	2018 £'000	2017 £'000
Uniform Stock	7	14

14. Debtors

	2018 £'000	2017 £'000
Trade Debtors	285	1,236
Prepayments	542	438
Accrued Income	798	526
VAT recoverable	1,016	1,179
Other Debtors	19	191
	2,660	3,570

15. Creditors: Amounts falling due within one year

	2018 £'000	2017 £'000
Trade Creditors	1,151	1,571
Other Creditors	1,052	264
Amounts owed under PFI arrangements	571	-
Other taxation and social security	680	617
Accruals and deferred income	2,864	3,025
	6,318	5,477

Details of ageing of finance leases can be found in Note 21.

Deferred Income	2018 £'000	2017 £'000
Deferred Income at 1 September 2017	334	229
Resources deferred in the year	1,381	334
Amounts released from previous years	(334)	(229)
Deferred Income at 31 August 2018	1,381	334

NOTES TO THE FINANCIAL STATEMENTS

Deferred Income at 31 August 2018 relates to amounts received before the year end that relate to next academic year. It includes Rates Income funded by the ESFA for the year to 31st March 2018 and SEN funding from Local Authorities paid in advance.

Creditors: Amounts falling due greater than one year

	2018 £'000	2017 £'000
Amounts due in respect of capitalised PFI liabilities	7,608	-
	<u>7,608</u>	<u>-</u>

16. Financial Instruments

	2018 £'000	2017 £'000
The carrying amount of the Company's financial instruments at 31st August were:		
Financial Assets		
Debt Instruments measured at amortised costs	1,102	1,953
Total	<u>1,102</u>	<u>1,953</u>
Financial Liabilities		
Measured at amortised costs	12,670	4,526
	<u>12,670</u>	<u>4,526</u>

Debt instruments measured at amortised cost include trade debtors and other debtors.

Financial liabilities measured at amortised cost include trade creditors and accruals.

NOTES TO THE FINANCIAL STATEMENTS

17. Central Services

The Trust has provided the following Central Services to its academies during the year:

- Educational support services
- Human resources
- Financial services
- Governance services

The actual amounts charged during the year were calculated on a 3% income basis and were as follows	2018 £000	2017 £000
Co-op Academy Leeds	171	174
Co-op Academy Manchester	199	172
Co-op Academy Stoke	138	130
Co-op Academy Priesthorpe	166	25
Co-op Academy North Manchester	179	157
Co-op Academy Failsworth	215	-
Co-op Academy Swinton	51	-
Co-op Academy Brownhill	57	50
Co-op Academy Nightingale	39	27
Co-op Academy Woodlands	55	49
Co-op Academy Oakwood	56	49
Co-op Academy Beckfield	19	-
Total	1,345	833

NOTES TO THE FINANCIAL STATEMENTS

18. Funds

As at 31 August 2018:

	Balance at 1 September 2017 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grants (GAG)	1,411	46,734	(48,406)	170	(91)
Start Up Grant	-	55	(55)	-	-
LEA and other grants	-	1,492	(1,492)	-	-
Pupil Premium	-	4,091	(4,091)	-	-
Other restricted	-	839	(839)	-	-
Transfer in of academies (excluding pensions)	992	334	-	(1,218)	108
Sub-total	2,403	53,545	(54,883)	(1,048)	17
Pension reserve	(8,600)	(2,605)	(2,098)	5,062	(8,241)
	(6,197)	50,940	(56,981)	4,014	(8,224)
Restricted fixed asset funds					
Dfe/ESFA capital grants	1,158	831	-	-	1,989
Local Authority Capital grants	7,049	11,200	-	-	18,249
Transfer in of academies	69,661	12,055	(146)	-	81,570
Local Authority Transfer on conversion	20,616	38,714	(4,009)	-	55,321
PFI capitalisation reserve	-	(8,788)	-	609	(8,179)
Capital expenditure from GAG	1,810	-	-	439	2,249
	100,294	54,012	(4,155)	1,048	151,199
Total restricted Funds	94,097	104,952	(61,136)	5,062	142,975
Unrestricted funds					
Unrestricted funds	1,861	2,590	(1,376)	-	3,075
Transfer in of academies	560	-	-	-	560
Total unrestricted funds	2,421	2,590	(1,376)	-	3,635
Total funds	96,518	107,542	(62,512)	5,062	146,610

NOTES TO THE FINANCIAL STATEMENTS

18. Funds (continued)

As at 31 August 2017:

	Balance at 1 September 2016 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grants (GAG)	3,107	30,721	(31,607)	(810)	1,411
Start Up Grant	-	64	(64)	-	-
LEA and other grants	-	1,194	(1,194)	-	-
Pupil Premium	-	3,067	(3,067)	-	-
Other restricted	-	508	(508)	-	-
Transfer in of academies	1,000	(8)	-	-	992
Sub-total	4,107	35,546	(36,440)	(810)	2,403
Pension reserve*	(12,605)	(1,302)	(2,203)	7,510	(8,600)
	(8,498)	34,244	(38,643)	6,700	(6,197)
Restricted fixed asset funds					
Dfe/ESFA capital grants	435	723	-	-	1,158
Local Authority Capital grants	893	6,156	-	-	7,049
Transfer in of academies	69,699	(38)	-	-	69,661
Local Authority Transfer on conversion	9,771	13,630	(2,785)	-	20,616
Capital expenditure from GAG	1,000	-	-	810	1,810
	81,798	20,471	(2,785)	810	100,294
Total restricted Funds	73,300	54,715	(41,428)	7,510	94,097
Unrestricted funds					
Unrestricted funds	1,574	1,189	(902)	-	1,861
Transfer in of academies	560	-	-	-	560
Total unrestricted funds	2,134	1,189	(902)	-	2,421
Total funds	75,434	55,904	(42,330)	7,510	96,518

NOTES TO THE FINANCIAL STATEMENTS

18. Funds (continued)

The Trust funds these services via a 3% top-slice fee levied against academy GAG Income.

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 provide for the installation, maintenance and repair of the Fixed Assets of the Academies. This includes the liability associated with the capital element of Co-op Academy Failsforth's PFI agreement.
- 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 31st August 2018 as outlined in the Academies Financial Handbook or otherwise as the Secretary of State may specify.

Analysis of fund balances by Academy	2018 £000	2017 £000
Fund balances at 31st August 2018 were allocated as follows:		
Co-op Academy Leeds	489	1,025
Co-op Academy Manchester	474	1,006
Co-op Academy Stoke	94	103
Co-op Academy Priesthorpe	(425)	(24)
Co-op Academy North Manchester	708	966
Co-op Academy Failsforth	740	-
Co-op Academy Swinton	(495)	-
Co-op Academy Brownhill	1,200	1,113
Co-op Academy Nightingale	118	25
Co-op Academy Woodlands	308	395
Co-op Academy Oakwood	146	145
Co-op Academy Beckfield	231	-
Central Services	64	70
	3,652	4,824
Restricted fixed asset fund	151,199	100,294
Pension reserve	(8,241)	(8,600)
	146,610	96,518

Co-op Academy Priesthorpe and Co-op Academy Swinton recently transferred with reserve deficits and both academies have agreed action plans to bring back into a surplus and inline with the trust policy over the new 3 years.

NOTES TO THE FINANCIAL STATEMENTS

18. Funds (continued)

Analysis of cost by Academy	Teaching and Educ Support Staff Costs £'000	Other Support Costs £000	Educ Supplies £000	Other Costs (excluding depr) £000	2018 Total £000	2017 Total £000
Expenditure incurred by each Academy during the year was						
Co-op Academy Leeds	3,706	617	379	681	5,383	7,323
Co-op Academy Manchester	4,546	1,305	727	907	7,485	6,819
Co-op Academy Stoke	4,944	364	587	1,514	7,409	5,228
Co-op Academy Priesthorpe	4,407	640	520	1,042	6,609	1,006
Co-op Academy North Manchester	4,722	754	673	1,007	7,156	7,343
Co-op Academy Failsworth	6,263	482	681	1,331	8,757	-
Co-op Academy Swinton	1,157	487	113	287	2,044	-
Co-op Academy Brownhill	1,648	195	190	287	2,320	2,084
Co-op Academy Nightingale	1,056	80	92	337	1,565	1,586
Co-op Academy Woodlands	1,604	145	254	355	2,358	2,305
Co-op Academy Oakwood	1,756	132	153	516	2,557	2,356
Co-op Academy Beckfield	518	92	40	112	762	-
Central Services	-	4,208	183	463	4,854	3,495
	36,327	9,501	4,592	8,839	59,259	39,545

Depreciation of £4,155k (2017 £2,785k) has been excluded.

NOTES TO THE FINANCIAL STATEMENTS

19. Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	2018 Total Funds £'000	2017 Total Funds £'000
Tangible fixed assets	-	-	159,328	159,328	100,294
Current assets	3,635	5,814	-	9,449	10,301
Current liabilities	-	(5,797)	(521)	(6,318)	(5,477)
Liabilities greater 1 year	-	-	(7,608)	(7,608)	-
Pension scheme liability	-	(8,241)	-	(8,241)	(8,600)
Total net assets	3,635	(8,224)	151,199	146,610	96,518

Fund balances at 31 August 2017 are represented by:	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	2017 Total Funds £'000	2016 Total Funds £'000
Tangible fixed assets	-	-	100,294	100,294	81,798
Current assets	2,421	7,880	-	10,301	9,644
Current liabilities	-	(5,477)	-	(5,477)	(3,403)
Pension scheme liability	-	(8,600)	-	(8,600)	(12,605)
Total net assets	2,421	(6,197)	100,294	96,518	75,434

20. Capital commitments

	2018 £'000	2017 £'000
Contracted for, but not provided in the financial statements	452	9,397

NOTES TO THE FINANCIAL STATEMENTS

21. Financial commitments

A) Operating leases

Equipment	2018 £'000	2017 £'000
Amounts due within one year	82	44
Amounts due within one to two years	133	90
Amounts due after five years	18	-
	233	134

B) Commitments - maintenance

Land and Buildings	2018 £'000	2017 £'000
Amounts due within one year	2,357	1,503
Amounts due within one to two years	10,115	5,998
Amounts due after five years	21,334	15,387
	33,806	22,888

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases, including commitments made under the PFI contract for The Co-op Academy Leeds and The Co-op Academy Oakwood, buildings owned by Carillion plc and operated by MITIE plc, with unexpired terms of each lease of 19 years, and The Co-op Academy Failsworth, buildings owned and operated by Academy Services (Oldham) Limited with unexpired terms of lease of 15 years was:

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

C) Commitments - finance leases

Maturity of PFI debt:	2018 £'000	2017 £'000
PFI capital payments within:		
Amounts due within one year	571	-
Amounts due within one to two years	2,325	-
Amounts due after five years	5,283	-
	8,179	-

The above relates to Failsworth School only.

NOTES TO THE FINANCIAL STATEMENTS

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

	2018 £'000	2017 £'000
Net income for the reporting period (as per statement of financial activities)	45,030	13,574
Depreciation (note 12)	4,155	2,785
Capital grants from DfE and other capital income	(12,031)	(6,841)
Investment Income (note 5)	(10)	(17)
FRS 102 Pension cost less contributions payable (note 27)	1,809	1,440
FRS 102 Pension finance cost (note 27)	289	763
Decrease in Stocks	7	3
Decrease/(Increase) in debtors	1,772	(1,923)
Increase/(Decrease) in creditors	(1,034)	1,874
Voluntary Income - transfer in of Failsworth, Beckfield and Swinton (note 29)	(39,721)	(12,320)
Net cash inflow from operating activities	266	(662)

23. Cashflow from financing activities

	2018 £'000	2017 £'000
Interest received	10	17

24. Cashflow from investing activities

	2018 £'000	2017 £'000
Purchase of tangible fixed assets (note 12)	(12,429)	(7,650)
Cash transfer on conversion (note 29)	187	143
Capital grants from DfE/ESFA	12,031	6,841
	(211)	(666)

NOTES TO THE FINANCIAL STATEMENTS

25. Contingent Liabilities

There are no contingent liabilities of which the Governors or staff are aware as at 31st August 2018 which need to be reflected in the accounts.

26. 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.

27. Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, depending upon where the academy is situated. Manchester based academies are managed by Tameside Borough Council, the Leeds based academies are managed by the City of Bradford MDC and the Stoke based academy is managed by Staffordshire County Council.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pensions Scheme

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

NOTES TO THE FINANCIAL STATEMENTS

The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £3,166,455 (2017: £1,977,728).

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 scheme, with the assets held in separate trustees-administered funds. The total contribution made for the year ended 31 August 2018 was £2,480,000 of which employer's contributions totalled £1,789,000 and employees' contributions totalled £ 691,000. The agreed contribution rate for future years is between 5.5% and 7.5% for employers, dependent 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 closure, outstanding Local Government Pension Liabilities would be met by the Department for Education. The guarantee came into force on 18th July 2013.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

Principal Actuarial Assumptions

The following information is based on a full actuarial valuation of the fund as at 31st March 2016 updated to 31st August 2018 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)	2018	2017
Discount Rate %	2.8	2.5
RPI Inflation %	3.1	3.1
CPI Inflation %	2.0	2.0
Rate of increase to pensions in payment %	2.0 – 2.4	2.0 - 2.4
Rate of increase to deferred pensions %	2.0	2.0
Rate of general increase in salaries %	2.7 – 3.25	2.8 - 3.25
Commutations of pensions to lump sums %	55%	50%

Sensitivity Assumptions

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

Change in Assumptions at 31st August 2018	Approx Increase to ER Liability %	Approx monetary Value £000
0.5% Decrease in real discount rate	12	5,276
0.5% Increase in the salary increase rate	3	989
0.5% Increase in the pension increase rate	11	881

Mortality Assumptions

The mortality assumptions, which are based on the recent actual mortality experience of members within the Fund, allow for expected future mortality improvements. The ranges for 2018 reflect the fact that the three LGPS schemes are administered separately.

Retirement Dates	At 31 Aug 2018 Years	At 31 Aug 2017 Years
Retiring Today		
Male	21.1 – 22.1	21.5 - 22.1
Female	23.1 – 24.4	24.1 - 25.2
Retiring in 20 Years		
Male	23.7 – 25.3	23.0 - 23.7
Female	26.2 – 27.1	26.2 - 27.0

NOTES TO THE FINANCIAL STATEMENTS

Expected Return on Assets

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

Asset Categories	Fair Value 31 Aug 2018 £000	Fair Value 31 Aug 2017 £000
Equities	28,966	22,236
Bonds	6,491	4,403
Property	2,582	1,672
Cash	2,731	1,091
Other	570	363
Total Fair Value of Assets	41,340	29,765

The actual return on scheme assets was £2,114,000 (2017: £2,347,000)

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

	2018 £'000	2017 £'000
Valuation as at 1 September 2017	38,365	36,457
Current Service Cost	3,537	2,735
Interest Cost	1,191	763
Employee contributions	669	493
Actuarial loss during the Year	(3,836)	(5,163)
Benefits Paid	(500)	(318)
Past Service Cost	-	14
Net Increase in Liabilities from Acquisitions	10,155	3,384
Valuation as at 31 August 2018	49,581	38,365

NOTES TO THE FINANCIAL STATEMENTS

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

	2018 £'000	2017 £'000
Valuation as at 1 September 2017	29,765	23,852
Return on Plan Assets (excluding net interest on the net defined pension liability)	902	500
Actuarial Gains	1,226	1,847
Employers Contributions	1,728	1,309
Employee Contributions	669	493
Benefits Paid	(500)	(318)
Net Increase in Assets from Acquisitions	7,550	2,082
Valuation as at 31 August 2018	41,340	29,765

Total amounts recognised in the Statement of Financial Activities

Operating Charges	2018 £'000	2017 £'000
Current Service Cost (net of employee contributions)	3,537	2,735
Total Operating Charge	3,537	2,735

Analysis of Pension Finance Costs	2018 £'000	2017 £'000
Total Net Interest Cost	289	763

Actuarial Gain / (Losses)	2018 £'000	2017 £'000
Total Actuarial Gains / (Losses)	5,062	7,510

Those employees of Co-op Academy's Failsworth (transferred 1st Sept 2017), Beckfield (1st Dec 2017) and Swinton (1st March 2018) who participated in the LGPS at the point of transfer were already members of either the Greater Manchester Pensions Fund or the West Yorkshire Fund.

NOTES TO THE FINANCIAL STATEMENTS

28. Related Party Transactions

The Governors consider that The Co-op Group is a related party by virtue of significant influence. The Trust received support during the period from The Co-op Group in respect of Governors services at a total cost of £nil (2017 £nil). At the year-end there was a balance owed to The Co-operative Group of £nil (2017 £nil).

Donations totalling £133,000 were received from The Co-operative Group during the year (2017 £102,000).

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

29. Conversion and Transfer to the Academy Trust

During the year the Co-op Academy's Failsworth transferred from Oldham Borough Council, Beckfield transferred from Leeds City Council and Swinton High School, an existing academy, joined the Trust and their 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 buildings, the buildings were transferred at their depreciated replacement cost as recorded in the relevant accounts as at date of transfer (Co-op Academy Failsworth 1st Sept 2017, Beckfield 1st Dec 2017 and Swinton 1st March 2018). The fair value is in accordance with the accounting policies set out for The Trust. The Co-op Academy Failsworth is situated in Private Finance Initiative (PFI) buildings which are owned and operated by Academy Services (Oldham) Limited.

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
Fixed Assets	-	-	50,769	50,769
Cash Balances	11	176	-	187
Current Assets	-	861	-	861
Current Liabilities	-	(333)	-	(333)
PFI Liabilities	-	-	(8,788)	(8,788)
ESFA Loan	-	(370)	-	(370)
LGPS Pension Liability	-	(2,605)	-	(2,605)
Total Donations and Capital Grants	11	(2,271)	41,981	39,721

Since transfer the Co-op Academy's Failsworth, Beckfield and Swinton have had income of £12,433k and expenditure of £12,456k.

NOTES TO THE FINANCIAL STATEMENTS

30. Post Balance Sheet Events

At its meeting on 12th April 2018, the Trust Board gave approval for the acquisition of Broadhurst Primary School and Bebington High Sports College subject to the completion of due diligence and the completion of transfer documentation with the Department for Education. Broadhurst Primary School formally joined the Trust on 1st November 2018.

At its meeting on 13th July 2018, the Trust Board gave approval for the acquisition of Portland Primary School, Parkland Primary School, Walkden High School, Connell 6th Form College, Friarswood Primary School and Woodslee Primary School, subject to its completion of due diligence and the completion of transfer documentation with the Department for Education. Portland Primary, Parkland Primary School and Broadhurst Primary formally joined the Trust on 1st October and 1st November 2018, Woodslee and Friarswood Primary School's and Walkden High School formally joined the Trust on the 1 December 2018.

31. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the academy trust received £44,680 (2017: £29,333) and disbursed £34,667 (2017: £18,385) from the fund. An amount of £22,349 (2017: £13,949) is included in other creditors relating to undistributed funds that is repayable to ESFA.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CO-OPERATIVE ACADEMIES TRUST 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 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by The Co-operative Academies Trust during the period 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 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 2017 to 2018 Part 9: 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 Co-operative Academies Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Co-operative Academies Trust's funding agreement with the Secretary of State for Education dated 1 April 2012 and the Academies Financial Handbook extant from 1 September 2017, 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 trustees (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 2017 to 2018.

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 2017 to 31 August 2018 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 2017 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 2017 to 2018.

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

RSM UK AUDIT LLP

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

Date: *20 December*