

THE CO-OPERATIVE ACADEMIES TRUST

THE CO-OPERATIVE ACADEMIES TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

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THE CO-OPERATIVE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

The Co-operative Academies Trust is a multi-academy trust. As at 31st August 2015 it was made up of The Co-operative Academy of Leeds (CAL), Co-operative Academy of Manchester (CAM), Co-operative Academy of Stoke (CAS) and the Co-operative Primary Academies of Brownhill, Nightingale, Oakwood and Woodlands.

Members

Russell Gill
Clare Oakley
John Briddon

Trustees

Russell Gill	(Chair)
Clare Oakley	
John Briddon	(resigned 11 th September 2014)
Mags Bradbury	
Neil Braithwaite	(appointed 1 September 2014)
Steve Brice	(appointed 1 September 2014)
Mike Greenacre	(appointed 1 September 2014)
Flo Hadley	(appointed 1 September 2014)
Paul Brennan	(appointed 1 September 2014)
Jane Cowell	(appointed 9 December 2014)

Company Secretary: Mike Gerrard (appointed 2 September 2015)

Senior management team:

Director of the Trust	Frank Norris
Principal of Co-operative Academy of Leeds	Jonny Mitchell
Principal of Co-operative Academy of Manchester	Steve Brice
Principal of Co-operative Academy of Stoke	Nick Lowry
Head Teacher of Brownhill Primary School	Georgina Winterburn
Head Teacher of Woodlands Primary School	Chris Walton
Executive Head Teacher of Oakwood and Nightingale Primary Schools	Rebecca Ingram
Finance Director	Mike Gerrard

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

Company Registration Number: 7747126 (England & Wales)

VAT Registration Number: 173 1108 39

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

Bankers: The Co-operative Bank
1 Balloon Street
Manchester
M60 4EP

THE CO-OPERATIVE ACADEMIES TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2015.

The Trust operates four primary and three secondary academies in the North of England. Its academies have a combined pupil capacity of 4,808 and have a roll of 3,967 in the school census on 1st October 2015.

Structure, Governance and Management

Constitution

The Trust is a charitable company limited by guarantee with no 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 amendments to this document during the year. The Board Directors act as the trustees for the charitable activities of The Co-operative Academies Trust and are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative details on page 3.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect trustees 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 Trustees

Trustees are appointed by the sponsor based on the required skills and knowledge to provide strategic leadership and good governance to the Trust.

Governors

Each academy has a governing body made up of between 6 and 15 members. The sponsor appoints between 2 and 5 governors in addition to 2 staff governors, 2 parent governors and the principal. Up to two further governors can be drawn from formal partners and up to one from the local authority.

The Governing Body shall make all necessary arrangements for and determine all other matters relating to an election of parent governors. The principal shall be a governor as long as in office as such.

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for trustees and new governors will depend on their existing experience. Where necessary, induction will be 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 trustees 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

The Multi Academy Trust, MAT, began on 1st September 2015 with The Co-operative Academy of Manchester (CAM) and The Co-operative Academy of Stoke (CAS) joining The Co-operative Academy of Leeds (CAL).

Details of the directors who served during the year is included in the Reference and Administrative details on page 3.

THE CO-OPERATIVE ACADEMIES TRUST

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2015

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.

The Trust and its academies operate within an established a Scheme of Delegation detailing those matters that are reserved for the Board and delegated to the governors and the principal. The governors are responsible for the management of the business of the academy including adopting an annual plan and budget, monitoring the academies by the use of targets and budgets and senior staff appointments.

The Accounting Officer of the Trust is the Director of the Trust, Frank Norris.

Connected Organisations, including Related Party Relationships

The Trust works closely with its sponsor The Co-operative Group, including access to skilled governors for the Trust's academies, work and training opportunities for pupils and technical and administrative support.

Details of related party transactions are shown in note 28.

Risk Management

Details of the Trust's risk management arrangements and principal risks are included within the Strategic Report on page 6.

Objectives and Activities

Objects and Aims

The Trust's object is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing but establishing, maintaining, carrying on, managing and developing schools (academies) offering a broad and balanced curriculum.

It is intended that the curriculum and ethos of the academies will place an emphasis on, and include a commitment to students learning about the Co-operative values of self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others with the aim of encouraging the students to become better citizens, not only while they are students of the academies but during their adult lives.

Objectives, Strategies and Activities

The Trust was created on 1st September 2014 to maximise the outcomes of pupils within the existing Co-operative Academy Trusts in Leeds, Manchester and Stoke-on-Trent, as well as identifying and delivering efficiencies from the operation of a single trust.

The objectives for the year were:

- Implement and embed effective governance across a new single trust
- Open our new Nightingale primary academy in Leeds
- Identify and critically appraise growth opportunities
- Establish partnership opportunities which can support academies to further improve outcomes
- Extend investment in professional development, including a Masters programme for teaching staff
- Exploit opportunities from a single Trust to share best practice among academy leaders and staff
- Continue to work with the sponsor in the key areas of providing high quality governance and providing development opportunities for students

THE CO-OPERATIVE ACADEMIES TRUST

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Public Benefit

The trustees have had due regard to the guidance from the charity commission on public benefit when undertaking their duties.

STRATEGIC REPORT

Achievement and Performance

The trustees monitor the performance of the academies through a balanced scorecard. Academy governing bodies monitor achievement at an academy level at each governing body meeting.

Ofsted Inspections

Academies within the Trust were inspected by Ofsted during the year as follows:

Academy	Inspection	Date	Outcome of inspection
Leeds secondary	Section 8	September 2014	Senior leaders and governors are taking effective action to tackle the areas requiring improvement identified at the recent section 5 inspection.
Manchester secondary	School inspection	November 2014	Overall good, leadership and management outstanding
Stoke secondary	Section 8	February 2015	Safeguarding arrangements meet requirements
Oakwood primary	School inspection	June 2015	Good in all judgements

Secondary Academies

Co-operative Academy	Leeds		Manchester		Stoke	
	2015	2014	2015	2014	2015	2014
5 GCSE grade A*-C, including English and Maths	32%	31.4%	49%	52%	43.3%	43%
3 levels of progress – English	67%	59%	80.8%	87%	79%	74%
3 levels of progress – Maths	51%	48%	60%	60%	45%	58%
Progress 8 (note)	0.11	n/a	0	n/a	0.01	n/a
Attendance	93.6%	92.5%	97.0%	97%	94.2%	93.8%

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Co-operative Academy	Leeds		Manchester		Stoke	
	2015	2014	2015	2014	2015	2014
Staff cost as a percentage of income	71%	68%	75%	70%	82%	76%

Note – The Progress 8 measure is being used for the first full year in 2015 to replace levels of progress from 2016 onwards. A score of 0 means national average and -0.5 is the floor standard.

Primary Academies

Co-operative Academy	Brownhill		Oakwood		Woodlands	
	2015	2014	2015	2014	2015	2014
L4+Combined English & Mathematics	54%	51%	56%	53%	75%	41%
Early Years – achieving good level of development	41%	39%	48%	41%	65%	56%
Key Stage 1						
- level 2 reading	73%	62%	74%	68%	74%	70%
- level 2 writing	70%	58%	72%	63%	61%	63%
- level 2 mathematics	78%	62%	81%	83%	82%	81%
Key stage 2						
Progression 2 levels Reading	88%	91%	85%	83%	96%	93%
Progression 2 levels Writing	91%	96%	97%	96%	98%	95%
Progression 2 levels Maths	91%	89%	83%	87%	98%	86%
Other						
Attendance	93.6%	94%	96.1%	95.5%	94.2%	94%
Staff cost as a percentage of income	61%	64%	69%	61%	72%	66%

Note – Nightingale Primary Academy opened in September 2014 with Early Years and Foundations pupils.

THE CO-OPERATIVE ACADEMIES TRUST

Financial Review

The financial results of the Trust reflect the addition to the Trust on 1st September of the Co-operative Academy of Manchester and Co-operative Academy of Stoke-on-Trent. In addition, Nightingale Primary opened on 1st September with a Reception year group.

The majority of the Trust's income is derived from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA and associated expenditure are shown as restricted funds in the statement of financial activities.

The income of the Trust in the year was £74,330k (2014 £16,184k). On 1st September 2014 the trade and assets of The Co-operative Academies of Manchester and Stoke were transferred to the Trust using the acquisition method. 76 per cent of expenditure is staff and related costs (excluding the impact of the transfer of assets into the Trust) and the staffing structures in the academies are established by local governing bodies to maximise the outcomes of pupils.

The Trust also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), 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 £50,434k. Movements in tangible fixed assets are detailed in note 13. The balance as the bank was £7,374k (2014 £3,284k). The net movement is detailed in the cashflow statement on page 21.

The Co-operative Academy of Leeds & Oakwood Primary are situated in Private Finance Initiative (PFI) buildings which is owned by Carillion plc and operated by MITIE plc. Payments made under the PFI contract this financial year totalled £1,572k, this includes associated costs for catering, cleaning, utilities and other ancillary services.

Nightingale Primary opened on 1st September 2014. The land and buildings of the academy are leased from Leeds City Council on a 125 year lease and are reflected as fixed assets within the financial statements at a cost of £5,123k.

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

Reserves Policy

The trustees 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 business case for Trust Board approval. At 31st August 2015 the revenue reserves across the Trust were £5,792k (2014 £3,078k). At an academy level, reserves were £5,368k at 31st August 2015 which was in excess of the required limits. Investment plans exist in a number of academies.

As part of setting the budget, the trustees 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 CO-OPERATIVE ACADEMIES TRUST

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Investment Policy

The Trust's current investment policy is to maximise income from a low risk strategy.

Plans for Future Periods

The Trust has set the following strategic priorities over the next three years:

- further improve outcomes for children and young people, including their attainment, and the ratings awarded by Ofsted in its inspections of academies within the Trust
- ensure that all staff engage in professional development activities 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
- develop further the curriculum, careers advice and personal guidance, taking full advantage of our co-operative links, to better prepare young people to enter work, further education or training
- ensure financial security, stability and probity across the Trust
- expand the number of academies in the Trust through collaboration and co-operation and through building its reputation for delivering high quality education
- further develop the relationship with the Trust's sponsor to mutual benefit so that more opportunities are made available for the academies to benefit from the considerable expertise and learning opportunities on offer and so that the work of the Trust is known and valued by The Co-operative Group's members and employees.

Manchester Creative and Media Academy

At its September 2015 meeting the Trust Board agreed to Manchester Creative and Media Academy (MCMA) joining the Trust, subject to the completion of the final aspects of due diligence. It is anticipated that MCMA will formally join the Trust in February 2016.

Principal Risks and Uncertainties

The trustees 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 against these risks, the Trust has taken measures including;

- Investment in resources to deliver school improvement
- Review and revision to the approach to performance monitoring
- Robust budget-setting processes, supported by the application of the Reserves Policy
- Detailed assessment of potential growth opportunities, including the impact on the Trust's existing academies

THE CO-OPERATIVE ACADEMIES TRUST

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 AUGUST 2015

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.

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
- Whatever their age

Auditor

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.

In so far as the trustees are aware:

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

The trustees' 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 17th December 2015 and signed on its behalf by:



Mr R Gill

Chairman

THE CO-OPERATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that the Co-operative Academies 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 Trustees 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 Co-operative Academies Trust and the Secretary of State for Education. The Director of the Trust is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The Co-operative Academies Trust: Governance

Governance

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

The Co-operative Academies of Manchester and Stoke and Trent joined the Co-operative Academies Trust on 1 September 2014. The Co-operative Academies Trust Board met for the first time on 11 September 2014. The Board of Trustees has formally met five times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee		Meetings Attended	Out of Possible
Russell Gill	(Chair)	4	5
Clare Oakley		5	5
Mags Bradbury		5	5
John Briddon	(resigned 11 th September 2014)	0	0
Neil Braithwaite	(appointed 1 September 2014)	4	5
Paul Brennan	(appointed 1 September 2014)	4	5
Steve Brice	(appointed 1 September 2014)	4	5
Jane Cowell	(appointed 9 December 2014)	4	4
Mike Greenacre	(appointed 1 September 2014)	4	5
Flo Hadley	(appointed 1 September 2014)	5	5

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 trustees reviewed the governance arrangements for the Trust and at its meeting in September 2015, approved revised governance documents to be implemented across the Trust. The revisions did not materially change the roles within the Trust. A review of governance arrangements will take place annually and include the feedback of academies and governing bodies.

Audit and Risk Committee

The Committee is a sub-committee of the main Board of Trustees. 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 Co-operative Academies Trust Board's accounting needs. As part of its role, the Committee selects an external and internal auditor and oversees their work.

THE CO-OPERATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

	Meetings Attended	Out of Possible
Flo Hadley (Chair) (appointed 11 September 2014)	5	5
Neil Braithwaite (appointed 11 September 2014)	4	5
Jane Cowell (appointed 9 December 2014)	4	4
Mike Greenacre (appointed 11 September 2014)	4	5

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 Trustees 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 for money during the year by:

- Implementing a new single Trust within the agreed budget
- Maximised the use of central charge receipts to fund school improvement resources for all academies
- Led the targeted use of joint procurement to reduce costs across the Trust
- Minimised permanent cost growth by the use of specialist, interim resources to support projects and growth
- Undertaken an in depth review of the effectiveness of the Trust in its first year, reporting findings and future options to the Board in December 2015
- Identified and pursued growth opportunities which align with the Trust's vision and which are financially viable

Trust-wide procurement of insurance was undertaken during 2015 to take advantage of both the economies of scale from the combined entity and the reduction in the number of trust boards from three to one. A saving of circa £49,000 was achieved across the Trust compared to the prior year.

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

The Trust remains committed to maximising value for money. Moving forward, the Trust will continue to identify and pursue opportunities to achieve procurement savings arising from scale. In addition, a key part of the appraisal of new academies will be a robust appraisal of the 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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

THE CO-OPERATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Capacity to Handle Risk

The Board of Trustees 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 Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place from 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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 Trustees;
- regular reviews by the Board of Trustees 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;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and have decided to appoint Beever and Struthers as internal auditor. During 2014/15 Beever and Struthers undertook reviews of the secondary academies and the central Trust and RSM, formerly Baker Tilly, undertook a similar scope of work in the primary academies. Beever and Struthers have been appointed by the Audit and Risk Committee for a three year period.

The internal auditor's role includes undertaking 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:

- purchasing
- bank reconciliations
- payroll
- financial planning and reporting

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:

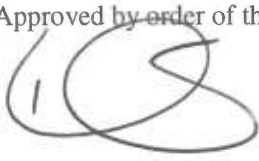
- the work of the internal auditor;
- the work of the external auditor;
- the review of governance;
- the work of principals, head teachers and finance managers within the academies who have responsibility for the development and maintenance of the internal control framework.

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.

THE CO-OPERATIVE ACADEMIES TRUST

**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Approved by order of the Board on 17th December 2015 and signed on its behalf by:

A stylized, handwritten signature in blue ink, consisting of a large loop and a smaller loop.

**Mr R Gill
Chairman**

A handwritten signature in blue ink, appearing to be 'F Norris' with a stylized flourish.

**Mr F Norris
Accounting Officer**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2015**

As accounting officer of The Co-operative Academies Trust I have considered my responsibility to notify the academy trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 trustees and EFA.



Mr F Norris

Accounting Officer

17th December 2015

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Trustees on 17th December 2015 and signed on its behalf by:



Mr R Gill
Chairman

THE CO-OPERATIVE ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CO-OPERATIVE ACADEMIES TRUST FOR THE YEAR ENDED 31 AUGUST 2015

We have audited the financial statements of the Co-operative Academies Trust for the year ended 31 August 2015 on pages 19 to 44.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, the Trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

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 2015 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 2014 to 2015 issued by the Education Funding Agency.

THE CO-OPERATIVE ACADEMIES TRUST

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

RSM UK Audit LLP

Keith Ward (Senior Statutory Auditor)

For and on behalf of

RSM UK Audit LLP (formerly Baker Tilly Audit LLP), Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

22/12/15

THE CO-OPERATIVE ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2015 £'000	Total 2014 (Restated) £'000
Incoming resources						
<i>Incoming resources from generated funds</i>						
- Academy transfers	29	463	1,029	40,785	42,277	-
- Transfer from Local Authority	3	-	-	5,123	5,123	-
- Other Voluntary income	3	124	-	1,298	1,422	1,039
- Activities for generating funds	4	39	-	-	39	11
Investment income	5	37	-	-	37	13
<i>Incoming resources from charitable activities</i>						
- Funding for the Trust's educational operations	6	411	25,021	-	25,432	15,121
Total incoming resources		1,074	26,050	47,206	74,330	16,184
Resources expended						
<i>Costs of generating funds</i>						
- Trust's educational operations	8	612	24,899	1,822	27,333	14,795
<i>Governance costs</i>	9	-	131	-	131	140
<i>Other resources expended</i>						
- Transfer of deficit of restricted reserves	29	-	783	-	783	432
Total resources expended	7	612	25,813	1,822	28,247	15,317
Net incoming/ (outgoing) resources before transfers		462	237	45,384	46,083	867
Transfers						
Gross transfers between funds	17	-	(180)	180	-	-
Net incoming/ (outgoing) resources before other recognised gains and losses		462	57	45,564	46,083	867
Actuarial (losses) / gain on defined benefit pension schemes	17 27	-	(185)	-	(185)	325
Net movement in funds		462	(128)	45,564	45,898	1,192
Reconciliation of funds						
Total funds brought forward at 1 September 2014		1,330	(53)	4,870	6,147	4,955
Total funds carried forward at 31 August 2015		1,792	(181)	50,434	52,045	6,147

All of the Trust's activities derive from continuing operations during the above two financial periods.
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

THE CO-OPERATIVE ACADEMIES TRUST

BALANCE SHEET

AT 31 AUGUST 2015

Company Registration Number: 7747126

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Fixed assets					
Tangible assets	13		50,434		4,870
Current assets					
Debtors	14	980		722	
Cash at bank and in hand		7,374		3,284	
Total current assets		8,354		4,006	
Liabilities:					
Creditors: Amounts falling due within one year	15	(2,562)		(928)	
Net current assets			5,792		3,078
Net assets excluding pension liability			56,226		7,948
Pension scheme liability	27		(4,181)		(1,801)
Net assets including pension liability			52,045		6,147
Funds of the academy:					
Restricted funds					
Fixed asset fund	17		50,434		4,870
General fund	17		4,000		1,748
Pension reserve	17		(4,181)		(1,801)
Total restricted funds			50,253		4,817
Total unrestricted funds	17		1,792		1,330
Total Funds			52,045		6,147

The financial statements on pages 19 to 44 were approved by the Trustees, and authorised for issue on the 17th December 2015 and signed on their behalf by:



Mr R Gill
Chairman

THE CO-OPERATIVE ACADEMIES TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

		2015	2014
		£'000	£'000
Net cashflow from operating activities	21	872	1,103
Cash transfers on conversion	29	3,384	334
Returns on investments and servicing of finance	22	37	13
Capital expenditure	23	(203)	(28)
Increase in cash in the year	24	4,090	1,422
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September		3,284	1,862
Net funds at 31 August		7,374	3,284

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Multi-academy Trust Combination

The transfer of the Co-operative Academy of Manchester and the Co-operative Academy of Stoke into the Co-operative Academies Trust involved the transfer of identifiable assets and liabilities and the operation of each school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from each predecessor school to the Trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. For land and buildings, the buildings were transferred at their depreciated replacement cost as recorded in the relevant accounts as at 31st August 2014. The fair value is in accordance with the accounting policies set out for The Co-operative Academies Trust. The amounts have been recognised under the appropriate balance sheet categories with a corresponding amount recognised in voluntary income 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 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 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.

Incoming Resources

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

Grants receivable

Capital asset grants are included in voluntary income on a receivable basis to the extent there is entitlement. 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 DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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 Income

Sponsorship Income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

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

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

Other income

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

Interest Receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Trust's educational operations.

Governance Costs

These include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses

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 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 so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

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 lives, as follows:

Long leasehold Land and buildings	50 years
Short-term additions to leasehold buildings	8 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

Leased Assets

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

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

VAT Accounting

The Finance Act 2011 put in place a special scheme whereby Academies are able to reclaim input VAT on their non-business activities directly from HMRC. Expenditure was accounted for net of input VAT in the year to 31st August 2013. Since December 2013, the Trust has been VAT registered and has submitted quarterly returns of VAT to HMRC.

Pensions Benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), (until April 2016) and the assets are held separately from those of the Academy Trust. 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 benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other 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 Governors. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the EFA, Department for Education, sponsor, or other funders, where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received and include grants from the EFA and Department for Education.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

2 General Annual Grant (GAG)

There are no limits on the amount of GAG that could be carried forward at 31st August 2015 as outlined in the Academies Financial Handbook or otherwise as the Secretary of State may specify.

3 Voluntary Income

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Assets £'000	2015 Total £'000	2014 Total £'000
Transfers from Local Authority on conversion	-	-	5,123	5,123	334
DfE/EFA Capital Grant	-	-	460	460	5
Devolved Formula Capital Grant	-	-	67	67	70
Local Authority Capital Grants	-	-	771	771	355
Other Donations	19	-	-	19	2
Contribution from Sponsor	100	-	-	100	133
Charges to other Bodies	5	-	-	5	140
	124	-	6,421	6,545	1,039

4 Activities for Generating Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Assets £'000	2015 Total £'000	2014 (restated) Total £'000
Lettings & other income	39	-	-	39	11
	39	-	-	39	11

The Trustees have reviewed the classification of certain items of income and expenditure during the year. Catering income of £49,000 in the prior year has been reclassified as incoming resources from charitable activities.

5 Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Assets £'000	2015 Total £'000	2014 Total £'000
Interest received	37	-	-	37	13
	37	-	-	37	13

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

6 Funding for Academies educational operations

	Unrestricted	Restricted	Total	Total (restated)
	Funds	Funds	2015	2014
	£'000	£'000	£'000	£'000
General Annual Grant				
General Annual Grant (note 2)	-	20,479	20,479	11,835
Start Up Grants	-	40	40	25
Funding for Sixth Form	-	657	657	573
Insurance income	-	72	72	45
Rates relief	-	157	157	95
	<u>-</u>	<u>21,405</u>	<u>21,405</u>	<u>12,573</u>
Other Government grants				
Pupil Premium	-	2,352	2,352	1,583
Other DfE/EFA	-	227	227	121
FFI Funding (SEN)	-	357	357	307
Nursery Funding LA	-	485	485	411
Other Local Authority Grants	-	174	174	-
	<u>-</u>	<u>3,595</u>	<u>3,595</u>	<u>2,422</u>
Other Income				
Catering Income	297	-	297	49
Trip Income	13	-	13	11
Other Income	101	-	101	33
Other Grants	-	21	21	33
	<u>411</u>	<u>21</u>	<u>432</u>	<u>126</u>
Total	<u>411</u>	<u>25,021</u>	<u>25,432</u>	<u>15,121</u>

THE CO-OPERATIVE ACADEMIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. Resources Expended

	Staff	Non Pay expenditure		Total	Total
	Costs	Premises	Other	2015	2014
	£'000	£'000	Costs	£'000	£'000
			£'000		(restated)
Trust's educational operations					
Direct costs	15,935	1,822	1,775	19,532	10,721
Allocated support costs	3,126	2,802	1,873	7,801	4,024
Costs of educational operations	<u>19,061</u>	<u>4,624</u>	<u>3,648</u>	<u>27,333</u>	<u>14,745</u>
Governance costs including allocated support costs	-	-	131	131	140
Other resources expended(see note 29)	-	-	783	783	432
Total Resources expended	<u>19,061</u>	<u>4,624</u>	<u>4,562</u>	<u>28,247</u>	<u>15,317</u>
Net incoming/(outgoing) resources for the year include:				2015	2014
				£'000	£'000
Operating leases - Other				1,619	1,536
Profit/(Loss) on disposal of fixed assets				(2)	-
Fees payable to RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)					
- audit				26	15
- other services				9	5

During the year, the Trustees have reviewed the classification of certain expenditure items. Costs of generating voluntary income in 2014 of £249,000 have been re-classified as support costs and £432,000 of costs of activities for generating funds in 2014 have been re-classified as other resources expended.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8 Charitable Activities – Academies’ educational operations

Direct costs	Unrestricted	Restricted	Restricted	Total	Total (restated)
	Funds	Funds	Fixed Assets	2015	2014
	£'000	£'000	£'000	£'000	£'000
Teaching and educational support staff costs	-	15,935	-	15,935	9,535
Depreciation	-	-	1,822	1,822	226
Educational supplies	-	1,178	-	1,178	674
Examination fees	-	195	-	195	89
Pupil Support	-	299	-	299	118
Educational consultancy	-	103	-	103	79
	-	17,710	1,822	19,532	10,721
<i>Allocated support costs</i>					
Support staff costs	-	3,289	-	3,289	1,174
Catering & trip expenditure	612	-	-	612	-
Recruitment and support	-	167	-	167	23
Maintenance of Premises	-	446	-	446	234
PFI Costs	-	1,584	-	1,584	1,534
Electricity, Gas & Water	-	288	-	288	55
Cleaning, Refuse, Other	-	69	-	69	26
Rent & rates	-	183	-	183	66
Insurance	-	201	-	201	88
Security and transport	-	31	-	31	5
Bank interest and charges	-	10	-	10	4
Other services	-	-	-	-	88
Technology costs	-	500	-	500	257
Marketing & Promotion	-	41	-	41	1
Telephones, Postage & Stationery	-	281	-	281	149
Non-educational consultancy	-	99	-	99	71
	612	7,189	-	7,801	3,775
	612	24,899	1,822	27,333	14,496

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

9 Governance costs	Total	Total
	2015	2014
	£'000	£'000
Legal and professional fees	82	110
Auditors' remuneration		
Audit of financial statements	26	15
Other compliance	9	5
Governor Support	14	10
	131	140

10 Staff Numbers and staff costs

Staff costs during the period were:

	Total	Total
	2015	2014
	£'000	£'000
Wages and salaries	14,863	8,150
Social security costs	961	582
Pension costs	2,155	1,245
Total staff costs	17,979	9,977
Supply Staff Costs	1,014	589
Staff restructuring costs	68	62
	19,061	10,628

Staff restructuring costs in both 2015 and 2014 represent payments in lieu of notice to 9 employees (2014: 4 employees) plus an additional £2,000 compensation payment to a non-employee.

Staff Numbers

The average number of persons (including senior management team) employed by the Trust during the year expressed as both full-time equivalents and head count was as follows:

	2015	2015	2014	2014
	FTE	Headcount	FTE	No.
Leadership	41	43	27	28
Teachers	203	213	113	133
Administration and support	272	418	171	232
	516	674	311	393

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

10 Staff costs (continued)

Higher Paid Staff

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

	2015 No.	2014 No.
£60,001 - £70,000	5	4
£70,001 - £80,000	6	1
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	1

Eleven of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £111,894 (2014: £59,758). The other three employees participated in the Local Government Pension Scheme, pension contributions amounted to £46,164 (2014: £ nil)

11 Trustees' remuneration and expenses

Staff and trustees only receive remuneration in respect of services they provide undertaking the roles as staff and not in respect of their services as trustees. Other trustees did not receive any payments from the Trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

	2015 £	2014 £
Accounting Officer & Director of Trust		
Remuneration	106,050	98,750
Employer's Pension Contributions	18,841	16,786
	124,891	115,536
Other trustee		
Remuneration	82,824	34,167
Employer's Pension Contributions	11,678	4,817
	94,502	38,984

Frank Norris, the Director of the Trust, received the remuneration in 2015 and 2014 above, and is accruing retirement benefits under the Local Government Pension scheme

During the year ended 31 August 2015, travel and subsistence expenses totalling £555 (2014 -£ nil) were reimbursed to trustees.

Related party transactions involving the trustees are set out in note 28.

THE CO-OPERATIVE ACADEMIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

12 Trustees' and Officers' Insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Governors 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 and the cost for the year ended 31st August 2015 was £10,200 (2014 £6,625). The cost of this insurance is included in the total insurance cost.

13 Tangible Fixed Assets

	Long Leasehold Land and Buildings £'000	Plant and Machinery £'000	Furniture and Equipment £'000	Computer Equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 September 2014	4,500	363	71	250	26	5,210
Acquired on Transfers In	38,562	-	1,754	409	39	40,764
Transfers of Academy Building from Local Authority	5,123	-	-	-	-	5,123
Additions	684	154	283	375	7	1,503
Disposals	-	-	(2)	-	(4)	(6)
At 31 August 2015	48,869	517	2,106	1,034	68	52,594
Depreciation						
At 1 September 2014	135	46	28	123	8	340
Charged in year	1,046	59	384	322	11	1,822
Disposals	-	-	(2)	-	-	(2)
At 31 August 2015	1,181	105	410	445	19	2,160
Net book values						
At 31 August 2015	47,688	412	1,696	589	49	50,434
At 31 August 2014	4,365	317	43	127	18	4,870

Details of transfers in can be found within note 29 to the accounts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

14 Debtors

	2015 £'000	2014 £'000
Trade debtors	13	1
Prepayments	163	147
Accrued Income	390	2
VAT recoverable	391	206
Other debtors	23	366
	<u>980</u>	<u>722</u>

15 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	727	448
Other creditors	123	84
Other taxation & social security	328	-
Accruals and deferred income	1,384	396
	<u>2,562</u>	<u>928</u>

Deferred income

	2015 £'000	2014 £'000
Deferred Income at 1 September 2014	154	26
Resources deferred in the year	199	154
Amounts released from previous years	(154)	(26)
Deferred Income at 31 August 2015	<u>199</u>	<u>154</u>

Deferred Income at 31 August 2015 relates to amounts received before the year end that relate to next academic year.

16 Central Services

The academy trust has provided the following central services to its academies during the year :

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

The Trust funds these services via a 3% of school block EFA income charge to the academies.
The actual amounts charged during the year were as follows:

	£'000
Co-operative Academy of Leeds	184
Co-operative Academy of Manchester	114
Co-operative Academy of Stoke	123
Brownhill Primary	52
Nightingale Primary	10
Woodlands Primary	55
Oakwood Primary	60
	<u>598</u>

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

17 Funds

	Balance at 1 September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2015 £'000
Restricted general funds					
General Annual Grant (GAG)	540	21,365	(19,754)	(180)	1,971
Start Up Grant	208	40	(248)	-	-
LEA and other grants	1,000	3,595	(3,595)	-	1,000
Other restricted	-	21	(21)	-	-
Transfer in of academies	-	1,029	-	-	1,029
Sub-total	1,748	26,050	(23,618)	(180)	4,000
Pension reserve*	(1,801)	-	(2,195)	(185)	(4,181)
	(53)	26,050	(25,813)	(365)	(181)
Restricted fixed asset funds					
DfE/EFA capital grants	91	527	(334)	-	284
Local Authority Capital grants	-	771	(286)	-	485
Transfer in of academies	-	40,785	(1,110)	-	39,675
Local Authority Transfer on Conversion	4,740	5,123	(92)	-	9,771
Capital expenditure from GAG	39	-	-	180	219
	4,870	47,206	(1,822)	180	50,434
Total restricted funds	4,817	73,256	(27,635)	(185)	50,253
Unrestricted funds					
Unrestricted funds	1,330	611	(612)	-	1,329
Transfer in of academies	-	463	-	-	463
Total unrestricted funds	1,330	1,074	(612)	-	1,792
Total funds	6,147	74,330	(28,247)	(185)	52,045

*Included within the Pension Reserve is £1,925,000 of LGPS deficit transferred in.

The specific purposes 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. Unrestricted Funds are those other Resources which may be used to further the objectives of the Academies.

THE CO-OPERATIVE ACADEMIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

Analysis of fund balances.

Fund balances at 31st August 2015 were allocated as follows:

£'000

Co-operative Academy of Leeds	1,295
Co-operative Academy of Manchester	1,515
Co-operative Academy of Stoke	393
Brownhill Primary	671
Woodlands Primary	642
Oakwood Primary	586
Nightingale Primary	266
Central services	424
	<hr/> 5,792
Restricted fixed asset fund	50,434
Pension reserve	(4,181)
	<hr/> 52,045

Analysis of cost by Academy

Expenditure incurred by each setting during the year was as follows:

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding depreciation)	Total
	£'000	£'000	£'000	£'000	£'000
Co-op - Leeds	4,669	325	542	1,677	7,213
Co-op - Manchester	2,928	968	431	750	5,077
Co-op - Stoke	3,483	783	295	908	5,469
Brownhill Primary	1,414	131	129	295	1,969
Woodlands Primary	1,606	279	150	343	2,378
Oakwood Primary	1,663	162	120	529	2,474
Nightingale Primary	172	27	32	120	351
Central services	-	451	76	184	711
	<hr/> 15,935	<hr/> 3,126	<hr/> 1,775	<hr/> 4,806	<hr/> 25,642

18 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total funds £'000
Tangible fixed assets			50,434	50,434
Current assets	1,792	6,562	-	8,354
Current liabilities	-	(2,562)	-	(2,562)
Pension scheme liability	-	(4,181)	-	(4,181)
Total net assets	<hr/> 1,792	<hr/> (181)	<hr/> 50,434	<hr/> 52,045

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

19 Capital commitments

	2015 £'000	2014 £'000
Contracted for, but not provided in the financial statements	148	-

20 Financial commitments

Operating leases

At 31 August 2015 the Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £'000	2014 £'000
<u>Land and Building</u>		
Expiring in over five years	1,572	1,512
<u>Other</u>		
Expiring within one year		
Expiring within two and five years inclusive	2	6
Expiring in over five years	41	18
	4	-
	47	24

The properties occupied by The Co-operative Academy of Leeds and Oakwood are subject to PFI arrangements, and CAT occupancy is accounted for on the same basis as a lease.

21 Reconciliation of consolidated operating surplus to net cash inflow from operating activities	£'000	£'000
Surplus on continuing operations after depreciation of assets at valuation.	46,083	867
Depreciation (note 13)	1,822	226
Loss on disposals	2	-
Capital grants from DfE and other capital income	(1,298)	(75)
Investment Income (note 5)	(37)	(13)
FRS 17 pension cost less contributions payable (note 27)	344	211
FRS 17 pension finance costs (note 27)	(74)	(7)
(Decrease)/Increase in debtors	(258)	179
Increase /(decrease) in creditors	1,634	(383)
Voluntary Income -transfers in of CAM & CAS	(44,148)	-
Costs of Voluntary Income- pension liability	1,925	432
Voluntary income – transfer from Local Authority on conversion	(5,123)	(334)
Net cash inflow from operating activities	872	1,103

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

22 Returns on investments and servicing of finance

	2015	2014
	£'000	£'000
Interest received	37	13
Net cash inflow from returns on investment and servicing of finance	37	13

23 Capital expenditure and financial investment

	2015	2014
	£'000	£'000
Purchase of tangible fixed assets (note 13)	(1,503)	(103)
Cash received for disposals	2	-
Capital grants from DfE/EFA	1,298	75
Net cash outflow from capital expenditure and financial investment	(203)	(28)

24 Analysis of changes in net funds

	At 1 September 2014	Cash flows	At 31 August 2015
	£'000	£'000	£'000
Cash in hand and at bank	3,284	4,090	7,374
	3,284	4,090	7,374

25 Contingent Liabilities

There are no contingent liabilities of which the Governors or staff are aware as at 31st August 2015 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

27 Pension and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and three Local Government Pension Schemes (LGPS) for non-teaching staff, depending upon where academies are situated. All are defined-benefit schemes.

Before 31st August 2014, administration of the LGPS was solely managed by City of Bradford Metropolitan District Council for West Yorkshire Pension Fund but since the transfer in of CAM & CAS on 1st September 2014, CAM and central executive staff belong to the Greater Manchester Pension Fund, managed by Tameside MBC, and CAS staff belong to the Staffordshire Pension Fund administered by Staffordshire County Council.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31st March 2013.

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

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014 by the Teachers' Pensions Scheme Regulations 2014. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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 was carried out as at 31 March 2012 in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation being published in June 2014. The key elements of the valuation and subsequent consultation are:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings
- Rate of real earnings growth is assumed to be 2.75%
- Assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%.

The TPS valuation for 2012 determined an employer rate of 16.4% from 1 September 2015 and an employer cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

27 Pension and similar obligations (continued)

The pension costs paid to TPS in the year amounted to £1,152,558 (2014: £636,497).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and 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 and the implications for the Academy Trust in terms of the anticipated rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds within the three administering Authorities. The total contribution made for the year ended 31 August 2015 was £997,000 (2014 £447,000) of which employer's contributions totalled £693,000 (2014 £391,000) and employees' contributions totalled £304,000 (2014 £156,000). The agreed contribution rate for the year 1st April 2014 to 31st March 2015 varied depending upon the administration from 11.7% -17.5% for employers and was between 5.5% and 7.5%, depending on pay, for employees.

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

Principal Actuarial Assumptions

The latest actuarial valuation for The Cooperative Academies Trust's liabilities within each of the three administrations took place as at 1 September 2013. 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 for FRS 17 purposes were:

Principal financial assumptions (% per annum)

	31 August 2015	31 August 2014
Discount rate	Range 3.7-3.8	3.7
RPI Inflation	3.2	3.1
CPI Inflation	2.3	2.1
Rate of increase to pensions in payment	Range 2.1-2.7	2.1
Rate of increase to deferred pensions	Range 2.1-2.7	2.1
Rate of general increase in salaries	Range 3.6-4.6	3.6

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

27 Pension and similar obligations (continued)

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements. The ranges for 2015 reflect the fact that the three LGPS schemes are administered separately

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	21.4-22.6	22.5
Females	24.0-25.5	25.4
<i>Retiring in 20 years</i>		
Males	24.0-24.8	24.7
Females	26.6-27.8	27.7

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

27 Pension and similar obligations (continued)

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. Also shown are the assumed rates of return adopted by the Employer for the Purposes of FRS 17.

	Long-term expected rate of return at 31 August 2015 (% pa) *	Asset split at 31 August 2015 (% pa)	Long term expected rate of return at 1 September 2014 (% pa)	Asset split at 1 September 2014 (%)
Equities	N/A	74.5	7.5	75.1
Property	N/A	5.6	6.8	3.3
Government bonds	N/A	10.1	2.9	10.3
Corporate bonds	N/A	5.2	3.3	5.2
Cash	N/A	2.8	1.1	3.9
Other **	N/A	1.8	7.5	2.2
Total	N/A	100.0	6.5	100.0

* The expected rate of return for the year ended 31st August 2015 was 6.5%.

The Co-operative Academies Trust employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principals. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2015.

The Co-operative Academies Trust became a participating Employer in the West Yorkshire Fund on September 2012 on obtaining Academy status & a participating Employer in the Greater Manchester & Staffordshire schemes when CAM & CAS joined the Trust on 1st September 2014. The pension assets & liabilities are reflected in the movement notes below as a net increase in assets and liabilities from acquisitions. The liabilities have been calculated on assumptions at the start of the accounting period, and the notional transfer of assets has been calculated from the funding levels of the schools at 1 September 2014.

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

27 Pension and similar obligations (continued)

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

	2015 £000	2014 £000
At 1 September 2014	6,993	4,773
Current service cost	1,034	602
Interest cost	490	293
Employee contributions	304	156
Actuarial Gain during the year	(213)	(203)
Benefits paid	(56)	19
Past Service cost	-	-
Net increase in liabilities from acquisitions	5,606	1,353
Curtailments and settlements	3	-
At 31 August 2015	14,161	6,993

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

	2015 £000	2014 £000
At 1 September 2014	5,192	3,283
Expected return on assets	564	300
Actuarial (losses)/gains	(398)	122
Employer contributions	693	391
Employee contributions	304	156
Benefits paid	(56)	19
Net increase in assets from acquisitions	3,681	921
Settlements	-	-
At 31 August 2015	9,980	5,192

The estimated value of employer contributions for the year ended 31 August 2016 is £1,050,000

THE CO-OPERATIVE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

27 Pension and similar obligations (continued)

Total expenditure recognised in the Statement of Financial Activities

	2015	2014
	£000	£000
Current service cost (net of employee contributions)	1,034	602
Losses on Curtailments	3	-
Total operating charge	1,037	602
Analysis of pension finance income / (costs)	2015	2014
	£000	£000
Expected return on pension scheme assets	(564)	(300)
Interest on pension liabilities	490	293
Pension finance income / (costs)	(74)	(7)
	2015	2014
	£000	£000
Total actuarial (losses)/gains	(185)	325

The history of experience adjustments is as follows:

	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
Present Value of defined benefit obligations	(14,161)	(6,993)	(4,773)	-	-
Fair Value of share of scheme assets	9,980	5,192	3,283	-	-
Deficit in the scheme	(4,181)	(1,801)	(1,490)	-	-
	£'000	£'000	£'000	£'000	£'000
Experience adjustments on share of scheme assets	(398)	122	185	-	-
	£'000	£'000	£'000	£'000	£'000
Experience adjustments on scheme liabilities	12	(84)	449	-	-

The Co-operative Academies Trust became a participating Employer in the West Yorkshire Fund on 1st September 2012 on obtaining Academy status and a participating Employer in the Greater Manchester & Staffordshire Funds on 1st September 2014.

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

28 Related Party Transactions

Owing to the nature of the Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The Governors consider that The Co-operative Group is a related party by virtue of significant influence. The Trust received support during the period from The Co-operative Group in respect of Governors services at a total cost of £nil (2014 £6,000). At the year-end there was a balance owed to The Co-operative Group of £nil (2014 £4,000).

Donations totalling £100,000 were received from The Co-operative Group during the year (2014 £133,000).

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

29 Conversion to an Academy Trust and academy transfers

On 1st September 2014 the trade and assets of The Co-operative Academies in Manchester & Stoke were transferred to the Trust.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised as net resources expended in the Statement of Financial Activities as voluntary income/other resources expended. The land and buildings transfers are subject to final legal agreement and the accounts reflect substance over form.

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.

	Unrestricted Funds		Restricted General Funds		Restricted Fixed Asset Funds		Total	Total
	£000 CAM	£000 CAS	£000 CAM	£000 CAS	£000 CAM	£000 CAS	£000 CAM	£000 CAS
Surplus funds acquired								
Fixed Assets	-	-	-	-	20,929	19,835	20,929	19,835
Cash balances	-	239	1,699	-	-	-	1,699	239
Current assets	118	106	33	-	21	-	172	106
Current Liabilities	-	-	(223)	-	-	-	(223)	-
LGPS Pension deficit	-	-	(480)	-	-	-	(480)	-
	118	345	1,029	-	20,950	19,835	22,097	20,180
Deficit funds acquired								
Cash balances	-	-	-	1,446	-	-	-	1,446
Current assets	-	-	-	-	-	-	-	-
Current Liabilities	-	-	-	(784)	-	-	-	(784)
LGPS Pension deficit	-	-	-	(1,445)	-	-	-	(1,445)
	-	-	-	(783)	-	-	-	(783)

On 1st September 2014 the Trust opened Nightingale Primary school in Leeds in a new building provided by the Local Authority. The cost of the building and the value of the land has been included as Voluntary income in these accounts at £5,123,000.

THE CO-OPERATIVE ACADEMIES TRUST

30 Post Balance Sheet Event

At its meeting on 9th September 2015, the Trust Board approved to acquire Manchester Creative and Media Academy (MCMA), subject to the completion of due diligence and the completion of transfer documentation with the Department for Education. It is anticipated that MCMA will formally join the Trust on 1st February 2016.

31 Agency Arrangements

The Academy Trust administers the disbursements of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £25,260 (2014: £22,552) and disbursed £41,885 (2014: £24,570), with an amount of £1,213 (2014: £12,529) repayable to the Academy Trust at the 31 August 2015 included in other creditors.

THE CO-OPERATIVE ACADEMIES TRUST

Independent Auditor's Report on Regularity to the Governing Body of The Co-operative Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 24th August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by The Co-operative Academies Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Co-operative Academies Trust and the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the The Co-operative Academies Trust and the EFA 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 governing body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Co-operative Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Co-operative Academies Trust's funding agreement with the Secretary of State of Education dated 30th August 2012 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been complemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

THE CO-OPERATIVE ACADEMIES TRUST

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

RSM UK Audit LLP

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22/12/15