

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 2014

Company Limited by Guarantee
Registration number: 7747126 (England and Wales)

THE CO-OPERATIVE ACADEMIES TRUST

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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 2014 it was made up of The Co-operative Academy of Leeds (CAL) and The Co-operative Primary Academy of Leeds (CPAL) which comprised Brownhill Primary, Woodlands Primary, Oakwood Primary and CPAL Trust.

The Members of the Trust

Russell Gill	(appointed 7 th July 2014)
Clare Oakley	(appointed 7 th July 2014)
John Briddon	(resigned 11 th September 2014)
Moira Lees	(resigned 18 th July 2014)
Margaret Bradbury	(resigned 18 th July 2014)
Tracy Vegro	(appointed 12 th August 2014)

The CAT Working Group (Jan – July 2014)

Russell Gill	(Chair)
Clare Oakley	
Frank Norris	
Mags Bradbury	
Neil Braithwaite	
Lorinda Robinson	
Kathy Leaver	
Louise Greaney	
Chris Woods	

The Directors of the Co-operative Academies Trust

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.

Russell Gill	(Chair) (appointed 7 July 2014)
Clare Oakley	(appointed 7 July 2014)
John Briddon	(resigned 11 th September 2014)
Mags Bradbury	
Moira Lees	(resigned 18 th July 2014)
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)

The Governors of CAL

John Briddon	(Chair) (resigned 11 th September 2014)
Alan Kinson	(Chair) (appointed 28 th November 2013)
Eileen McCarthy	(Principal)
Azmina Ali	(Resigned 21 February 2014)
Neil Braithwaite *	
Nancy Elwell	(Staff Governor) (resigned 26 February 2014)
Mohammad Feroz	
Julian Gorton	
Cllr Ronald Grahame *	(resigned 15 th October 2013)
Rachel Lee	(Staff Governor) (resigned 8 th November 2013)
Cath Lennon	
Dawn Marshall	(resigned 5 th November 2013 – never attended)
Sarah McIntyre	(Staff Governor) (appointed 13 Feb 2014 resigned 30 June 2014)
Chris Pilkington	(resigned 11 September 2014)
Jane Pither	
Hafizur Rahman	
Kim Ratcliffe	(appointed 11 September 2014)

THE CO-OPERATIVE ACADEMIES TRUST

John Robinson	(appointed 18 March 2014)
Marie Sorby	(Staff Governor) (appointed 20 March 2014)
Diane Walker	(appointed 15 th October 2013)

* Governors of CAL and CPAL

The Governors of CPAL

Lorinda Robinson	(Chair)
Stephen McMullan	
Phil Barr	
Andy Charlwood	
Alison Lesurf	
Ann Nicholl	
Mike Smith	(appointed 17 th September 2013)
Nicola Singleton	(appointed 10 th October 2013)
Pam Hill	(appointed 10 th October 2013)

Company Secretary: Jennifer McKenna

Senior management team:

Principal of The Co-operative Academy of Leeds	Eileen McCarthy
Chief Executive of The Co-operative Primary Academy of Leeds	Stephen McMullan
Head Teacher of Brownhill Primary School	Georgina Winterburn
Head Teacher of Woodlands Primary School	Chris Walton
Head Teacher of Oakwood Primary School	Rebecca Ingram

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: Baker Tilly UK Audit LLP
3 Hardman Street
Manchester
M3 3HF

Bankers: The Co-operative Bank
4 Vicar Lane
Leeds
LS1 1DS

THE CO-OPERATIVE ACADEMIES TRUST

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2014

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2014.

Structure, Governance and Management

Constitution

The Trust is a charitable company limited by guarantee with no share capital. The charitable company's memorandum and articles of association are the primary governing documents. There were no amendments to these documents during the year. The Governors 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. The articles of association require the members of the charitable company to appoint at least three Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy. Details of the Governors who served throughout the year are included in the Reference and Administrative Details.

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.

Governors' Indemnities

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 £500,000 on any one claim.

Principal Activity

The Trust 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.

Method of Recruitment and Appointment or Election of Governors

The members may appoint up to 8 Governors. The members may appoint staff Governors through such process as they may determine provided that the total number of Governors including the Principal who are employees of the company does not exceed one third of the total number of governors.

Under the articles, there are up to 2 positions for parent Governors. The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to a maximum. 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.

**REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for 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 Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors; as well as having a meeting with the Principal of CAL or the Chief Executive Officer of CPAL and the Chair before accepting the appointment.

Organisational Structure

The Multi Academy Trust, MAT, currently has 2 main components, that is The Co-operative Academy of Leeds (CAL) which is the secondary school and The Co-operative Primary Academy of Leeds (CPAL). The latter currently consists of 3 primary schools, Woodlands, Brownhill and Oakwood. The Finance Committee of the Multi Academy Trust is composed of the members of the Finance Committees of both CAL and CPAL. They are responsible for the overall management of accounts on a day to day basis the finances of CAL and CPAL are managed separately and accountable to the Governing Bodies of CAL and CPAL.

The Audit and Risk Committee has been set up for the Trust during the year.

For each Academy the Governors have established a Scheme of Delegation detailing those matters that are reserved for approval by the Governors and those that have been delegated to the Principal, as notional Accounting Officer. The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academies by the use of targets and budgets and making major decisions about the direction of the academies, capital expenditure and senior staff appointments.

The Accounting Officer of the Trust is Frank Norris with notional Accounting Officers Eileen McCarthy and Steve McMullen.

Connected Organisations, including Related Party Relationships

The Trust works closely with its sponsors The Co-operative Group and Leeds City College. Details of related party transactions are shown in note 28.

Risk Management

The Governors' 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 by category type and a detailed risk register is maintained. The risk register is reviewed by the senior leadership teams, before being presented to the Resources Committee and Governors. 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 Trust Audit & Risk Committee further review the risk registers.

Going Concern

After making appropriate enquiries, the Governing Body 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.

**REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

Public Benefit

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

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

The Co-operative Academies Trust : Objectives & Activities

The Co-operative Group (the Sponsor) has existing experience in the secondary sector, with academies in Manchester, Stoke-on-Trent and Leeds.

The Co-operative Primary Academy of Leeds (CPAL), was created to maximise the synergies possible from creating a cluster of schools close to the Co-operative Academy of Leeds. The Trust is tasked with meeting the educational needs of children in the inner city east area of Leeds. The Academies within the Trust work together, with notable areas of collaboration being:

- Secondary Lead Practitioners visiting the primaries to support and enhance learning in science and mathematics
- Transition visits for staff, pupils and parents in preparation for the transition of Year 6 pupils
- The sharing of professional, business and community contacts to promote and enhance the educational offer of the Trust
- Strategies to attract new Governors from a variety of social, cultural and professional backgrounds
- The development of consistent policies and practices in areas such as admissions and attendance
- The sharing of resources such as mini-buses

Further collaborative ventures are planned such as;

- Joint staff training
- The identification of common needs and strengths
- The further development of cross-phase expertise
- The continuing development of transition arrangements

The High School Academy opened in September 2012 with the sole activity of the Academy being to provide education for the students of different abilities between the ages of 11 and 19 with an emphasis on Enterprise and Communication. The two primary Academies, Brownhill and Woodlands converted in December 2012, with the conversion of Oakwood being delayed until September 2013 as a result of legal complications as it had been built under a PFI contract.

THE CO-OPERATIVE ACADEMIES TRUST

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2014

The Co-operative Academy of Leeds (CAL): Objectives

The main objectives of CAL are summarised below:

- To develop outstanding governance, management and leadership
- To raise the key aspects of attainment within the first two years of the Academy's life
- To transform learning and teaching across the Academy and in each learning zone
- To provide outstanding practice, which inspires our students
- To provide the highest quality standards of welfare to meet the diverse needs of each individual student
- To raise the levels of involvement and engagement across a range of communities, both within the Academy, and more widely
- To embed the Academy's co-operative ethos and values in all areas of its work.

The Co-operative Primary Academy of Leeds (CPAL) : Objectives

The Co-operative Primary Academy of Leeds (CPAL) has a Governing Board, responsible for strategic decision making, with each school having a Head teacher and its own Governing Body which oversees the running of the school, holding staff to account and taking responsibility for implementing CPAL policy. To meet the increasing need for primary places in the area, a competitive tender process for a brand new school took place in 2012. This school, Nightingale Primary Academy will open to children, in September 2014, with the full opening of the brand new building planned for January 2015.

STRATEGIC REPORT

Achievement and Performance: The Co-operative Academies Trust

The governors for both CPAL and CAL monitor the performance of the Academies through a balanced scorecard. This takes into account four main areas: students, staff, stakeholders, and process. Targets were set and progress monitored at each Governing Body meeting.

Achievement and Performance: The Co-operative Academy of Leeds

The academy was inspected by Ofsted in May 2014 and was judged to 'require improvement'. A further HMI monitoring visit took place in which the HMI reported that "effective action" was being taken to address the Ofsted issues.

For the High School the key targets are outlined below:

In terms of student progress, key indicators are:

- 5 A* to C GCSE results including English and maths 31.4% achieved (34% 2013)
- 3 levels of progress: English achieved 59% (50% 2013) Maths achieved 48% (56% 2013)
- 4 levels of progress: English 33% (17% 2013) Maths 22% (17% 2013)
- Attendance, 92.5% (91.3% 2013)

In terms of staffing:

- Quality of teaching and learning 75% good or better (70% 2013)

In terms of stakeholders:

- Attendance at parental events: Meet the Coach 100%, Y11 47%, Y10 77%, Y9 71%, Y8 44%, Y7 61%
- Year 7 intake 180 (full)

In terms of process:

- Staff cost against income a target was set of 72% + or - 2%. The actual was 68%.
- Accuracy of tracking a target was set of +/- 5%. Actual achieved < 1%.

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REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2014

Achievement and Performance: The Co-operative Primary Academy of Leeds

In June 2014 and July 2014, both Brownhill and Woodlands Primaries were inspected by Ofsted and both were judged to be 'good'.

First release attainment and progress figures for each of the primary academies are below;

Key Stage2 –Year 6	Brownhill		Woodlands		Oakwood	
	2013	2014	2013	2014	2013	2014
L4+Combined English & Mathematics	49%	51%	44%	41%	61%	53%
Progression 2 levels Reading	90%	91%	90%	93%	86%	83%
Progression 2 levels Writing	95 %	96 %	95%	95%	89%	96%
Progression 2 levels Maths	81%	89%	79%	86%	93%	87%
Attendance	93%	94 %	92%	94%	95%	95.5%

Plans for Future Periods

The Co-operative Academies Trust: Plans for future periods.

The budget for the Trust for the 2014/15 financial year has been set and agreed by the Governors.

As of 1st September 2014, the Co-operative Academies Trust will expand to accommodate both the Co-operative Academy of Manchester and the Co-operative Academy of Stoke which, while sitting under the same Sponsor, had previously been constituted as individual Trusts. At this point, the Trust will have seven academies within its portfolio.

Details of significant events since the balance sheet date are contained in Note 30 to the financial statements.

This has taken place to meet statutory requirements, clarify the relationship between the trust and its academies and to provide opportunities to maximise value for money efficiencies.

The priorities for 2014/15:

- To meet each Academy's improvement targets for student attainment to reach national levels of progress and the floor standard
- To raise standards of literacy and numeracy
- To improve the quality of learning by eradicating inadequate teaching and increasing the percentage of good or better teaching.
- To develop a high quality workforce of teachers, leaders and support staff

THE CO-OPERATIVE ACADEMIES TRUST

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2014

- To embed expectations for quality marking and feedback and setting of homework
- To reduce lost learning time
- To increase levels of student engagement across the Trust
- To respond to the needs of high tariff students
- To embed a culture based on co-operative values, including the development of the pastoral curriculum
- To develop the leadership skills of staff and students
- To play a significant role in community regeneration
- To improve the quality and impact of governors and governance
- To ensure that the Academies, and the Trust itself maximise value for money through economy, efficiency and effectiveness.

Key strategies and activities that have been put into place:

- Strengthened assessment structures across the Academy
- Systems developed to allow all staff to engage and act upon student data
- Developing Pupil Incentive Project for Year 11
- Whole academy systems to improve exam technique and learner resilience
- Embedding Accelerated Reading, Lexia and 3 Fs to raise literacy
- Use of IRIS to share good practice
- Development of high class induction and professional development programme
- Embedding systems for quality marking and homework
- Re-organisation of the provision for learning and behaviour support internally and at off site unit
- Appointment of extra AIO
- Opportunities created for increased student engagement
- Refining systems to ensure clarity re minimum standards
- Creation of long-term plan for pastoral curriculum
- Embedding programmes and system to further develop distributed leadership
- Rigorous appraisal process

The Co-operative Primary Academy of Leeds: Plans for future periods

While there are no plans for CPAL, the priorities for the Trust's primary academies are;

- Raising standards of attainment and achievement in all of our schools
- Exceeding floor standards consistently, year-on-year
- Developing and implementing a curriculum offer that maximises the potentials for pupils, including effective and consistent systems for learning and assessment
- Introducing, embedding and evidencing co-operative values and principles in our schools
- Raising the reputation of schools within the community
- Ensuring financial security, compliance and economies of scale for schools
- Developing and embedding high quality governance to support leadership and management across the primary academies
- Ensuring that Ofsted judgements on each of the schools are 'good or better'

In addition, each school has its own Development Plan which outlines the steps required to improve performance.

**REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2014**

Key strategies and activities that have been put in place

- Shared governor training
- The development and implementation of common shared policies on areas such as admissions, attendance and uniform
- Adoption of common uniform and other sources of 'brand' identity such as signage
- Movement towards common contracts and service level agreements in search of consistency of service and economies of scale
- Sharing of practice to improve key indicators of performance such as attendance

The Co-operative Academies Trust: Financial Review

During the year the assets of Oakwood was transferred to the Trust from Leeds City Council at nil consideration. The cash balances on conversion are reflected in Voluntary Income and unrestricted funds in the statement of financial activities. The majority of the Trust 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 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 £4,870k. Movements in tangible fixed assets are detailed in note 13. The balance as the bank was £3,284k (2013 £1,862k). The net movement is detailed in the Cashflow statement on page 23.

CAL & Oakwood Primary are situated in a Private Finance Initiative (PFI) building which is owned by Carillion plc and operated by MITIE plc. Payments made under the PFI contract this financial year totalled £1,536k, this includes associated costs for catering, cleaning, utilities and other ancillary services.

Principle Risks and Uncertainties

The Trust maintains a risk register, which is reviewed by the respective Governors' Resources Committee on a regular basis.

The main risks facing CAL are a fall in 6th form numbers which would impact on finances and receiving a category in the impending Ofsted Inspection, which could lead to adverse publicity.

Countermeasures and contingency plans have been put in place to mitigate against risk. These include:

- Cost analysis & curriculum review of current 6th form provision
- Monthly tracking of standards & reporting to Sponsor
- Changes to weekly Raising Achievement Meetings
- Creation of graduation year for Year 11, including residential for Y11 target group
- Use of external inspectors and Director of Education to help prepare leaders and teachers for Ofsted
- Detailed preparation plan in place for Ofsted, including Ofsted passport for Governors & staff
- Maintaining pro-active positive profile in local media

The main risks facing the CPAL are similar with potential reputational damage should any of the schools fail Ofsted inspections, which are expected during the next year, and the continuing impact of pupil mobility which would be further affected by poor performance on the part of the schools.

THE CO-OPERATIVE ACADEMIES TRUST

REPORT OF THE GOVERNORS (continued) FOR THE YEAR ENDED 31 AUGUST 2014

To mitigate against these risks, the primary academy has taken measures including;

- Strengthening leadership and particularly governance
- Raising and maintaining the standards of teaching and learning
- Fostering improved links with the community
- Strengthening teams and practices, such as attendance and inclusion, within each school
- Providing training on the renewed Ofsted framework for inspection
- Maintaining close professional links with the Local Authority and other intelligence-rich organisations

Reserves Policy

The Governors will review the level of reserves annually. 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 appropriate level of free reserves will be equivalent to four weeks expenditure; this should provide sufficient working capital to cover delays between spending and receipt of grants from EFA. The Governors have approved a budget in which expenditure exceeds income in each year in order to utilise the inherited reserves balance to raise academic standards to help bridge the gap to national standards.

Investment Policy

The Trust's current investment policy is to maximise income from a low risk strategy. All monies are currently invested with the Co-operative Bank where social, environmental and ethical considerations are taken into account.

Auditor

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

In so far as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors 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 Governors Annual Report is approved by order of the members and the Strategic Report (included therein) is approved by the Governing Body on 9th December 2014 and signed on its behalf by:



Mr R Gill

Chairman

THE CO-OPERATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

Scope of Responsibility

As governors, 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 governing body has delegated the day-to-day responsibility to the Principal, 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 agreement between the Co-operative Academies Trust and the Secretary of State for Education. The Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The Co-operative Academies Trust: Governance

Governance

During the year the CAT Working Group was established to oversee the transitional arrangements for the Trust leading up to 1 September 2014. The Working Group met on 4 occasions and the CAT Board which came into being on 1 September 2014 has met once so far.

CAT Working Group	Meetings Attended	Out of Possible
Russell Gill (Chair)	4	4
Clare Oakley	4	4
Frank Norris	4	4
Mags Bradbury	4	4
Neil Braithwaite	4	4
Lorinda Robinson	3	4
Kathy Leaver	3	4
Louise Greaney	3	4
Chris Woods	4	4

The Co-operative Academies Trust Board

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.

CAT Board	Meetings Attended	Out of Possible
Russell Gill (Chair) (Appointed 7 July 2014)	1	1
Clare Oakley (Appointed 7 July 2014)	1	1
John Briddon (Resigned 11 September 2014)		
Mags Bradbury	1	1
Moirra Lees (Resigned 18 July 2014)		
Neil Braithwaite (appointed 1 September 2014)	1	1
Steve Brice (appointed 1 September 2014)	0	1
Mike Greenacre (appointed 1 September 2014)	1	1
Flo Hadley (appointed 1 September 2014)	1	1
Paul Brennan (appointed 1 September 2014)	1	1

CAT Audit and Risk Committee	Meetings Attended	Out of Possible
Chris Pilkington (Chair) (resigned 11 September 2014)	3	3
Neil Braithwaite	4	4
Moirra Lees (resigned 17 July 2014)	2	3
Phil Barr	3	4
Flo Hadley (Chair) (appointed 11 September 2014)	1	1
Mike Greenacre (appointed 11 September 2014)	0	1

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GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

The Co-operative Academy of Leeds: Governance

Governance

During the year the Governing Body met on 5 occasions, each of the sub-committees met 3 times.

Governing Body		Meetings Attended	Out of Possible
John Briddon	(Chair) (resigned 11 September 2014)	5	5
Alan Kinson	(Chair) (appointed 28 November 2013)	3	4
Eileen McCarthy	(Principal)	5	5
Azmina Ali	(resigned 21 February 2014)	3	3
Neil Braithwaite		4	5
Nancy Elwell	(Staff) (resigned 26 February 2014)	3	3
Mohammad Feroz		2	5
Julian Gorton		4	5
Cllr Ronald Grahame	(resigned 15 th October 2013)	0	1
Rachel Lee	(Staff) (resigned 8 th November 2013)	1	1
Cath Lennon		3	5
Sarah McIntyre	(Staff) (apt 28 Nov resign 30 June 2014)	2	4
Chris Pilkington	(resigned 11 September 2014)	2	5
Jane Pither		5	5
Hafizur Rahman		3	5
Kim Ratcliffe	(appointed 11 September 2014)	0	0
John Robinson	(appointed 18 March 2014)	2	2
Marie Sorby	(Staff) (appointed 20 March 2014)	2	2
Diane Walker	(appointed 15 October 2013)	3	4

The **Resources Committee** is a sub-committee of the main governing body. Its purpose is to deal in detail with the financial regulation of the Academy and to make recommendations to the full governing body. Attendance at meetings during the year was as follows:

Resources Committee		Meetings Attended	Out of Possible
Mr Neil Braithwaite	(Chair)	3	3
Eileen McCarthy	(Principal)	3	3
John Briddon		2	3
Chris Pilkington		1	3
Jane Pither		2	3
John Robinson		2	2

The **Standards Committee** is a sub-committee of the main governing body. Its purpose is to deal in detail with academic standards at the Academy and to make recommendations to the full governing body. Attendance at meetings during the year was as follows:

Standards Committee		Meetings Attended	Out of Possible
Alan Kinson	(Chair)	2	2
Eileen McCarthy	(Principal)	3	3
Julian Gorton		3	3
Rachel Lee	(resigned 8 th November 2013)	1	1
Cath Lennon		2	3
Hafizur Rahman		0	2
Sarah McIntyre		2	2

THE CO-OPERATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

The **Community Committee** is a sub-committee of the main governing body. Its purpose is to deal with the community issues at the Academy and to make recommendations to the full governing body. Attendance at meetings during the year was as follows:

Community Committee	Meetings Attended	Out of Possible
Chris Pilkington (Chair)	3	3
Eileen McCarthy (Principal)	3	3
Azmina Ali (resigned 21 February 2014)	0	2
Nancy Elwell (resigned 26 February 2014)	2	2
Mohammad Feroz	1	3
Marie Sorby	1	1
Diane Walker	2	2

The Co-operative Primary Academy of Leeds: Governance

During the year the CPAL Governing Body met on 5 occasions.

Governing Body	Meetings Attended	Out of Possible
Lorinda Robinson (Chair)	2	5
Stephen McMullan	5	5
Phil Barr	4	5
Neil Braithwaite	5	5
Andy Charlwood	2	5
Cllr Roger Harington	4	5
Pam Hill (appointed 10 th October 2013)	1	3
Alison Lesurf	2	5
Ann Nicholl	4	5
Mike Smith (appointed 17 th September 2013)	3	4
Nicola Singleton (appointed 10 th October 2013)	2	4

The Finance Committee is a sub-committee of the main governing body. Its purpose is to deal in detail with the financial regulation of the Academy and to make recommendations to the full governing body. Attendance at meetings during the year was as follows:

Finance Committee	Meetings Attended	Out of Possible
Lorinda Robinson	1	2
Stephen McMullan	2	2
Phil Barr	2	2
Neil Braithwaite (Chair)	1	2
Mike Smith (appointed 17 th September 2013)	2	2

The Remuneration Committee is a sub-committee of the main governing body. Its purpose is to deal in detail with staff remuneration and to make recommendations to the full governing body. Attendance at meetings during the year was as follows:

Remuneration Committee	Meetings Attended	Out of Possible
Lorinda Robinson	0	1
Stephen McMullan	1	1
Phil Barr	1	1
Neil Braithwaite (Chair)	1	1

The **CAT Audit and Risk Committee** is a sub-committee of the Trust.

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

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 for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing bodies have 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 governing bodies are 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 for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing bodies.

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 governing body;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing bodies have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the governors have appointed Stephen Cooper, Finance Director at The Co-operative Academy of Manchester, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a regular basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Review of Effectiveness

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

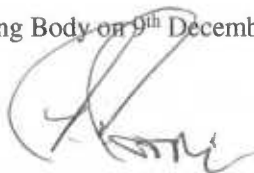
- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academies who have responsibility for the development and maintenance of the internal control framework.

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.

Approved by order of the members of the Governing Body on 9th December 2014 and signed on its behalf by:



Mr R Gill
Chairman



Mr F Norris
Accounting Officer

THE CO-OPERATIVE ACADEMIES TRUST

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2014**

As accounting officer of The Co-operative Academies Trust I have considered my responsibility to notify the academy trust governing body 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. 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 governing body 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

**STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2014**

The Governors (who act as trustees for charitable activities of The Co-operative Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 Governors 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 Governors 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 Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academies' websites. 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 Governing Body on 9th December 2014 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 2014

We have audited the financial statements of The Co-operative Academies Trust for the year ended 31 August 2014 on pages 21 to 46 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes.

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 2013 to 2014 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (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 2014 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 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

Keith Ward (Senior Statutory Auditor)

For and on behalf of

Baker Tilly UK Audit LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

19/12/2014

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 2014

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	3	609	-	-	609	5,667
Activities for generating funds	4	71	-	-	71	38
Investment income	5	13	-	-	13	8
<i>Incoming resources from charitable activities</i>						
Funding for the Trust's educational operations	6	33	15,383	75	15,491	11,492
Total incoming resources		726	15,383	75	16,184	17,205
Resources expended						
Costs of generating Voluntary Income	7	-	432	-	432	1,111
Costs of Activities for generating funds	7	249	-	-	249	109
Trust's educational operations	8	-	14,270	226	14,496	10,714
Governance costs	9	-	140	-	140	140
Total resources expended	7	249	14,842	226	15,317	12,074
Net incoming/ (outgoing) resources before transfers		477	541	(151)	867	5,131
Transfers						
Gross transfers between funds	17	-	(27)	27	-	-
Net incoming/ (outgoing) resources before other recognised gains and losses		477	514	(124)	867	5,131
Other recognised gains and losses						
Actuarial gain\ (losses) on defined benefit pension schemes	17 27	-	325	-	325	(264)
Net movement in funds		477	839	(124)	1,192	4,867
Reconciliation of funds						
Total funds brought forward at 1 September 2013		853	(892)	4,994	4,955	88
Total funds carried forward at 31 August 2014		1,330	(53)	4,870	6,147	4,955

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 2014

Company Registration Number: 7747126

	Notes	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Tangible assets	13		4,870		4,994
Current assets					
Debtors	14	722		901	
Cash at bank and in hand		3,284		1,862	
Total current assets		4,006		2,763	
Liabilities:					
Creditors: Amounts falling due within one year	15	(928)		(1,312)	
Net current assets			3,078		1,451
Net assets excluding pension liability			7,948		6,445
Pension scheme liability	27		(1,801)		(1,490)
Net assets including pension liability			6,147		4,955
Funds of the academy:					
Restricted funds					
Fixed asset fund	17		4,870		4,994
General fund	17		1,748		598
Pension reserve	17		(1,801)		(1,490)
Total restricted funds			4,817		4,102
Total unrestricted funds	17		1,330		853
Total Funds			6,147		4,955

The financial statements on pages 21 to 46 were approved by the Governors, and authorised for issue on the 9th December 2014 and signed on their behalf by:



Mr R Gill
Chairman

THE CO-OPERATIVE ACADEMIES TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

		2014	2013
		£'000	£'000
Net cashflow from operating activities	21	1,103	815
Cash transfers on conversion	29	334	920
Returns on investments and servicing of finance	22	13	8
Capital expenditure	23	(28)	(12)
Increase in cash in the year	24	<u>1,422</u>	<u>1,731</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September		1,862	131
Net funds at 31 August		<u>3,284</u>	<u>1,862</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

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 2013 to 2014 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.

Conversion

The conversion from state maintained school to academy 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. 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 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.

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

Fixed asset grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. 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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

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

Agency Arrangements

The 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 trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to the administration costs is however recognised in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included in creditors.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 buildings	50 years
Leasehold Land	Over life of lease
Short-term additions to leasehold buildings	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 2014**

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 & 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 2014

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Trust was subject to limits at 31st August 2014 on the amount of GAG that could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Trust has not exceeded these limits during the year ended 31 August 2014.

3 Voluntary Income	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Assets £'000	2014 Total £'000	2013 Total £'000
Capital Donations from LA on conversion	-	-	-	-	4,740
Transfers from Local Authority on conversion	334	-	-	334	921
Other Donations	2	-	-	2	6
Contribution from Sponsor	133	-	-	133	-
Charges to other Bodies	140	-	-	140	-
	609	-	-	609	5,667

4 Activities for Generating Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Assets £'000	2014 Total £'000	2013 Total £'000
Lettings & other income	11	-	-	11	2
Trip Income	11	-	-	11	13
Catering Income	49	-	-	49	23
	71	-	-	71	38

5 Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Assets £'000	2014 Total £'000	2013 Total £'000
Interest received	13	-	-	13	8
	13	-	-	13	8

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

6 Funding for Academies educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
DfE capital grant				
Devolved Capital Grants	-	70	70	26
EFA Capital Grant	-	5	5	330
	<u>-</u>	<u>75</u>	<u>75</u>	<u>356</u>
General Annual Grant				
General Annual Grant (note 2)	-	11,835	11,835	8,616
Start Up Grants	-	25	25	97
Funding for Sixth Form	-	573	573	604
Insurance income	-	45	45	102
Rates relief	-	95	95	17
	<u>-</u>	<u>12,573</u>	<u>12,573</u>	<u>9,436</u>
Other Government grants				
Other DfE/EFA	-	355	355	378
FFI Funding (SEN)	-	307	307	448
Nursery Funding LA	-	411	411	252
Pupil Premium	-	1,583	1,583	500
Other Government Grants	-	121	121	64
	<u>-</u>	<u>2,777</u>	<u>2,777</u>	<u>1,642</u>
Other Income				
Other Income	33	-	33	18
Other Grants	-	35	35	40
	<u>33</u>	<u>35</u>	<u>68</u>	<u>58</u>
Total	<u>33</u>	<u>15,458</u>	<u>15,491</u>	<u>11,492</u>

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

7. Resources Expended

	Staff Costs £'000	Non Pay expenditure Premises £'000	Other Costs £'000	Total 2014 £'000	Total 2013 £'000
Costs of generating voluntary income	-	-	432	432	1,111
Costs of Activities for generating funds	-	-	249	249	109
Trust's educational operations					
Direct costs	9,535	226	960	10,721	8,186
Allocated support costs	1,174	2,008	593	3,775	2,528
Total Costs of educational operations	10,709	2,234	2,234	15,177	11,934
Governance costs including allocated support costs	-	-	140	140	140
Total Resources expended	10,709	2,234	2,374	15,317	12,074
Net Incoming/outgoing resources for the year include:				2014 £'000	2013 £'000
Operating leases - Plant and machinery				-	-
Operating leases - Other				1,536	1,224
Fees payable to auditor - audit				15	15
- other services				5	5

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

8 Charitable Activities – Academies’ educational operations

Direct costs	Unrestricted Funds £’000	Restricted Funds £’000	Restricted Fixed Assets £’000	Total 2014 £’000	Total 2013 £’000
Teaching and educational support staff costs	-	9,535	-	9,535	7,362
Depreciation	-	-	226	226	115
Educational supplies	-	674	-	674	424
Examination fees	-	89	-	89	170
Pupil Support	-	118	-	118	77
Educational consultancy	-	79	-	79	38
	-	10,495	226	10,721	8,186
<i>Allocated support costs</i>					
Support staff costs	-	1,174	-	1,174	433
Recruitment and support	-	23	-	23	67
Maintenance of Premises	-	1,768	-	1,768	1,278
Electricity, Gas & Water	-	55	-	55	62
Cleaning, Refuse, Other	-	26	-	26	15
Rent & rates	-	66	-	66	64
Insurance	-	88	-	88	85
Security and transport	-	5	-	5	2
Bank interest and charges	-	4	-	4	1
Finance costs Pension scheme	-	-	-	-	5
Other services	-	88	-	88	366
Technology costs	-	257	-	257	70
Marketing & Promotion	-	1	-	1	1
Telephones, Postage & Stationery	-	149	-	149	24
Uniform costs	-	-	-	-	6
Non-educational consultancy	-	71	-	71	49
	-	3,775	-	3,775	2,528
	-	14,270	226	14,496	10,714

THE CO-OPERATIVE ACADEMIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

9. Governance costs	Total	Total
	2014	2013
	£'000	£'000
Legal and professional fees	110	113
Auditors' remuneration		
Audit of financial statements	15	15
Regularity and other compliance	5	5
Governor Support	10	7
	140	140

10 Staff Numbers and staff costs

Staff costs during the period were:

	Total	Total
	2014	2013
	£'000	£'000
Wages and salaries	8,150	5,799
Social security costs	582	421
Pension costs	1,245	879
Other staff costs	81	70
	10,058	7,169
Supply Staff Costs	589	428
Staff restructuring costs	62	198
	10,709	7,795

Staff Numbers

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

	2014	2013
	No.	No.
Leadership	27	21
Teachers	113	94
Education Support	137	129
Administration and support	25	27
Site Staff & cleaners	3	5
Catering Staff	6	4
	311	280

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

10 Staff costs (continued)

Higher Paid Staff

The number of employees whose emoluments fell within the following bands was:

	2014 No.	2013 No.
£60,001 - £70,000	4	3
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £ 59,758 (2013: £47,103).

11 Governors' remuneration and expenses

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

The value of Governors' remuneration was as follows:

	2014 £'000	2013 £'000
Principal	104	91
Other staff Governor	96	64
Other staff Governor to 26 th Feb 2014	15	39
Other staff Governor to 8 th Nov 2013	8	25
Other staff Governor from 1 st Feb 2014	11	-
Other staff Governor from 1 st March 2014	18	-

During the year ended 31 August 2014, travel and subsistence expenses totalling £ nil (2013 -£ nil) were reimbursed to Governors.

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 2014**

12 Governors' 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 2014 was £6,625 (2013 £4,100). 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 2013	4,500	356	49	176	26	5,108
Additions	-	7	22	74	-	103
At 31 August 2014	4,500	363	71	250	26	5,210
Depreciation						
At 1 September 2013	44	1	12	54	3	114
Charged in year	91	45	16	69	5	226
Disposals	-	-	-	-	-	-
At 31 August 2014	135	46	28	123	8	340
Net book values						
At 31 August 2014	4,365	317	43	127	18	4,870
At 31 August 2013	4,456	355	37	122	24	4,994

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

14 Debtors

	2014 £'000	2013 £'000
Trade debtors	1	10
Prepayments	147	87
Accrued Income	2	418
VAT recoverable	206	332
Other debtors	366	54
	<u>722</u>	<u>901</u>

15 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	448	491
Other creditors	84	120
Accruals and deferred income	396	701
	<u>928</u>	<u>1,312</u>

Deferred income

	2014 £'000	2013 £'000
Deferred Income at 1 September 2013	26	-
Resources deferred in the year	154	26
Amounts released from previous years	(26)	-
Deferred Income at 31 August 2014	<u>154</u>	<u>26</u>

Deferred Income at 31 August 2014 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 charges for these services on the following basis:

- As agreed with Principals at the start of the year but will be a flat percentage in the future.

The actual amounts charged during the year were as follows:

	£'000
Co-operative Academy of Leeds	118
Brownhill Primary	12
Woodlands Primary	14
Oakwood Primary	15
	<u>159</u>
	34

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

17 Funds

	Balance at 1 September 2013 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2014 £'000
Restricted general funds					
General Annual Grant (GAG)	415	11,835	(11,683)	(27)	540
Start Up Grant	183	25	-	-	208
LEA and other grants	-	2,775	(1,775)	-	1,000
Other restricted	-	748	(748)	-	-
Pension reserve	(1,490)	-	(636)	325	(1,801)
	(892)	15,383	(14,842)	298	(53)
Restricted fixed asset funds					
DfE capital grants	242	75	(226)	-	91
Local Authority Transfer on Conversion	4,740	-	-	-	4,740
Capital expenditure from GAG	12	-	-	27	39
	4,994	75	(226)	27	4,870
Total restricted funds	4,102	15,458	(15,068)	325	4,817
Unrestricted funds					
Unrestricted funds	853	726	(249)	-	1,330
Total unrestricted funds	853	726	(249)	-	1,330
Total funds	4,955	16,184	(15,317)	325	6,147

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.

Analysis of fund balances.

Fund balances at 31st August 2014 were allocated as follows:

	£'000
Co-operative Academy of Leeds	1,175
Brownhill Primary	472
Woodlands	295
Oakwood	442
Central services	694
	<u>3,078</u>
Restricted fixed asset fund	4,870
Pension reserve	(1,801)
	<u>6,147</u>

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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-operative Academy of Leeds	4,835	295	593	1,677	7,400
Brownhill Primary	1,296	133	127	284	1,840
Woodlands Primary	1,603	209	119	350	2,281
Oakwood Primary	1,680	81	109	471	2,341
Central services	121	456	12	640	1,229
	9,535	1,174	960	3,422	15,091

18 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total funds £'000
Tangible fixed assets	-	-	4,870	4,870
Current assets	1,330	2,676	-	4,006
Current liabilities	-	(928)	-	(928)
Pension scheme liability	-	(1,801)	-	(1,801)
Total net assets	1,330	(53)	4,870	6,147

19 Capital commitments

	2014 £	2013 £
Contracted for, but not provided in the financial statements	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

20 Financial commitments

Operating leases

At 31 August 2014 the Trust had annual commitments under non-cancellable operating leases as follows:

	2014 £'000	2013 £ '000
<u>Land and Building</u>		
Expiring in over five years	<u>1,512</u>	<u>1,206</u>
<u>Other</u>		
Expiring within one year	6	1
Expiring within two and five years inclusive	18	15
Expiring in over five years	-	2
	<u>24</u>	<u>18</u>

The occupancy of the Co-operative Academy of Leeds & Oakwood Primary are both under a PFI agreement which are both treated as an operating lease.

	2014 £'000	2013 £'000
21 Reconciliation of consolidated operating surplus to net cash inflow from operating activities		
Surplus on continuing operations after depreciation of assets at valuation.	867	5,132
Depreciation (note 13)	226	115
Capital grants from DfE and other capital income	(75)	(356)
Investment Income (note 5)	(13)	(8)
FRS 17 pension cost less contributions payable (note 27)	211	110
FRS 17 pension finance costs (note 27)	(7)	5
Decrease /(Increase) in debtors (note 14)	179	(902)
(Decrease) /Increase in creditors (note 15)	(383)	1,269
Costs of Voluntary Income- pension liability	432	1,111
Voluntary income – transfer from Local Authority on conversion	(334)	(5,661)
Net cash inflow from operating activities	<u>1,103</u>	<u>815</u>

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

22 Returns on investments and servicing of finance

	2014	2013
	£'000	£'000
Interest received	13	8
Net cash inflow from returns on investment and servicing of finance	13	8

23 Capital expenditure and financial investment

	2014	2013
	£'000	£'000
Purchase of tangible fixed assets (note 13)	(103)	(368)
Capital grants from DfE/EFA	75	356
Fixed assets acquired on conversion	-	(4,740)
Net cash outflow from capital expenditure and financial investment	(28)	(4,752)

24 Analysis of changes in net funds

	At 1		At 31
	September	Cash flows	August
	2013		2014
	£'000	£'000	£'000
Cash in hand and at bank	1,862	1,422	3,284
	1,862	1,422	3,284

25 Contingent Liabilities

There are no contingent liabilities of which the Governors or staff are aware as at 31st August 2014, 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 2014**

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 the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by City of Bradford Metropolitan District Council for West Yorkshire Pension Fund. Both are defined-benefit schemes.

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' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pension Regulations 2010.

Retirement and other pension benefits, including annual increases payable under Pension (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pension Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

27 Pension and similar obligations (continued)

Employer and employee contribution rates

As from 1 January 2007, and as part of the cost-sharing agreement between employer and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standards (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

27 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 of which employer's contributions totalled £391,000 (2013 £279,000) and employees' contributions totalled £156,000 (2012 £107,000). The agreed contribution rate for the year 1st April 2013 to 31st March 2014 was 15.1 % for employers and 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 of The Cooperative Academies Trust's liabilities took place as at 1 September 2013. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Employer's assets and liabilities for FRS 17 purposes were:

Principal financial assumptions (% per annum)

	31 August 2014	1 September 2013
Discount rate	3.7	4.5
RPI Inflation	3.1	3.7
CPI Inflation	2.1	2.8
Rate of increase to pensions in payment*	2.1	2.8
Rate of increase to deferred pensions	2.1	2.8
Rate of general increase in salaries **	3.6	4.7

** In excess of Guaranteed Minimum Pension increases in payment where appropriate*

*** In addition, allowance is made for the same age related promotional salary scales as used at the actuarial valuation of the Fund as at 31 March 2010.*

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

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.

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	22.5	22.1
Females	25.4	24.3
<i>Retiring in 20 years</i>		
Males	24.7	23.9
Females	27.7	26.2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

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 Fund Administering Authority) is shown in the table below. Also shown are the assumed of return adopted by the Employer for the Purposes of FRS 17.

	Long-term expected rate of return at 31 August 2014 (% pa) *	Asset split at 31 August 2014 (% pa) *	Long term expected rate of return at 1 September 2013 (% pa) *	Asset split at 1 September 2013 (%)
Equities	7.5	75.1	7.9	73
Property	6.8	3.3	7.4	3
Government bonds	2.9	10.3	3.4	11.4
Corporate bonds	3.3	5.2	4.1	5.7
Cash	1.1	3.9	0.9	3.8
Other **	7.5	2.2	7.9	3.1
Total	6.5	100.0	6.9	100.0

* The overall expected rate of return on Fund assets is a weighted average of the individual expected rates of return on each asset class, and is shown in the bottom row of the above table.

** Other holdings may include hedge funds, currency holdings, asset allocation futures and other financial instruments. It is assumed that these investments will get a return in line with equities.

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 2014.

The Co-operative Academies Trust became a participating Employer in the West Yorkshire Fund on September 2012 on obtaining Academy status. The position as at 1 September 2012 for accounting purposes is as follows: The value of the liabilities as at 1 September 2012 has been calculated on the FRS 17 assumptions applicable at that date based on full membership data provided by the Fund administering Authority. The value if the assets notionally attributed to the Employer as at 1 September 2012 has been calculated based on the funding ratio of the previous employer at 1 September 2012 based on assumptions consistent with those used for changes in market conditions (the "ongoing basis"). The assets notionally allocated to the Employer at their commencement date will be reviewed as part of the 2013 valuation of the Fund, which is currently being undertaken.

Oakwood Primary School joined The Co-operative Academies Trust on 1 September 2013. The pension assets & liabilities are reflected in the above movement notes 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 2013.

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

27 Pension and similar obligations (continued)

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

	2014 £000	2013 £000
At 1 September 2013	4,773	2,100
Current service cost	602	389
Interest cost	293	155
Employee contributions	156	107
Actuarial (Gain)/Loss during the year	(203)	449
Benefits paid	19	(24)
Past Service cost	-	-
Net increase in liabilities from acquisitions	1,353	1,597
Curtailments and settlements	-	-
At 31 August 2014	6,993	4,773

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

	2014 £000	2013 £000
At 1 September 2013	3,283	1,443
Expected return on assets	300	150
Actuarial gains	122	185
Employer contributions	391	279
Employee contributions	156	107
Benefits paid	19	(24)
Net increase in assets from acquisitions	921	1,143
Settlements	-	-
At 31 August 2014	5,192	3,283

The estimated value of employer contributions for the year ended 31 August 2015 is £335,000

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

27 Pension and similar obligations (continued)

Total expenditure recognised in the Statement of Financial Activities

	2014 £000	2013 £000
Current service cost (net of employee contributions)	602	389
Past service cost	-	-
Total operating charge	<u>602</u>	<u>389</u>

Analysis of pension finance income / (costs)

	2014 £000	2013 £000
Expected return on pension scheme assets	(300)	(150)
Interest on pension liabilities	293	155
Pension finance income / (costs)	<u>(7)</u>	<u>5</u>

Analysis of amounts recognised in the STRGL

	2014 £000	2013 £000
Total actuarial gains/(losses)	325	(264)

The history of experience adjustments is as follows:

	2014 £000	2013 £000
Present value of defined benefit obligations	(6,993)	(4,773)
Fair value of share of scheme assets	<u>5,192</u>	<u>3,283</u>
Deficit in the scheme	<u>(1,801)</u>	<u>(1,490)</u>
	£000	£000
Experience adjustments on share of scheme assets	<u>122</u>	<u>185</u>
	£000	£000
Experience adjustments on scheme liabilities:	<u>(84)</u>	<u>-</u>

THE CO-OPERATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

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 £6,000 (2013 £7,500). At the year end there was a balance owed to The Co-operative Group of £4,000 (2013 £4,800)

Donations totalling £133,000 were received from The Co-operative Group during the year (2013 £6,310)

29 Conversion to an Academy Trust

On 1st September 2013 the trade and assets of Oakwood Primary school were transferred to the Academy Trust. The school land and buildings and fixtures and fittings are provided under a PFI agreement with the City Council. The Governors' estimate that the fair value of the net assets transferred on conversion to the Academy Trust is approximately £300,000.

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 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.

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
	£000	£000	£000	£000
Fixed Assets	-	-	-	-
Cash balances	334	-	-	334
LGPS Pension deficits	-	(432)	-	(432)
	334	(432)	-	(98)

30 Post Balance Sheet Event

On 1st September 2014 the trade and assets of The Co-operative Academies in Manchester & Stoke were due to be transferred to the Academy Trust, subject to completion of the necessary legal documentation. The Governors' estimate that the fair value of the net assets transferred on conversion to the Academy Trust will be approximately £22 million for Manchester & £21 million for Stoke.

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 £22,552, (2013: £39,902) and disbursed £24,570, (2013: £25,352), with therefore an amount of £12,529 (2013: £14,549) repayable to the Academy Trust at the 31 August 2014 is 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 26th April 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013 to 2014, 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 2013 to 31 August 2014 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 governing body 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 review 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 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 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 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

19/12/14