

THE CO-OPERATIVE ACADEMIES TRUST

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

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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

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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 31<sup>st</sup> August 2015 it was made up of The Co-operative Academy of Leeds (CAL), Co-operative Academy of Manchester (CAM), Co-operative Academy of Stoke (CAS) and the Co-operative Primary Academies of Brownhill, Nightingale, Oakwood and Woodlands.

### Members

Russell Gill  
Clare Oakley  
John Briddon

### Trustees

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

**Company Secretary:** Mike Gerrard (appointed 2 September 2015)

### **Senior management team:**

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

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

**Company Registration Number:** 7747126 (England & Wales)

**VAT Registration Number:** 173 1108 39

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

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

# THE CO-OPERATIVE ACADEMIES TRUST

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2015

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

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

### **Structure, Governance and Management**

#### **Constitution**

The Trust is a charitable company limited by guarantee with no share capital. The charitable company's articles of association is the primary governing document and this was effective from 1 September 2014. There were no amendments to this document during the year. The Board Directors act as the trustees for the charitable activities of The Co-operative Academies Trust and are also the directors of the charitable company for the purposes of company law.

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

#### **Members' Liability**

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

#### **Trustees' Indemnities**

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

#### **Method of Recruitment and Appointment or Election of Trustees**

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

#### **Governors**

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

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

#### **Policies and Procedures Adopted for the Induction and Training of Governors**

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

#### **Organisational Structure**

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

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

# THE CO-OPERATIVE ACADEMIES TRUST

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

The Trust Board sets the strategic direction for the Trust and is responsible for the performance of all academies within the Trust. The Audit and Risk Committee oversees the external and internal audit processes as well as ensuring there is an effective risk management approach in place. Decisions reserved for the Trust Board include providing strategic direction to the Trust, ensuring financial viability, establishing an Audit Committee and compliance with the Department for Education requirements.

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

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

### **Connected Organisations, including Related Party Relationships**

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

Details of related party transactions are shown in note 28.

### **Risk Management**

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

### **Objectives and Activities**

#### **Objects and Aims**

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

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

#### **Objectives, Strategies and Activities**

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

The objectives for the year were:

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

THE CO-OPERATIVE ACADEMIES TRUST

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

**Public Benefit**

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

**STRATEGIC REPORT**

**Achievement and Performance**

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

**Ofsted Inspections**

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

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

**Secondary Academies**

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

THE CO-OPERATIVE ACADEMIES TRUST

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

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

Primary Academies

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

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

## Financial Review

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

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

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

The Trust also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. The net book value of fixed assets at the year-end was £50,434k. Movements in tangible fixed assets are detailed in note 13. The balance as the bank was £7,374k (2014 £3,284k). The net movement is detailed in the cashflow statement on page 21.

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

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

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

## Reserves Policy

The trustees have approved a Reserves Policy which requires academies to maintain a revenue reserve of between 5 and 10% of grant income. Budgets or forecasts which show a position outside of this range must be accompanied by a business case for Trust Board approval. At 31<sup>st</sup> August 2015 the revenue reserves across the Trust were £5,792k (2014 £3,078k). At an academy level, reserves were £5,368k at 31<sup>st</sup> August 2015 which was in excess of the required limits. Investment plans exist in a number of academies.

As part of setting the budget, the trustees review the level of reserves each year. This review will consider the nature of income and expenditure streams, the need to match income with commitments and the need to set aside funds for future replacement programmes.



## THE CO-OPERATIVE ACADEMIES TRUST

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

#### **Investment Policy**

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

#### **Plans for Future Periods**

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

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

#### **Manchester Creative and Media Academy**

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

#### **Principal Risks and Uncertainties**

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

The main risks facing the Trust are not delivering improved outcomes for pupils, actual and potential financial challenges due to changes in funding and cost growth, and managing growth to ensure continued improvement for all the Trust's academies.

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

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

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

**Going Concern**

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

**Employees and Disabled Persons**

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

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

**Auditor**

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

In so far as the trustees are aware:

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

The trustees' Annual Report is approved by order of the members and the Strategic Report (included therein) is approved by the Board in its capacity as directors on 17<sup>th</sup> December 2015 and signed on its behalf by:



**Mr R Gill**

**Chairman**

# THE CO-OPERATIVE ACADEMIES TRUST

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

### Scope of Responsibility

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

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

### The Co-operative Academies Trust: Governance

#### Governance

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

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

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

#### Governance reviews

Governance arrangements, including financial regulations and a scheme of delegation, were created for the establishment of the Trust on 1 September 2014. During the year, the trustees reviewed the governance arrangements for the Trust and at its meeting in September 2015, approved revised governance documents to be implemented across the Trust. The revisions did not materially change the roles within the Trust. A review of governance arrangements will take place annually and include the feedback of academies and governing bodies.

#### Audit and Risk Committee

The Committee is a sub-committee of the main Board of Trustees. Its purpose is to support both the Director of the Trust and the Board in their responsibilities for issues of risk, internal control and governance by reviewing the comprehensiveness of assurances in meeting the Co-operative Academies Trust Board's accounting needs. As part of its role, the Committee selects an external and internal auditor and oversees their work.