

COMMUNITY ACADEMIES TRUST

Annual Report and Financial Statements

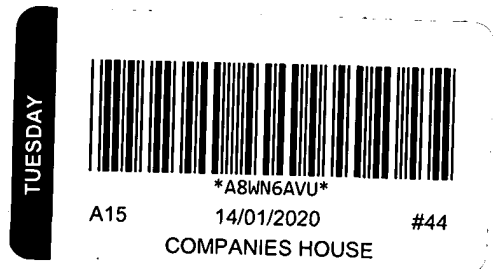
Year ended 31 August 2019

ONLINE at:

www.communityacademiestrust.org

(A Company Limited by Guarantee)

Company Registration Number: 07472736 (England and Wales)



Community Academies Trust

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Community Academies Trust

Reference and Administrative Details

CAT Members

Mr. S Atkins
Mr. N Bratt
Mr. S Mason
Ms. E J Gaffney (appointed 11 November 2019)
Ms. V C Higham (appointed 10 December 2019)

CAT Trustees / Directors

Mr. S Atkins (Chair)
Mrs. A Bardsley (appointed 22 October 2018,
resigned 26 November 2018)
Mr. G Brown
Mr. P Hamilton (CEO and Accounting Officer)
(resigned 26 November 2018)
Mr. S Mason
Mr. E May (resigned 26 November 2018)
Mr. S Sibley (appointed 17 October 2018)
Mrs. S Stewart (appointed 17 October 2018)
Mr. R Vernon
Rev. S Wallis

Company Secretary

Mrs. A Bardsley

Senior Management Team

- | | |
|--|---|
| - Chief Executive Officer & Founding Trustee | Mr. P Hamilton |
| - Executive Director (Education) and Founding Trustee | Mr. E May |
| - Executive Director (Finance and Operations) | Mrs. A Bardsley |
| - Head Teacher, The Polesworth School | Mrs. M Favell |
| - Head Teacher, Birchwood Primary School | Mr. N Coleman |
| - Executive Head Teacher, Dordon Primary School & Wood End Primary School | Mrs. M Cross |
| - Head Teacher, Woodloes Primary School | Mr. A Mitchell |
| - Head Teacher, Budbrooke Primary School | Mr. C McKee |
| - Executive Head Teacher, The Telford Langley School & The Telford Park School | Mr. S Carter |
| - Head of School, The Telford Park School | Mrs. H Rigby |
| - Head Teacher, The Telford Priory School | Ms. S Jordan |
| - Head Teacher, Grange Park Primary School | Mr. R Thorpe |
| - Head Teacher, Stratford Primary School | Mrs. G Humphriss |
| - Head Teacher, The Wilnecote School | Mrs. S Hartle |
| - Head Teacher, Chadsmead Primary Academy | Ms. G Grainger |
| - Head Teacher, Heathcote Primary School | Mrs. L Jeffries (resigned 31 August 2019) |
| | Mrs. G Humphriss (appointed 1 September 2019) |
| - Head Teacher, Windmill Primary School | Mr. M Gibbons |
| - Head Teacher, Stoneydelph Primary School | Ms. J Wallbank |
| - Head Teacher, The Woodlands Community Primary School | Mr. J Baker |
| - Head of Teaching School | Ms. A Rickus |

Registered Office

Dordon Road
Dordon
Tamworth
Staffs
B78 1QT

Company registration number

07472736

Community Academies Trust

Reference and Administrative Details (continued)

Auditors

RSM UK Audit LLP
St Philips Point
Temple Row
Birmingham
B2 5AF

Bank

Lloyds
9 Birmingham Road
Sutton Coldfield
B72 1QA

Internal Auditors

RB Chartered Accountant
Meeson House
76 Pinfold Lane
Penkridge
Staffordshire
ST19 5AP

Directory of Academies year ended 31 August 2019

Birchwood Primary School	Birchwood Avenue, Dordon, Tamworth, B78 1QU
Budbrooke Primary School	Styles Close, Hampton Magna, Warwick, CV35 8TP
Chadsmead Primary Academy	Friday Acre, Lichfield, WS13 7HJ
Dordon Community Primary School	Roman Way, Dordon, Tamworth, B78 1PJ
Grange Park Primary School	Grange Avenue, Stirchley, Telford, TF3 1FA
Heathcote Primary School	Vickers Ways, Heathcote, Warwick, Warwickshire, CV34 7AP
The Polesworth School	Dordon Road, Dordon, Tamworth, B78 1QT
Stoneydelph Primary School	Crowden Road, Wilnecote, Tamworth, Staffordshire, B77 4LS
Stratford-upon-Avon Primary School	Broad Street, Stratford-upon-Avon, CV37 6HN
The Telford Langley School	Duce Drive, Dawley, Telford, TF4 3JS
The Telford Park School	Grange Avenue, Stirchley, Telford, TF3 1FA
The Telford Priory School	New Road, Wrockwardine Wood, Telford, TF2 7AB
The Wilnecote School	Tinkers Green Road, Wilnecote, Tamworth, Staffordshire, B77 5LF
Windmill Primary School	Beaconsfield, Brookside, Telford, TF3 1LG
Wood End Primary School	Wood Street, Wood End, Atherstone, CV9 2QL
The Woodlands Community Primary School	Canning Road, Glascote, Tamworth, Staffordshire B77 3JX
Woodloes Primary School	Deansway, Warwick, CV34 5DF

Community Academies Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Community Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Community Academies Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

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

The trust makes use of the Government's Risk Protection Arrangement for academies and the indemnities therein.

Method of Recruitment and Appointment or Election of Trustees

The members appoint up to 6 trustees in accordance with the provisions in the Articles of Association. Further trustees are appointed by the existing trustees following an interview with a sub-committee of the trustees and their recommendation. Trustees are appointed after taking into account the skills and knowledge they can bring to the trust. The trust has used "Academy Ambassadors" to recruit further trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

Training and induction is provided for new trustees and depends on their existing experience. All trustees are provided with copies of policies, procedures, minutes, budgets, risk register, plans and other documents that they will need to undertake their role. As there are normally only one or two new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

Community Academies Trust's board of trustees govern the work of the academies across the trust. They govern the full range of activity required by the trust. These include specialists in human resources, financial management, estates, education and school improvement.

Most of our academies have a Local Governing Body (LGB) comprising up to 9 governors for a primary school and up to 13 governors for a secondary school. Where a school is in challenging circumstances, it is governed by an Education Advisory Board (EAB) consisting of main trust board representatives, local stakeholders and school improvement experts who drive through rapid change to turn around provision. This EAB is disbanded once the school is settled and a LGB instated.

Each school has a Headteacher with a Strategic Leadership Team (SLT). This SLT and other leaders ensure strong and clear lines of accountability and the easy flow of information about the quality of provision. They are responsible for the delivery of the improvement plans and contribute to their formulation and implementation.

Further information on this work is described later in this report under Objectives, Strategies and Activities.

Community Academies Trust

Trustees' Report (continued)

Arrangements for setting pay and remuneration of key management personnel

A remuneration committee of the trustees is responsible for setting the pay of the executive leaders of the trust. It does this by benchmarking against advertised rates and bearing in mind the skillsets of staff and regional marketplace. Also considered is the requirement to maintain differentials in internal structures and the weight of responsibility attached to the role.

Headteachers and Heads of School have their pay determined under the School Teachers' Pay and Conditions document and related to the Individual Salary Range (ISR) attached to the school, personal performance and the requirements of TUPE.

Trade Union Facility Time

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017 the trust is required to publish the following information relating to trade union officials and facility time.

Table 1

Relevant Union Officials during 01/04/18-31/03/19	
Number of employees who were relevant union officials during the relevant period	Full time equivalent trade union representatives
7	4.97

Table 2

Percentage of time spent on facility time for each relevant union official during 01/04/18-31/03/19	
Percentage of time	Number of employees
0%	1
1 – 50%	5
51 – 99%	0
100%	1

Table 3

Percentage of pay bill spent on facility time during 01/04/18-31/03/19	
The total cost of facility time	£4,770
The total pay bill	£31,531,000
The % of the total pay bill spent on facility time	0.02%

Table 4

Paid trade union activities	
As a percentage of total paid facilities time hours, the number of hours spent by employees who were Trade Union officials, during 01/04/18-31/03/19 on paid trade union activities	
11.86%	

Objectives and Activities



The academy trust's objectives are specifically restricted to the advancing for the public benefit education in the UK, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum and to promote for the benefit of the inhabitants of the United Kingdom the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives and Aims

In accordance with the articles of association, the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education. The Scheme of Governance specifies, amongst other things, the basis for admitting students to the Academies, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

Everything we do is orientated around ensuring excellent community education for children and young adults aged 3 to 18.

Our approach is based on a fundamental belief that all young people have talent and the potential to achieve more than they ever thought possible.

Achievement is in three main areas:

- **Academic:** Excellent standards and outstanding progress are a prerequisite for success in life equipping young people with the skills and knowledge they will need to be successful, happy and productive citizens.
- **Social:** Excellent relationships for learning are a prerequisite for all other achievements. Relationships that engender mutual respect between young people, and all other members of our academies' communities will ensure learning can be fun in a disciplined and caring environment where the highest expectations are the norm.
- **Personal:** All young people achieve things they can be proud of every day in addition to academic success and outside our school's planned curriculum. We have a vital role in ensuring individuals develop their own talents and interests and have a responsibility to instill in them a sense of pride in who they are and what they achieve.

Community Academies Trust

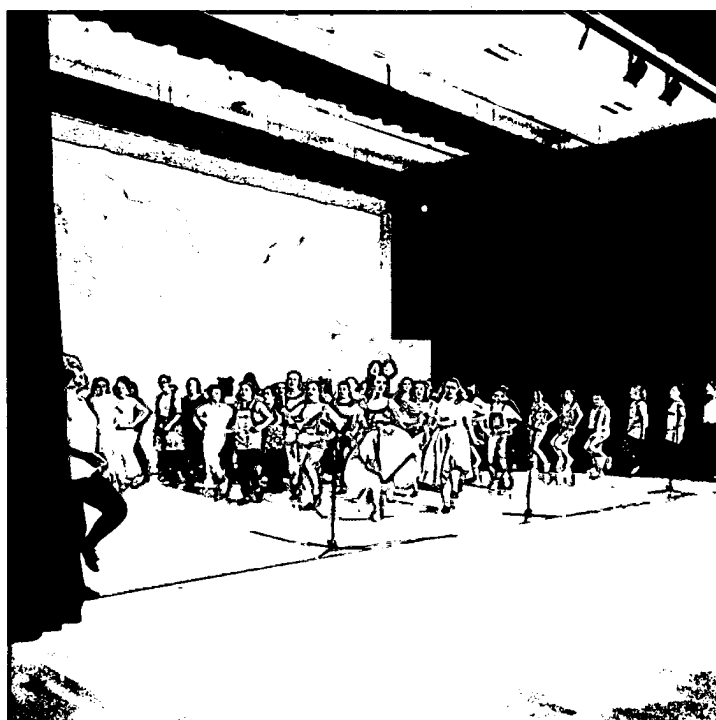
Trustees' Report (continued)

Our Community

We serve a diverse range of communities in Warwickshire including Polesworth, Warwick, Leamington Spa, Stratford upon Avon and nearby Warwickshire villages. We also serve communities in Telford, Tamworth and Lichfield. Our Academies in the year under review, in order of size by pupil numbers:

The Polesworth School (11-18), The Telford Priory School (11-16), The Wilnecote School (11-16), The Telford Langley School (11-16), Birchwood Primary School (4-11), Grange Park Primary School (3-11), Windmill Primary School (3-11), Woodloes Primary School (3-11), The Telford Park School (11-18), Chadsmead Primary Academy (3-11), Budbrooke Primary School (4-11), The Woodlands Community Primary School (4-11), Stoneydelph Primary School (4-11), Dordon Community Primary School (4-11), Stratford upon Avon Primary School (4-11), Wood End Primary School (3-11) and Heathcote Primary School (4-11).

Objectives, Strategies and Activities



We are a well established and growing academy trust, rated highly by the DfE for our successful work in school improvement. The profile of our trust has changed again this year as we have welcomed a further community primary school into our family of schools.

Community Academies Trust

Trustees' Report (continued)

There have been inspections in 10 of our schools this year with one school receiving 2 inspections. Again our Trust's positive impact has been recognised. The table below shows a summary of the outcomes of those inspections.

School	Sponsored and in challenging circumstances	OFSTED evaluations during this year	OFSTED evaluations of our trust's impact in the schools
Wood End Primary School	Yes	Good Leadership and good overall (April 2019)	<i>"Community Academies Trust works closely with the school and carries out regular reviews that recognise progress and identify next steps."</i>
Chadsmead Primary Academy	Yes	Outstanding Leadership and Good overall (July 2019)	<i>"Since the school joined the Community Academies Trust it has improved significantly.....The trust has strong structures in place that ensure clear lines of accountability.... Its approach has been highly effective in developing, supporting and sustaining strong leadership in the school."</i>
The Wilnecote School	Yes	Good for leadership and behaviour – RI overall (May 2019)	<i>"CAT, the school's sponsor, provides effective support in many areas and it is contributing well to the school's improvement. Leaders and governors value the support and challenge that CAT provides"</i>
Woodloes Primary School	No	Good leadership and outstanding behaviour and Early Years – good overall (April 2019)	<i>CAT "... provides effective support and training which contribute well to school improvement."</i>
Stratford upon Avon Primary School	Yes	Outstanding leadership - outstanding overall (December 2018)	<i>"Governance and trustees have been highly effective in providing challenge and support for the school."</i>
Telford Park School	Yes	Good leadership - RI overall (March 2019)	<i>"That multi-academy trust has a positive impact on the school...As a result of this the school is improving"</i>
Telford Priory School	Yes	RI Leadership - RI overall (2018) "Taking effective action" (July 2019 monitoring visit)	<i>"The multi academy trust and governors provide a high level of challenge and support which is effectively helping the school to move forward at pace" "The multi academy trust has been instrumental in helping the school to make rapid improvements." "The support from the trust is highly effective"</i>
Telford Langley School	Yes	Good leadership - good overall (March 2019)	<i>"Leaders, governors and the Community Academies Trust are unwavering in their drive for excellence.....[they] work collaboratively to address underperformance"</i>
Dordon Primary School	Yes	Good Leadership with outstanding behaviour - good overall (September 2018)	
Grange Park Primary School	Not sponsored, but operating in area of high deprivation	Good leadership - good overall (March 2019)	

Community Academies Trust

Trustees' Report (continued)

Our trust now has a national profile and we continue to respond to DFE approaches requesting support for other organisations. We remain one of only 25 trusts nationally to be identified as a supporting trust and have worked closely with a new trust in the south west since 2018. That work has continued this year and in addition we have supported a range of smaller trusts and contributed to the wider development of policy in the sector. This work has included:

- Mentoring of 6 CEOs from different MATs at the start of their journey
- Delivering seminars as part of NPQEL for ASCL and CUREE
- Membership of national and regional roundtables
- Our Chair is an Academy Ambassador
- Our Executive Director (Finance and Operations) has supported other trusts and is an elected member of Warwickshire Schools Forum
- Our CEO was selected to represent ASCL on an international delegation to consider system leadership and new technologies in education.

Our trust is financially secure and well placed to continue to fulfill the trust's objectives of school improvement in the interests of excellent community education.

With this in mind the activities planned this coming year include:

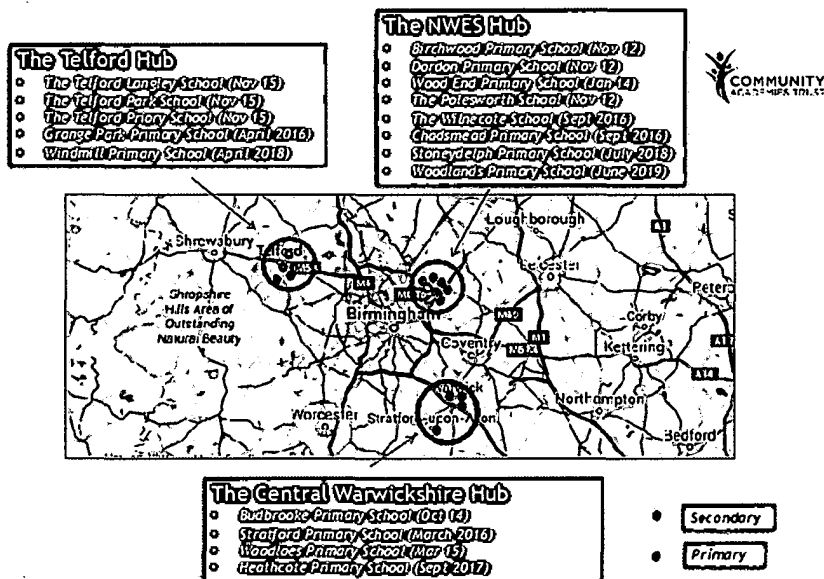
- An application to open an Alternative Provision Free School in Nuneaton to serve the most vulnerable young people in Warwickshire.
- Consolidation of our school improvement work and further wide ranging support for our schools as they continue to improve.
- Significant further investment and improvement of our trust's ICT infrastructure.
- Continue to support other multi academy trusts and schools through our enhanced teaching school activity including a trust wide "Developing People" strategy.

Community Academies Trust

Trustees' Report (continued)

Organisational Structure

Our vision is that our academies are led, managed and governed in groups that we call hubs. The following picture describes the schools in the Trust.



Education is for improving lives and for leaving your community and world better than you found it

Our ethos is to ensure the best local leaders lead local education provision (refer to www.communityacademiestrust.org). On this basis we have evolved our governance structure to put it as close to provision as possible.

Each academy is a member of a School Improvement Hub that is governed by a Hub Governing Body (HGB) that comprises the Headteacher from each academy as well as the Chair of the Local Governing Body from each academy. Up to three members of the main trust board also sit on this HGB and provide direct governance of LGB effectiveness and school improvement.

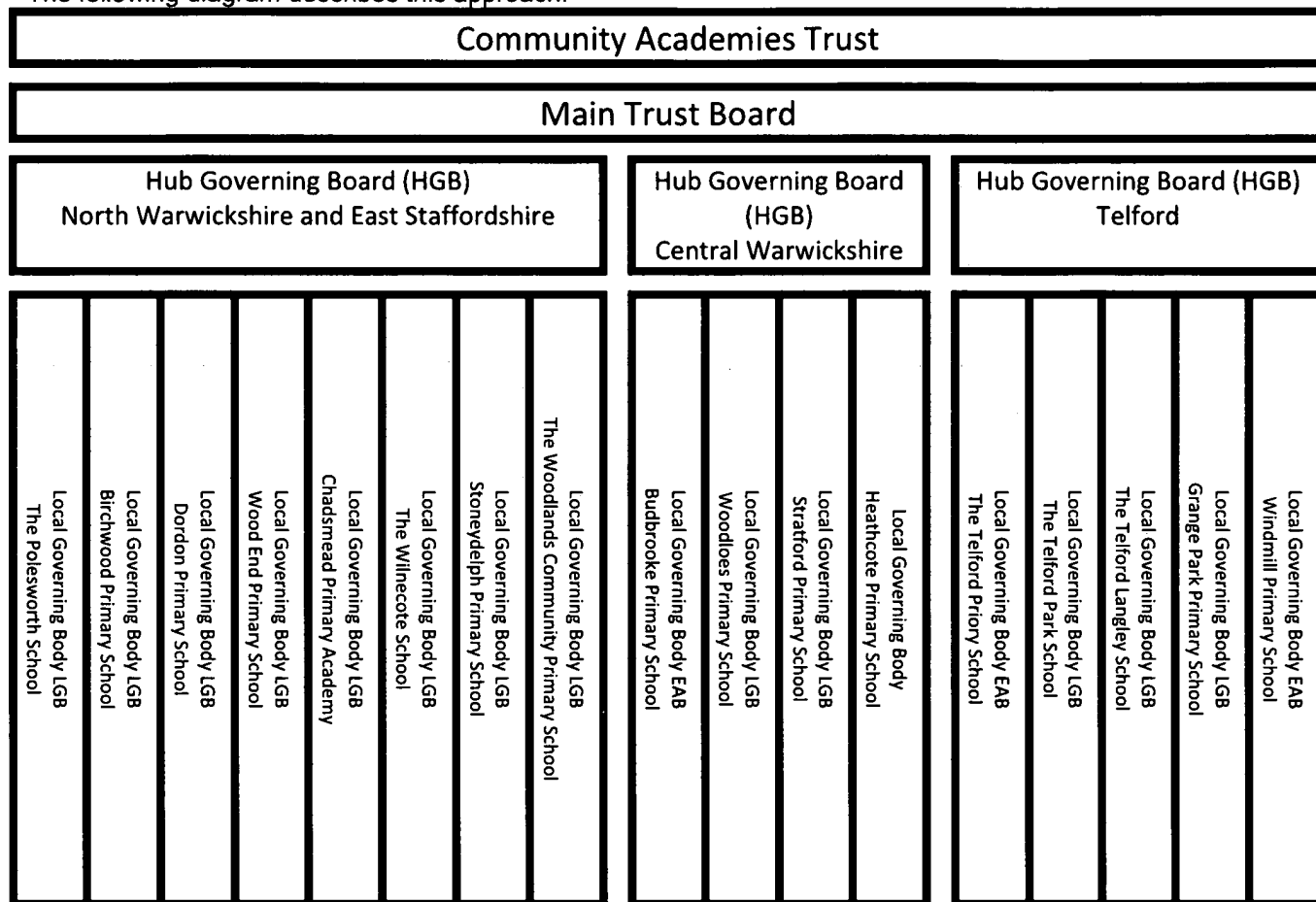
The governance arrangements ensure small local governing bodies are monitored for effectiveness through the Hub Governing Body (HGB). This HGB is tasked with the roles of; monitoring the performance of the academies and their governing bodies; enabling consultation and dialogue with the main trust board and other academies in the hub and ensuring schools in the hub support each other or seek wider support from the trust to ensure continuous school improvement.

Governors in our schools are different from traditional governors in that we consider them 'Guardians of Standards'. Our trust enables them to be free to focus entirely on holding the academies to account for the standards they achieve in teaching, behaviour, leadership and academic results, as well as ensuring that the hubs fulfill their goals as engines of school improvement.

Community Academies Trust

Trustees' Report (continued)

The following diagram describes this approach:



Academies in our trust sign up to some core principles. They are academies that are:

- Focused on achieving outstanding academic, personal and social outcomes for the children in their care and this is the main priority.
- Committed to the moral imperative of community school improvement and shared system leadership.
- Mutually supportive, not in competition with each other and are fiercely loyal to each other.
- Equal partners with all other schools irrespective of their phase, size or successes. Size does not matter, no one school is more important than another, and resources are shared for the common good of the group.
- Multi academy trust minded – our schools celebrate the success of others as well as themselves and we feel a shared accountability and understand where ultimate responsibilities rest.
- Financially disciplined and committed to our agreed financial principles.
- Committed to fulfilling their delegated responsibilities to the best of their abilities.

Community Academies Trust

Trustees' Report (continued)

Public Benefit

The trustees of Community Academies Trust have complied with their duty to provide high quality education. Trustees have made reference to the Charity Commission guidance and specifically para 4.1.27 of the Accounts Direction.



Strategic Report

Key Performance Indicators

Primary Attainment at KS2

	School Average		Pupil Average	
	2019	2018	2019	2018
EYFS (GLD)	74.4	74.5	72.0	69.9
Phonics EX	87.1	89.8	86.9	86.4
KS1 R	80.6	79.8	80.5	79.1
KS1 W	75.3	74.4	75.5	72.6
KS1 M	79.6	79.8	79.9	77.1
KS2 R	74.6	73.3	74.3	72.4
KS2 W	82.1	79.8	82.1	80.5
KS2 M	79.5	72.7	80.8	75.9
KS2 RWM	64.5	60.5	64.7	62.9

Overall Progress from KS1 to KS2:

Scores are in line with national averages

	Reading 2019 (2018)	Writing 2019 (2018)	Mathematics 2019 (2018)
KS1 to 2 Progress	-0.95 (-1.0)	0.07 (0.00)	-0.50 (-0.60)

Community Academies Trust

Trustees' Report (continued)

Secondary Academies Attainment and Progress at KS4

The table below summarises attainment in GCSE examinations for the whole cohort of Y11 pupils across the trust:

	School Average		Pupil Average	
	2019	2018	2019	2018
4+E&M	47.0	48.5	52.2	52.3
5+E&M	23.2	27.4	26.6	30.5
A8	39.0	40.04	40.7	41.1
EBACC 4+	13.8	15.08	17.1	17.5
EBACC 5+	7.7	8.94	9.9	10.4

Overall Progress from KS2 to KS4

Progress has broadly remained similar to last year, with some results affected significantly by cohort specific issues in three of our schools. Our cohorts in those schools are affected significantly by pupil mobility and have wide and varied knowledge gaps linked to the legacy of the ineffective curriculum in place when these pupils were younger. These schools continue to be in "turnaround" phase, and have also been inspected within the least 6 months, grading their leadership as good.

	2019	2018
Progress 8	-0.44	-0.39

A Level Results

Attainment (national average for 2018 in brackets).

Average points per entry 32.2 (30.9)

1A*-E 99.5% (99.4%)

Average Grade C+(C)

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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.

Community Academies Trust

Trustees' Report (continued)

Financial Review

Most of the trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The trust also receives grants for tangible fixed assets and fixed asset donations. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants or donations 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.

During the year ended 31 August 2019, total expenditure of £46.8 million (2018: £43.6 million) was covered by recurrent grant funding from the ESFA together with other incoming resources resulting in total incoming resources of £46.8 million (2018: £49.3 million). This comprises £2.7m brought into the Trust on conversion and £44.1m relating to existing operations. Excluding transactions involving fixed assets and pension liabilities the excess of income over expenditure for the year was £0.3m (2018: £0.3m deficit). This included reserves inherited from schools joining the Trust of £0.3m (2018: £nil).

At 31 August 2019 the net book value of tangible fixed assets was £92.5 million (2018: £90.4 million) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used for providing education and the associated support services to the pupils of the academy trust and for the provision of leisure facilities to the community in accordance with the trust's Articles of Association.

At 31 August 2019 the LGPS pension liability was £25.0m (2018: £14.5m). This change was mainly due to an increased liability of £0.4m from schools joining the trust, operating charge of £2.1m (net of employer contributions) and to £8.5m loss due to changes in actuarial assumption, primarily a fall in the discount rate. Full details are shown in note 28. Trustees intend to continue to follow the actuaries' advice as regards future contributions in order that the scheme is in a position to pay pensions as they become due.

Financial and Risk Management Objectives and Policies

The trustees have assessed the major risks to which the academy trust is exposed, in particular those relating to the teaching, provision of facilities and other operational areas of the academy trust, and its finances. The trustees have implemented a number of systems to assess risks that the trust faces, especially in the operational areas (e.g. in relation to teaching and learning and health and safety). They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Reserves Policy

The trustees review the reserve levels of the trust termly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Reserves are also held to support the trust's growth. Trustees currently target that the level of general reserves held should be sufficient to cover both 1 month's salary costs plus any known commitments. Current reserves are slightly above this target and investments of £4.5m are held to cover this (note 14). Note 18 analyses the reserves of the trust between the constituent academies and the central services.

At 31 August 2019, reserves held by the trust were as follows:

Restricted Fixed Assets	£93.3m
Restricted general excluding Pensions	£ 2.9m
Restricted pension	(£25.0m) (deficit)
Unrestricted	£ 1.1m
Total	£72.3m

Community Academies Trust

Trustees' Report (continued)

Reserves Policy (continued)

The balance held on restricted fixed assets included £0.8m of School Condition Allocation and other capital grants received, earmarked for specific projects, the majority of which it is expected to spend within the next financial year. The remainder of the restricted fixed assets fund (£92.5m) can only be realised by disposing of tangible fixed assets.

Restricted general funds (excluding pensions) includes £0.250m of grants received earmarked for school improvement work, opening of the free school and unresolved single status claims, which it is anticipated will be spent within the next 24 months. The rest of the balance on both restricted general funds and unrestricted funds will be used for educational purposes in accordance with the objects of the trust and the reserves policy approved by trustees.

As with many members of the LGPS, the pension scheme is in deficit. Trustees intend to continue to follow the actuaries' advice as regards future contributions in order that the scheme is in a position to pay pensions as they become due. It is anticipated that employer contributions into the fund will rise in future years.

Investment Policy

Trustees believe that low risk bank deposit accounts are the most appropriate place to invest surplus cashflow. Advice is taken from the trust's bankers and funds invested as follows:

Working capital is invested in a bank current account or equivalent. It is recognised that a small amount of interest is payable on this balance but our bankers offer academies free banking which results in this lower interest rate.

Surplus cash is invested in a mixture of notice accounts with a UK based banking provider to earn higher interest rates than on the current account but to stagger easy access to funds over the year to meet cashflow requirements.

Any interest earned is paid into the trust central budget to benefit all schools within our trust.

Balances invested are reported to trustees on a termly basis.

Trustees do not intend to invest reserves in stocks and shares or other volatile investments as they do not feel these represent an acceptable level of risk to the trust.

Principal Risks and Uncertainties

To achieve our vision we need to be aware of the principal risks that affect our work. The trustees have assessed the major risks to which the trust is exposed by reviewing and interrogating a risk register. The risks we face in a rapidly changing education landscape continue to evolve over time, but we summarize them under 10 strategic risks:

- The risk that we do not meet our governance obligations
- The risk we cannot use our school premises to deliver education
- The risk that our school premises are not safe
- The risk that we are not a good employer
- The risk that we are financially unsustainable
- The risk that we do not comply with financial requirements
- The risk that growth is not in line with trust objectives
- The risk that schools do not obtain excellent outcomes for learners
- The risk a child in our care is not safe
- The risk that our reputation prevents us from achieving our goals

The board of trustees reviews the risk register annually. The audit committee of the trust has the monitoring and mitigation of risk at the centre of its remit and carries out an in depth review of selected strategic risks on a cyclical basis. The executive leadership of the trust also review all risks annually and mitigation of risk is incorporated into the trust's strategic plan and the performance objectives of individual staff members.

Community Academies Trust

Trustees' Report (continued)

Principal Risks and Uncertainties (continued)

At present areas which the board consider to be high risk include:

- Education funding nationally, including implementation of the National Funding Formula and the extreme pressure on the high needs budget in each Local Authority.
- Future unfunded cost pressures
- The relationship between equal pay and TUPE when accepting schools into the trust from previous organisations which operated on a number of different pay and grading schemes.

Over the year numerous actions have been taken to mitigate risk and improve consistency including:

- Introduction of an Estate management system to record and monitor statutory checks, risk assessments and staff health & safety training.
- Procurement of a single payroll system for the trust to be installed in 2019/20.
- Development of a trust pay policy for teachers following consultation with union representatives.
- Planned series of internal audit and other checking procedures including annual safeguarding reviews, safer recruitment, financial probity, school census completion, health & safety and consistent school condition reports.
- Increased focus on curriculum led financial planning and benchmarking so it is a key part of our budget planning and monitoring cycle.

Fundraising

The academy trust carries out a limited amount of fundraising at a local level, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in each school in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the trust's complaints procedure.

Plans for Future Periods

The trust's growth model is based around the governance of school improvement hubs as described earlier in this report. We have decided that an optimum size for a hub is 6 academies and therefore the hub in North Warwickshire is over capacity and it is likely that a further hub will be formed in the future. The two other hubs do have space for further academies to join them if they are in the same geographical vicinity. The hub model can also be replicated and growth decisions going forward will be based on groups of academies forming new hubs rather than growth via isolated single academies.

The trustees have also identified this growth as a further means of developing capacity and would envisage any new hub joining our organisation would bring with it sufficient capacity to fulfill the expectation of a self improving group of academies. By growing in this way within a single multi academy trust, the trust feels that it will be better placed to meet the challenges posed by changes to school funding arrangements, levels of income and changes likely to affect our fixed costs, which continue to rise in line with pay rises, incremental drift in staff salaries and inflation.

Funds Held as Custodian Trustee on behalf of others

The Trust holds funds on behalf of the Telford & Wrekin Primary School PE Association. This organisation exists to improve educational provision in its community and so is aligned with the objectives of the trust. The trust also distributes 16-19 bursary funds to students as an agent for the ESFA. Financial information is provided in note 30 to the accounts.

Community Academies Trust

Trustees' Report (continued)

Employees and disabled persons

As the trust employs over 250 persons, it is required to have a policy in respect of applications for employment for disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled persons. This policy can be accessed on the trust website, www.communityacademiestrust.org.

The mechanism for the trust to consult with employees on matters affecting them is the Hub governance system. During the year a number of policies have been adopted following consultation.

Auditor

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

Statement as to disclosure of information to auditors

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 11 December 2019 and signed on its behalf by:



Mr. S Atkins

Chair of Trustees

11 December 2019

Community Academies Trust

Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Community 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 Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with 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 Community Academies Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The main board of trustees met 6 times during the year. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr. S Atkins (Chair)	6	6
Mr. P Hamilton	1	1
Mr. S Mason	5	6
Mr. E May	1	1
Rev. S Wallis	3	6
Mr. R Vernon	6	6
Mr. G Brown	5	6
Mr S Sibley	5	5
Mrs S Stewart	3	5

Governance reviews

The governance of the trust was reviewed throughout the year, but in particular during the annual trustees' conference in October 2018. The trustees considered the characteristics of effective governance and reviewed their performance against material provided by the DfE for this purpose. Various key performance indicators were discussed and reviewed and trustees decided on which they found most useful. The CEO's report has been refined and developed through the year in response to this governance review.

Trustees continue to discuss the separation of members and trustees and actively sought additional trustees over the year, using Academy Ambassadors as a vehicle to attract highly skilled individuals. Two new trustees were appointed in October 2018 as a result of that work. New members have also been actively sought, using Academy Ambassadors, and additional members were appointed by the existing members on 11 November 2019 and 10 December 2019.

As a result of the above governance review and following the recruitment of further non-executive trustees, it was decided that the trust would no longer have employees as trustees sitting on the main trust board. To support this position, which is considered best practice in the charity sector, the three executive trustees resigned their positions as trustees in November 2018, although all remain senior employees of the trust.

Audit Committee

The audit committee is a sub committee of the main board of trustees. The purpose of the audit committee is to advise the board on matters relating to the trust's audit arrangements, risk and systems of internal control and to aid the board's responsibility to ensure sound management of the trust's finances and resources. Attendance at meetings during the year was as follows:

Community Academies Trust

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
Mr G Brown (Chair)	3	3
Mr. S Atkins	3	3
Mr. S Mason	3	3
Mr. S Sibley	1	1

Remuneration Committee

The remuneration committee is a sub committee of the main board of trustees. The purpose of the remuneration committee is to advise the board on matters relating to executive pay. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr. S Mason (chair)	1	2
Mr. S Atkins	2	2
Mr R Vernon	2	2

Review of Value for Money

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

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

- Improving educational provision in our schools. This is supported by the Ofsted judgments received and therefore represents increased value for money for taxpayers.
- Substantial building works to improve roofing have been carried out at our older schools, funded by the School Condition Allocation. This has led to demonstrable reductions in energy consumption as well as a more pleasant working and learning environment.
- The development of the Teaching School is contributing to teacher development and training in our wider community and also providing a "Developing People" strategy to support staff and governors across the trust.
- Interest free SEEF loans have been obtained to install energy efficient lighting across 7 of our older schools. These should show a reduction in electricity usage of 80%, significant carbon reduction and the loan is repayable from the savings obtained, as well as providing an improved working environment.

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 in Community Academies Trust for the year to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the year to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees. The Audit Committee considers risk at every meeting.

Community Academies Trust

Governance Statement (continued)

Trustees are aware of their responsibilities and have directed a number of reviews to carry out regular scrutiny of financial and other data. This is supported by regular reports to the Local Governing Bodies and main board of trustees. The system of internal control aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the board of trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance including the comparison of key performance indicators;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint RB Accountants to act as internal auditor as directed by the audit committee.

The internal auditor performed a range of checks on the academy trust's financial systems. A sample of schools has been visited over the course of the year and a targeted review undertaken of controls in the schools. The audit committee received a number of reports on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year September 2018 to August 2019, themed financial risk reviews were carried out by RB Chartered Accountants concerning the following:

- Payroll
- Completion of school census
- Purchase ledger
- Charge cards and expenses

The schedule of work as planned by the audit committee has been delivered as expected. Any control issues highlighted have been or are being resolved.

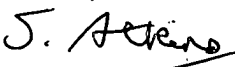
Review of Effectiveness

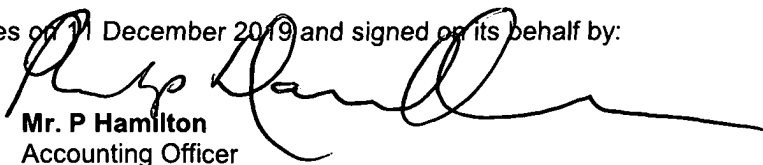
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year this has been informed by:

- The work of the themed risk reviews
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the Executive Director (Finance and Operations) and finance team who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trustees and a plan to address weaknesses if relevant and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 11 December 2019 and signed on its behalf by:


Mr. S Atkins
Chair of Trustees


Mr. P Hamilton
Accounting Officer

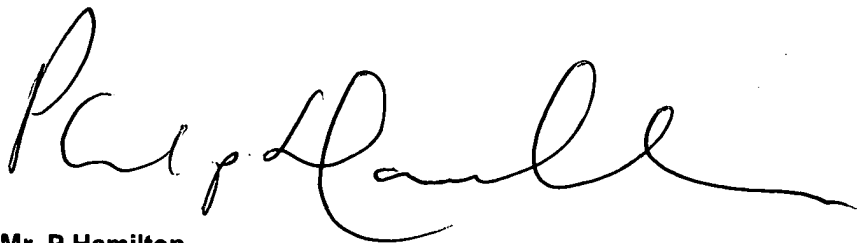
Community Academies Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Community Academies Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA 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 2018.

I confirm that I and the Community Academies Trust board of trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, 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 ESFA.

A handwritten signature in black ink, appearing to read 'P. Hamilton', with a long horizontal flourish extending to the right.

Mr. P Hamilton
Accounting Officer

11 December 2019

Community Academies Trust

Statement of Trustees' Responsibilities

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

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

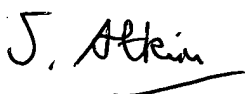
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 11 December 2019 and signed on its behalf by:



Mr. S Atkins

Chair of Trustees

Community Academies Trust

Independent Auditor's Report to the Members of Community Academies Trust

Year Ending 31 August 2019

Opinion

We have audited the financial statements of Community Academies Trust (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Community Academies Trust

Independent Auditor's Report to the Members of Community Academies Trust Year Ending 31 August 2019 (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report, included within the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Community Academies Trust

Independent Auditor's Report to the Members of Community Academies Trust Year Ending 31 August 2019 (continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Philip Coleman (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

13 December 2019

Community Academies Trust
Statement of Financial Activities for the Year Ended 31 August 2019
(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	2	24	35	1,662	1,721	1,288
Transfer from local authority on conversion	32	330	(368)	2,742	2,704	8,777
Charitable activities						
Funding for the Academy Trust's educational operations	3	1,406	39,685	-	41,091	38,015
Teaching School	33	-	439	-	439	437
Other trading activities	4	604	163	-	767	706
Investments	5	39	-	-	39	37
Total		2,403	39,954	4,404	46,761	49,260
Expenditure on:						
Raising funds	6	(769)	-	-	(769)	(746)
Charitable activities:						
Academy Trust educational operations	7	(1,385)	(41,557)	(2,704)	(45,646)	(42,482)
Teaching School	33	-	(374)	-	(374)	(381)
Total		(2,154)	(41,931)	(2,704)	(46,789)	(43,609)
Net income / (expenditure)		249	(1,977)	1,700	(28)	5,651
Transfers between funds	18	-	(454)	454	-	-
Other recognised gains / (losses)						
Re-measurement of net defined benefit obligation	28	-	(8,028)	-	(8,028)	3,814
Net movement in funds		249	(10,459)	2,154	(8,056)	9,465
Reconciliation of funds						
Total funds brought forward	18	894	(11,740)	91,169	80,323	70,858
Total funds carried forward		1,143	(22,199)	93,323	72,267	80,323

Community Academies Trust
Company Number 07472736
Balance Sheet as at 31 August 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Intangible assets	12	37	-
Tangible assets	13	92,511	90,393
Other Investments	14	4,500	3,000
Current assets			
Debtors	15	1,944	1,354
Cash at bank and in hand	25	2,288	3,589
		<u>4,232</u>	<u>4,943</u>
Current liabilities			
Creditors: Amounts falling due within one year	16	(3,843)	(3,448)
Net current assets		<u>389</u>	<u>1,495</u>
Total assets less current liabilities		<u>97,437</u>	<u>94,888</u>
Creditors: Amounts falling due after more than one year	17	(106)	(20)
Net assets excluding pension liability		<u>97,331</u>	<u>94,868</u>
Defined benefit pension scheme liability	28	(25,064)	(14,545)
Total net assets		<u>72,267</u>	<u>80,323</u>
Funds of the Academy Trust:			
Restricted income funds			
Fixed asset fund	18	93,323	91,169
General fund	18	2,865	2,805
Pension reserve	18	(25,064)	(14,545)
Total restricted funds		<u>71,124</u>	<u>79,429</u>
Unrestricted income funds			
General fund	18	1,143	894
Total unrestricted funds		<u>1,143</u>	<u>894</u>
Total funds		<u>72,267</u>	<u>80,323</u>

The financial statements on pages 25 to 54 were approved by the trustees, and authorised for issue on 11 December 2019 and are signed on their behalf by:



Mr. S Atkins
Chair of Trustees

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

The trust's transactions relating to land and buildings included:

An adjustment to correctly re-classify the buildings at Chadsmead Primary School as leasehold and not freehold.

A prior year adjustment to correctly separate leasehold improvements from leasehold buildings.

The acquisition of the leasehold at The Woodlands Community Primary School which was donated to the trust by Staffordshire County Council on conversion at a value of £2.75m.

14. Other Investments

	2019	2018
	£000	£000
One year deposits with Lloyds bank	4,500	3,000
	<u>4,500</u>	<u>3,000</u>

15. Debtors

	2019	2018
	£000	£000
Trade debtors	37	73
VAT recoverable	275	227
Prepayments and accrued income	1,632	1,054
	<u>1,944</u>	<u>1,354</u>

16. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	1,110	924
Taxation and social security	569	577
Loans	16	5
Other creditors	428	355
Accruals and deferred income	1,720	1,587
	<u>3,843</u>	<u>3,448</u>

	2019	2018
	£000	£000
Deferred income		
Deferred income at 1 September	783	611
Released from previous year	(767)	(595)
Resources deferred in the year	628	767
Deferred income at 31 August	<u>644</u>	<u>783</u>

At the balance sheet date the academy trust was holding funds received in advance for grants and upfront payments made for trips that took place after the year end.

17. Creditors: Amounts falling due after more than one year

	2019	2018
	£000	£000
Loans	106	20
	<u>106</u>	<u>20</u>

The trust holds "Salix" and "SEEF" loans from the Government. The total amount owed as at 31 August 2019 is £122k of which £16k is repayable in the next financial year, and £106k payable up to December 2027. These loans are provided to support energy efficient capital investment, are unsecured and no interest is charged.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18. Funds

	At 1 September 2018 £000	Assets/ (liabilities) acquired on conversion or business combination £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	At 31 August 2019 £000
Restricted general funds						
General Annual Grant (GAG)	1,132	-	34,103	(33,187)	(454)	1,594
Pupil Premium	-	-	2,387	(2,387)	-	-
Pension reserve	(14,545)	(368)	-	(2,123)	(8,028)	(25,064)
Other grants	1,673	-	3,832	(4,234)	-	1,271
	(11,740)	(368)	40,322	(41,931)	(8,482)	(22,199)
Restricted fixed asset funds						
DfE/ESFA capital grants	4,119	-	1,572	(122)	-	5,569
Transfer on conversion	28,214	2,742	-	(837)	-	30,119
Transfer on business combination	51,215	-	-	(1,519)	-	49,696
Asset donations	7,021	-	90	(208)	-	6,903
Capital Expenditure from GAG	572	-	-	(17)	454	1,009
Private capital sponsorship	28	-	-	(1)	-	27
	91,169	2,742	1,662	(2,704)	454	93,323
Total restricted funds	79,429	2,374	41,984	(44,635)	(8,028)	71,124
Total unrestricted funds	894	346	2,057	(2,154)	-	1,143
Total funds	80,323	2,720	44,041	(46,789)	(8,028)	72,267

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

The specific purposes for which the funds are to be applied are as follows:

Restricted general funds

The balance of £2,864,000 on the restricted general funds (excluding pension reserve) includes £655,000 of grants which are earmarked for specific ongoing expenditure. These, along with the remaining balance on this fund will be used for educational purposes in accordance with the restrictions attached to the funding, as will the balance of £1,143,000 held on unrestricted funds.

The pension reserve of (£25,064,000) (overdrawn) represents the academy trust's share of the deficits in the LGPS funds in Warwickshire, Staffordshire & Shropshire. The liability has increased by £368,000 on business combination and £2,123,000 (net of employer contributions) due to operating charges in the year. There has also been an actuarial loss of £8,028,000 in the year as detailed in note 28.

Restricted fixed asset funds

The restricted fixed assets funds relate predominantly to the assets acquired when schools join the academy trust on conversion or by business combination or by donation. These are disclosed further in note 13. A School Condition Allocation grant of £1,027,000 was received in the year and £565,000 of the fixed assets fund relates to unspent School Condition Allocation grant which it is planned to spend in the new financial year. £243,000 of the fixed asset fund relates to unspent Devolved Formula Capital grant which it is planned to spend in the new financial year. The transfer of £454,000 from GAG funds to the fixed asset reserve represents the use of GAG income on fixed assets.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18. Funds (continued)

Comparative information in respect of the previous period is as follows:

	At 1 September 2017 £000	Assets/ (liabilities) acquired on conversion or business combination £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	At 31 August 2018 £000
Restricted general funds						
General Annual Grant (GAG)	1,042	-	31,770	(31,457)	(223)	1,132
Pupil Premium	-	-	2,089	(2,089)	-	-
Pension reserve	(15,739)	(1,047)	-	(1,573)	3,814	(14,545)
Other grants	2,006	-	3,434	(3,767)	-	1,673
	(12,691)	(1,047)	37,293	(38,886)	3,591	(11,740)
Restricted fixed asset funds						
DfE/ESFA capital grants	2,996	-	1,222	(99)	-	4,119
Transfer on conversion	19,026	9,820	-	(632)	-	28,214
Transfer on business combination	52,975	-	-	(1,760)	-	51,215
Asset donations	7,262	-	-	(241)	-	7,021
Capital Expenditure from GAG	361	-	-	(12)	223	572
Private capital sponsorship	-	-	28	-	-	28
	82,620	9,820	1,250	(2,744)	223	91,169
Total restricted funds	69,929	8,773	38,543	(41,630)	3,814	79,429
Total unrestricted funds	929	16	1,928	(1,979)	-	894
Total funds	70,858	8,789	40,471	(43,609)	3,814	80,323

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18. Funds (continued)

Total funds analysis by school

Fund balances at 31 August 2019 were allocated as follows:

	Total 2019 £000	Total 2018 £000
Birchwood Primary School	219	212
Budbrooke Primary School	99	57
Chadsmead Primary Academy	366	337
Dordon Primary School	428	449
Grange Park Primary School	64	95
Heathcote Primary School	179	178
Stoneydelph Primary School	42	(32)
Stratford-upon-Avon Primary School	101	94
The Telford Langley School	(198)	(140)
The Telford Park School	(69)	79
The Telford Priory School	404	536
The Polesworth School	1,041	823
The Wilnecote School	(170)	(26)
Windmill Primary School	106	95
Wood End Primary School	127	86
The Woodlands Community Primary School	341	-
Woodloes Primary School	186	137
CAT Teaching School	231	166
Community Academies Trust (Central Services)	511	553
Total before fixed assets and pension reserve	4,008	3,699
Restricted fixed asset fund	93,323	91,169
Pension reserve	(25,064)	(14,545)
Total	72,267	80,323

The Telford Langley School and The Telford Park School are governed by a single governing body and Executive Headteacher and share a number of staff and systems. Both schools were in deficit at 31 August 2019 as shown above. This was caused by expected lagged funding issues as both schools grow. The governors have prepared a recovery plan and this has been approved by the board of trustees and is subject to formal monitoring on a termly basis. Governors anticipate that the schools will be out of deficit by August 2020.

The Wilnecote School was in deficit at 31 August 2019 as shown above. This was caused by restructuring costs incurred during the year. The school has prepared a recovery plan and this has been approved by the board of trustees. Governors anticipate that it will take until August 2024 for the school to be out of deficit and progress against this plan is being formally monitored on a termly basis.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18. Funds (continued)

Total cost analysis by Academy

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

	Teaching and Educational support staff costs £000	Other Support staff costs £000	Educational supplies £000	Other costs (excl. Dep) £000	Total 2019 £000	Total 2018 £000
Birchwood Primary School	1,121	178	149	217	1,665	1,591
Budbrooke Primary School	728	116	66	172	1,082	1,094
Chadsmead Primary Academy	822	220	63	283	1,388	1,473
Dordon Primary School	647	71	94	129	941	915
Grange Park Primary School	1,310	418	168	308	2,204	2,111
Heathcote Primary School	337	65	44	163	609	452
Stoneydelph Primary School	877	108	154	230	1,369	190
Stratford-upon-Avon Primary	551	116	99	109	875	833
The Telford Langley School	2,845	455	377	603	4,280	4,295
The Telford Park School	2,157	412	255	407	3,231	3,208
The Telford Priory School	3,645	609	669	716	5,639	5,840
The Polesworth School	5,266	991	218	1,174	7,649	7,969
The Wilnecote School	2,737	498	143	865	4,243	4,189
Windmill Primary School	1,080	424	87	414	2,005	813
Wood End Primary School	453	76	54	116	699	669
The Woodlands Community Primary School	247	23	15	29	314	-
Woodloes Primary School	1,259	183	172	230	1,844	1,827
CAT Teaching School	93	49	23	209	374	381
Community Academies Trust (Central Services)	454	707	4	386	1,551	1,442
Pension FRS102 adjustment	-	-	-	2,123	2,123	1,573
	26,629	5,719	2,854	8,883	44,085	40,865

Total expenditure, excluding depreciation, in 2019 is £44,085,000 (2018:£40,865,000) of which £26,629,000 is for teaching and educational support staff costs (2018:£25,371,000), £5,719,000 for other support staff costs (2018:£5,302,000), £2,854,000 for educational supplies (2018:£2,635,000) and £8,883,000 for other costs (2018:£7,557,000).

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

19. Analysis of Net Assets between Funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2019 £000
Intangible fixed assets	37	-	-	37
Tangible fixed assets	-	-	92,511	92,511
Other investments	-	4,500	-	4,500
Current assets	1,106	2,314	812	4,232
Current liabilities	-	(3,843)	-	(3,843)
Non-current liabilities	-	(106)	-	(106)
Pension scheme liability	-	(25,064)	-	(25,064)
Total net assets at 31 August 2019	1,143	(22,199)	93,323	72,267

Comparative information in respect of the previous period is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2018 £000
Tangible fixed assets	-	-	90,393	90,393
Other investments	-	3,000	-	3,000
Current assets	911	3,256	776	4,943
Current liabilities	(17)	(3,431)	-	(3,448)
Non-current liabilities	-	(20)	-	(20)
Pension scheme liability	-	(14,545)	-	(14,545)
Total net assets at 31 August 2018	894	(11,740)	91,169	80,323

20. Capital Commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	1,186	156

Commitments at the year end represent projects committed to for energy efficient lighting, contribution to a DfE funded building replacement project as well as normal school capital projects.

21. Commitments under operating leases

Operating Leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non- cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	109	158
Amounts due between one and five years	133	111
	242	269

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22. Reconciliation of net income to net cash flow from operating activities

	2019	2018
	£000	£000
Net income for the reporting period	(29)	5,651
Adjusted for:		
Depreciation (note 13)	2,704	2,744
Capital grants from DfE and other capital income	(1,572)	(1,250)
Capital donations from Local Authority	(90)	-
Interest receivable (note 5)	(39)	(37)
Defined benefit pension scheme cost less contributions payable (note 28)	1,715	1,175
Defined benefit pension scheme finance cost (note 28)	408	398
(Increase) in debtors	(237)	(160)
Increase in creditors	383	9
Transfer from local authority	(2,703)	(8,773)
Net cash provided by/ (used in) operating activities	540	(243)

23. Cash flows from investing activities

	2019	2018
	£000	£000
Dividends, interest and rents from investments	39	37
Purchase of intangible fixed assets	(37)	-
Purchase of tangible fixed assets	(1,957)	(1,444)
Capital Grants from DfE/ ESFA/ LA	1,572	1,222
Capital funding from others	-	28
Cash invested in year	(1,500)	-
Net cash used in investing activities	(1,883)	(157)

24. Cash flows from financing activities

	2019	2018
	£000	£000
Repayments of borrowing	(8)	(5)
Cash inflows from new borrowings	50	-
Net cash (used in) financing activities	42	(5)

25. Analysis of cash and cash equivalents

	At 31	At 31
	August	August
	2019	2018
	£000	£000
Cash in hand and at bank	2,288	2,569
Notice deposits (less than 3 months)	-	1,020
Total cash and cash equivalents	2,288	3,589

26. Contingent liabilities

A former employee of the trust has made an application to employment tribunal for unfair dismissal from the trust and disability discrimination. The risk protection arrangement, to which the trust contributes, covers the cost of any award and the legal costs to defend the trust up to a certain limit. However, at present, it is uncertain as to whether any, part, or all of the claim will be successful and the value of any award the employment tribunal may make. It is possible that the award plus costs will exceed the insured amount.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

27. Members' liability

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

28. Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Warwickshire County Council, Staffordshire County Council or Shropshire County Council depending on the location of the school. All are multi-employer 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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £375,000 (2018: £307,000) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The employer's pension costs paid to TPS in the period amounted to £2,643,000 (2018: £2,488,000).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

28. 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 contributions made for the year ended 31 August 2019 was £1,841,000 (2018: £1,999,000), of which employer's contributions totalled £1,672,000 (2018: £1,581,000) and employees' contributions totalled £450,000 (2018: £418,000). The agreed contribution rates for future years are:

	Employer's	Employee's
Warwickshire	22.9%	Between 5.5% and 12.5%
Shropshire	14.3%	Between 5.5% and 12.5%
Staffordshire	24.2%	Between 5.5% and 12.5%

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

The Shropshire Pension Fund is in deficit and additional contributions are being made of £222,100 p.a. over 21 years increasing by 3.7%pa. The Warwickshire and Staffordshire Pension Funds are also in deficit which is currently being recovered through higher contribution rates.

Principal actuarial assumptions

	Rate of increase for pensions in payment/ CPI Inflation	Rate of increase in salaries	Discount rate for scheme liabilities
2019 assumptions			
Warwickshire Pension Fund	2.3%	2.9%	1.9%
Shropshire Pension Fund	2.2%	3.6%	1.8%
Staffordshire Pension Fund	2.3%	2.7%	1.9%
2018 assumptions			
Warwickshire Pension Fund	2.3%	2.9%	3.0%
Shropshire Pension Fund	2.2%	3.6%	2.8%
Staffordshire Pension Fund	2.3%	2.7%	2.8%

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

28. Pension and Similar Obligations (continued)

Sensitivity analysis

Change in assumptions at 31 August 2019 Approximate % increase to employer liability	0.5% decrease in Real Discount Rate	0.5% increase in the Salary Increase Rate	0.5% increase in the Pension Increase Rate
Warwickshire Pension Fund	14%	2%	11%
Shropshire Pension Fund	17%	3%	17%
Staffordshire Pension Fund	14%	3%	11%
Approximate monetary amount (£'000)			
Warwickshire Pension Fund	2,222	367	1,808
Shropshire Pension Fund	2,250	385	2,250
Staffordshire Pension Fund	1,323	245	1,048

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	Retiring today		Retiring in 20 years	
	Males	Females	Males	Females
2019 assumptions				
Warwickshire Pension Fund	21.4	23.6	22.4	25.0
Shropshire Pension Fund	23.2	26.4	25.4	28.7
Staffordshire Pension Fund	22.1	24.4	24.1	26.4
2018 assumptions				
Warwickshire Pension Fund	22.5	24.7	24.3	26.7
Shropshire Pension Fund	23.1	26.3	25.3	28.6
Staffordshire Pension Fund	22.1	24.4	24.1	26.4

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

28. Pension and Similar Obligations (continued)

The trust's share of the assets and liabilities in each of the pension fund schemes was:

	Warwickshire		Shropshire		Staffordshire	
	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000	Fair value at 31 August 2019 £'000	Fair value at 31 August 2018 £'000
Equities	6,120	5,473	3,651	3,131	2,969	2,401
Bonds	2,609	1,911	1,515	1,375	961	652
Property	1,204	1,042	342	308	349	274
Cash	100	261	131	148	87	103
Other	-	-	1,647	1,202	-	-
Total fair value of assets	10,033	8,687	7,286	6,164	4,366	3,430
Present value of scheme liabilities - funded	(16,849)	(12,632)	(19,824)	(14,328)	(9,215)	(5,866)
Deficit in the scheme	(6,816)	(3,945)	(12,538)	(8,164)	(4,849)	(2,436)

The actual return on scheme assets in each fund was:

	2019 £'000	2018 £'000
Warwickshire Pension Fund	562	161
Shropshire Pension Fund	244	295
Staffordshire Pension Fund	250	125

Combined LGPS Pension Funds

Amounts recognised in the statement of financial activities

	2019 £000	2018 £000
Current service cost (net of employer contributions)	854	1,175
Past service cost	861	-
Net interest cost	408	398
Total operating charge	2,123	1,573

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

	2019 £000	2018 £000
At 1 September	32,826	30,902
Upon conversion	744	1,373
Current service cost	2,526	2,756
Interest cost	950	796
Employee contributions	450	418
Actuarial loss/ (gain)	8,522	(3,381)
Benefits paid	(130)	(38)
Past service cost	861	-
At 31 August	46,749	32,826

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

28. Pension and Similar Obligations (continued)

Changes in the fair value of the trust's share of scheme assets:

	2019	2018
	£000	£000
At 1 September	18,280	15,163
Upon conversion	376	326
Interest income	542	397
Return on plan assets (excluding net interest on the net defined pension liability)	494	433
Employer contributions	1,672	1,581
Employee contributions	450	418
Benefits paid	(130)	(38)
At 31 August	21,684	18,280

The past service cost represents an estimate of the potential impact of the McCloud legal judgement. This represents the estimated additional costs to compensate scheme members for unfavourable treatment on grounds of age as a result of changes in the scheme rules in 2014.

29. Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from the local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the Academies Financial Handbook and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the financial period:

Miss H Mason, daughter of Mr S Mason, a trustee, is employed by the academy trust as a teacher. Miss H Mason's appointment was made in open competition and Mr S Mason was not involved in the decision making process regarding appointment. Miss H Mason is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Mrs S Atkins, spouse of Mr S Atkins, a trustee, is employed by the academy trust as a casual exam invigilator. Mrs S Atkins' appointment was made in open competition and Mr S Atkins was not involved in the decision making process regarding appointment. Mrs S Atkins is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

30. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the trust received £26,905, (2018 £25,383) and disbursed £25,908, (2018 £18,123) from the fund. An amount of £8,257, (2018 £7,260) is carried forward to be disbursed in 2019/20 and is included in other creditors.

The academy trust distributes funds as an agent for Telford & Wrekin Primary Schools PE Association. In the accounting period ending 31 August 2019 the trust received £5,107 (2018 £5,070) from contributing schools and disbursed £2,967 (2018 £2,487). An amount of £11,524 (2018: £9,384) is carried forward to be disbursed in 2019/20 and is included in other creditors.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

31. Financial instruments

The carrying amount of the trust's financial instruments at 31 August were:

	Total 2019 £000	Total 2018 £000
Financial Assets		
Debt instruments measured at amortised cost	1,143	691
Total	1,143	691
	Total 2019 £000	Total 2018 £000
Financial Liabilities		
Measured at amortised cost		
Creditors	(2,189)	(1,729)
Other	(39)	(37)
Other financial liabilities	(122)	(25)
Total	(2,350)	(1,791)

32. Conversions to the academy trust

On 1 June 2019 The Woodlands Community Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the trust from Staffordshire County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from a local authority on conversion.

The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities:

The Woodlands Community Primary School

	Unrestricted Funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total £000
Leasehold land & buildings	-	-	2,750	2,750
Other tangible fixed assets	-	-	23	23
Sundry debtor	330	-	-	330
Cash – representing budget surplus on other school funds	16	-	-	16
Current liabilities –salix loan	-	-	(31)	(31)
LGPS pension deficit	-	(368)	-	(368)
Net assets/(liabilities)	346	(368)	2,742	2,720

Of the amount received into unrestricted funds, £330,000 was donated by the Local Authority on conversion and £16,000 was a donation from the governors' fund.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

33. Teaching School trading account

		2019 £000		2018 £000
Direct Income				
Other Government Grants	339		339	
Other Income				
Trading Income	100		98	
Total Income		439		437
Direct Costs				
Direct staff costs	93		120	
Other direct costs	177		204	
Total direct costs		(270)		(324)
Other Costs				
Support staff costs	50		43	
Advertising & recruitment	2		4	
Technology	-		3	
Other support costs	48		2	
Audit	4		5	
Total other costs		(104)		(57)
Total expenditure		(374)		(381)
Surplus from all sources		65		56
Teaching School balance at 1 September		166		110
Teaching school balance at 31 August		231		166

Community Academies Trust

Independent Reporting Accountant's Assurance Report on Regularity to Community Academies Trust and the Education and Skills Funding Agency

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 29 August 2018 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2018 to 2019, to obtain limited assurance about whether the expenditure disbursed and income received by Community Academies Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2018 to 2019 Part 9: Regularity Reporting. We are independent of Community Academies Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Community Academies Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Community Academies Trust's funding agreement with the Secretary of State for Education dated 10 December 2013 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Community Academies Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019.

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

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Community Academies Trust

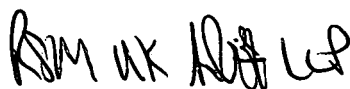
Independent Reporting Accountant's Assurance Report on Regularity to Community Academies Trust and the Education and Skills Funding Agency (continued)

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2018 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2018 to 2019.

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

Use of our report

This report is made solely to Community Academies Trust and the ESFA in accordance with the terms of our engagement letter dated 29 August 2018. Our work has been undertaken so that we might state to the Community Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Community Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



RSM UK AUDIT LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

13 December 2019

Community Academies Trust
Statement of Cash Flows for the Year Ended 31 August 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by /(used in) operating activities	22	540	(243)
Cash flows from investing activities	23	(1,883)	(157)
Cash flows from financing activities	24	42	(5)
Cash transferred on acquisitions	32	-	-
Change in cash and cash equivalents in the reporting period		(1,301)	(405)
Cash and cash equivalents at 1 September		3,589	3,994
Cash and cash equivalents at 31 August	25	2,288	3,589

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

Community Academies Trust is a charitable company incorporated in the UK. The address of its principal place of business is given on page 1 and the nature of its operations is set out in the Trustees' Report.

1. Statement of accounting policies

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

Basis of accounting

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £'000, except where otherwise stated.

Going Concern

The trustees assess whether the use of going concern is appropriate and 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 trustees make this assessment in respect of a period of at least one year from the date of authorisation of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

▪ Grants

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. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance – related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in the Statement of Financial Activities in full in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Any unspent amount is reflected as a balance in the restricted general fund.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1. Statement of Accounting Policies (continued)

Capital grants are recognised when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

The academy trust is benefiting from the ESFA's Priority Schools Building Programme. The funding for the programme is not recognised as a capital grant until there is an unconditional entitlement from costs being incurred, and the development occurring on a site where the academy trust controls (through lease) the site where the development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

▪ Donations

Donations are recognised on a receivable basis (where there are no performance related conditions) where the receipt is probable 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 academy trust has provided the goods or services.

▪ Transfers into the Trust

The transfer of schools into the academy trust, involves the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The net assets transferred to the academy trust are valued at their fair values. The fair values are derived based on that of equivalent items. The amounts are recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

▪ Donated fixed assets

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

▪ Interest

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

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1. Statement of Accounting Policies (continued)

Expenditure

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

▪ Expenditure on Raising Funds

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

▪ Charitable Activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	20% (5 years)
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Tangible Fixed Assets

Assets costing £5,000 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life to its residual value, as follows:

Freehold buildings	2% (50 years)
Long leasehold buildings	2% (50 years)
Building improvements	7% (15 years)
Furniture and equipment	10-15% (6-10 years)
Computer equipment	33.3% (3 years)
Motor Vehicles	25% (4 years)

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1. Statement of Accounting Policies (continued)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Fixed Asset Investments

Cash held in deposit accounts with a notice period greater than one year are classified as fixed asset investments. They are measured at cost less impairment.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 31. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost as detailed in note 31. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

The academy 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.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1. Statement of Accounting Policies (continued)

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

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately as other comprehensive income.

Fund Accounting

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

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

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

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation toward its own administration costs and this is recognised in the statement of financial activities. The funds received are paid and any balances held are disclosed in note 30.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1. Statement of Accounting Policies (continued)

The trust holds funds on behalf of the Telford & Wrekin Primary School PE Association. This organisation exists to improve educational provision in its community and so is aligned with the objectives of the trust. Financial information is provided in note 30 to the accounts. No fee is taken for administration costs.

Short-term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the academy trust. The cost of any unused holiday entitlement the academy trust expects to pay in future periods is recognised in the period the employees' services are rendered where material.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

2. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Capital grants	-	1,572	1,572	1,222
Donated fixed assets	-	90	90	-
Other donations	24	35	59	66
Total 2019	24	1,697	1,721	
Total 2018	12	1,276		1,288

Donations from a Local Authority on conversion are shown in note 32.

3. Funding for the academy trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	34,103	34,103	31,770
Other DfE/ESFA grants	-	3,979	3,979	3,742
	-	38,082	38,082	35,512
Other Government grants				
Local Authority grants	-	1,454	1,454	1,148
	-	1,454	1,454	1,148
Other income from the academy trust's educational operations				
School trips	512	-	512	418
Catering income	433	-	433	386
Other income	461	149	610	551
	1,406	149	1,555	1,355
Total 2019	1,406	39,685	41,091	
Total 2018	1,185	36,830		38,015

4. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Hire of facilities	272	-	272	240
Catering income	11	-	11	13
Other income	321	163	484	453
Total 2019	604	163	767	
Total 2018	706	-		706

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

5. Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	39	-	39	37
Total 2019	39	-	39	
Total 2018	37	-		37

6. Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2019 £000	Total 2018 £000
Expenditure on raising funds	227	121	421	769	746
Academy Trust educational operations					
▪ Direct costs	21,938	2,703	4,688	29,329	27,812
▪ Allocated support costs	12,804	1,442	2,071	16,317	14,670
Teaching School	143	-	231	374	381
Total 2019	35,112	4,266	7,411	46,789	
Total 2018	32,237	4,260	7,112		43,609

The expenditure on raising funds, teaching school and educational operations was £46,789,000 (2018: £43,609,000) of which £2,154,000 was unrestricted (2018:£1,979,000), £41,931,000 restricted (2018:£38,886,000) and £2,704,000 restricted fixed assets (2018:£2,744,000).

Net income/(expenditure) for the period Includes:

	2019 £000	2018 £000
Operating lease rentals	149	226
Depreciation	2,704	2,744
Net interest on defined benefit pension liability	408	398
Fees payable to auditor for		
- Statutory audit	38	36
- other assurance services	4	7

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7. Charitable activities - academy trust educational operations

	Total 2019 £000	Total 2018 £000
Direct costs – educational operations	29,329	27,812
Support costs – educational operations	16,317	14,670
	<u>45,646</u>	<u>42,482</u>

Analysis of support costs

	Total 2019 £000	Total 2018 £000
Support staff costs	11,305	10,859
Technology costs	70	79
Premises costs	1,442	1,404
Other support costs	3,139	2,101
Governance costs	361	227
	<u>16,317</u>	<u>14,670</u>

8. Staff numbers and costs

a. Staff costs

	2019 £000	2018 £000
Wages and salaries	25,208	23,627
Social security costs	2,307	2,153
Operating costs of defined benefit pension schemes	6,436	5,210
Apprenticeship Levy	111	103
Total Staff costs	<u>34,062</u>	<u>31,093</u>
Other Costs		
Supply teacher costs	828	1,021
Staff restructuring costs	222	123
Total	<u>35,112</u>	<u>32,237</u>
Staff restructuring costs comprise:		
Redundancy payments	210	3
Severance payments	12	120
	<u>222</u>	<u>123</u>

No specific funding was received or receivable to support the restructuring payments in respect of the current or prior year.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/ non-contractual severance payments totalling £11,728 (2018: £120,263). Individually the payments were £3,500, £5,170, £1,558 and £1,500.

c. Staff numbers

The average number of persons employed by the Academy Trust during the period expressed by headcount was as follows:

	2019 Number	2018 Number
Teachers	437	420
Administration and support	733	754
Management	33	30
	1,203	1,204

The average number of persons employed by the Academy Trust during the period expressed as full time equivalents was as follows:

	2019 Number	2018 Number
Teachers	390	358
Administration and support	389	389
Management	33	30
	812	777

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019 Number	2018 Number
£60,001 - £70,000	7	12
£70,001 - £80,000	11	5
£80,001 - £90,000	3	3
£90,001 - £100,000	3	1
£120,001 - £130,000	1	1
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-
	26	23

One of the above employees participates in the Local Government Pension Scheme and all of the other above employees participate in the Teachers' Pension Scheme. Both schemes are defined benefit schemes.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

e. Key management personnel

The key management personnel of the Academy Trust comprise the Chief Executive Officer, Executive Director (Education), Executive Director (Finance and Operations) and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer NI) received by key management personnel for their services to the Academy Trust was £2,017,141 (2018: £1,808,688).

9. Related Party Transactions - Trustees' Remuneration & Expenses

Three trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The Chief Executive Officer, Executive Director (Education) and Executive Director (Finance and Operations) only receive remuneration in respect of services they provide undertaking their roles as a staff member under their contracts of employment during the period over which they served as trustees as detailed on page 1.

	2019 £	2018 £
Remuneration		
Mr. P Hamilton (Chief Executive Officer)	38,225	158,000
Mr. E May (Executive Director (Education))	29,395	121,500
Mrs. A Bardsley (Executive Director (Finance and Operations))	8,009	60,000
Employer's pension contribution		
Mr. P Hamilton (Chief Executive Officer)	6,300	26,038
Mr. E May (Executive Director (Education))	4,844	20,023
Mrs. A Bardsley (Executive Director (Finance and Operations))	1,834	13,705

During the year ended 31 August 2019, travel and subsistence expenses totaling £4,080 (2018: £12,822) were reimbursed to 8 trustees (2018: 5 trustees). This expense predominately relates to mileage claims.

Other related party transactions involving trustees are set out in note 29.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

10. Central services

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

- School improvement
- Financial services (including finance software)
- Payroll management
- Human Resources
- Trade union facilities time
- Asset management
- Staff development
- Risk management
- Treasury management
- Statutory reporting

The trust charges for these services on the following basis:

4% of GAG, sixth form, nursery and ESG Funding.

The actual amounts charged during the year were as follows:

	2019 £000	2018 £000
Birchwood Primary School	59	57
Budbrooke Primary School	36	35
Chadsmead Primary Academy	49	53
Dordon Primary School	35	35
Grange Park Primary School	71	68
Heathcote Primary School	17	10
The Polesworth School	288	288
Stoneydelph Primary School	45	7
Stratford-upon-Avon Primary School	29	28
The Telford Langley School	143	131
The Telford Park School	105	97
The Telford Priory School	185	200
Wilnecote High School	143	147
Windmill Primary School	68	28
Wood End Primary School	24	24
The Woodlands Community Primary School	11	-
Woodloes Primary School	61	61
	1,369	1,269

11. Trustees and officers insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

12. Intangible Fixed Assets

	Computer Software £000	Total 2019 £000
Cost		
At 1 September 2018	-	-
Additions	37	37
At 31 August 2019	37	37
Amortisation		
At 1 September 2018	-	-
Charged in period	-	-
At 31 August 2019	-	-
Carrying amount		
At 31 August 2018	-	-
At 31 August 2019	37	37

13. Tangible Fixed Assets

	Freehold Land & Buildings £000	Long Leasehold Buildings £000	Leasehold Improvements £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost							
At 1 September 2018	61,071	33,533	-	2,766	2,199	13	99,582
Reclassification	(1,504)	(2,750)	4,254	-	-	-	-
Assets on conversion or business combination	-	2,750	-	16	7	-	2,773
Additions	523	-	1,187	32	307	-	2,049
At 31 August 2019	60,090	33,533	5,441	2,814	2,513	13	104,404
Depreciation							
At 1 September 2018	2,544	3,367	-	1,418	1,847	13	9,189
Reclassification	(40)	(640)	680	-	-	-	-
Charged in period	1,036	663	293	484	228	-	2,704
At 31 August 2019	3,540	3,390	973	1,902	2,075	13	11,893
Net book values							
At 31 August 2019	56,550	30,143	4,468	912	438	-	92,511
At 31 August 2018	58,527	30,166	-	1,348	352	-	90,393