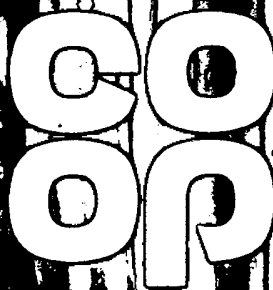




Financial Statements

For Year Ended 31 August 2017



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COMPANIES HOUSE

Academies Trust

The Co-operative Academies Trust
Company Limited by Guarantee
Registration Number: 7747126 (England and Wales)

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REFERENCE AND ADMINISTRATION DETAILS

The Co-operative Academies Trust (Trust) is a Multi Academy Trust. As at 31 August 2017 it was made up of Co-op Academy Leeds (CAL), Co-op Academy Manchester (CAM), Co-op Academy Stoke (CAS), Manchester Creative and Media Academy (MCMA), Co-op Academy Priesthorpe (CAP), Co-op Academy Brownhill, Co-op Academy Nightingale, Co-op Academy Oakwood and Co-op Academy Woodlands.

Members

Russell Gill
Gill Gardner
Caroline Sellers

Directors

Russell Gill ●■	Chair
Mags Bradbury ■	Appointed 19 August 2011
Neil Braithwaite ●	Appointed 1 September 2014
Steve Brice	Appointed 1 September 2014
Mike Greenacre ●	Appointed 1 September 2014
Flo Hadley ●■	Appointed 1 September 2014
Paul Brennan ■	Appointed 1 September 2014
Jane Cowell ●	Appointed 9 December 2014
Rufus Olins	Appointed 1 July 2017

- Member of the Audit and Risk Committee
- Member of the Outcomes Committee

Company Secretary

Gary Lagar Appointed 21 November 2016

Senior Management Team

Frank Norris	Director of the Trust and Accounting Officer
Mark Williams	Education Director - West Pennines
Lynda Johnson	Education Director - East Pennines
Gary Lagar	Finance & Resources Director

Registered Office:

% Membership Department
1 Angel Square
Manchester
M60 0AG

Company Registration Number:

7747126 (England & Wales)

VAT Registration Number:

173 1108 39



REFERENCE AND ADMINISTRATION DETAILS

Independent Auditor:

RSM UK Audit LLP
3 Hardman Street
Manchester
M3 3HF

Bankers:

Lloyds Bank
42-46 Market Street
Manchester
M1 1PW

Solicitors:

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

Insurance Brokers:

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

REPORT OF THE DIRECTORS

The Directors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2017.

The Trust operates four primary and five secondary academies in the North of England. Its academies have a combined pupil capacity of 7,147 and have a roll of 6,574 in the school census on 1 October 2017.

Structure, Governance and Management

Constitution

The Trust is a charitable company limited by guarantee (without share capital). The charitable company's articles of association is the primary governing document and this was effective from 1 September 2014. There were no significant amendments to this document during the year. The Board Directors act as the directors for the charitable activities of the Trust and are also the directors of the charitable company for the purposes of company law.

Details of the Directors who served throughout the year except as noted are included in the Reference and Administration details on page 2.

Members' Liability

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

Directors Indemnities

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

Method of Recruitment and Appointment or Election of Directors

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

Governance

The Trust has members who appoint the Trust Board, comprising between three and fifteen directors. The Trust Board appoints its sub-committees and local governing bodies. A Scheme of Delegation sets out the specific roles and responsibilities of the Trust Board, sub-committees and local governing bodies.

Each academy within the Trust has a governing body made up of between six and fifteen members. The sponsor appoints between two and five governors in addition to two staff governors, two parent governors and the Principal/Headteacher. Up to two further governors can be drawn from formal partners and up to one from the local authority.

REPORT OF THE DIRECTORS

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

Policies and Procedure Adopted for the Induction and Training of Governors

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

Organisational Structure

On 1 September 2016, the Trust included The Co-op Academy Manchester (CAM), The Co-op Academy Stoke (CAS), The Co-op Academy Leeds (CAL), The Manchester Creative and Media Academy and four primaries based in central Leeds (Oakwood, Brownhill, Nightingale and Woodlands). On 1 July 2017 The Co-op Academy Priesthorpe (CAP) joined the Trust.

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

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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust has established a pay and remuneration policy that follows national terms and conditions for all teachers and senior academy leaders. The policy is posted on the Trust website and approved by the Trust Board. All pay awards are moderated across the academies and approved by governing bodies. In addition, all senior Central Trust staff have their salaries benchmarked against national comparators provided by independent and nationally recognised bodies. A Pay and Remuneration Committee of the Trust Board undertakes the performance management of the director of the Trust and recommends any pay awards for the Trust Board to consider. No Trust Board member is paid for their services to the Trust.

Related Parties and other Connected Charities and Organisations

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

Details of related party transactions are shown in note 28.

Risk Management

Details of the Trust's risk management arrangements and principal risks are included within the Strategic Report on page 11.

REPORT OF THE DIRECTORS

Objectives and Activities

Objectives and Aims

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

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

Objectives, Strategies and Activities

The Trust was created on 1 September 2014 to maximise the outcomes of pupils within the existing Co-op Trusts in Leeds, Manchester and Stoke-on-Trent, as well as identifying and delivering efficiencies from the operation of a Multi Trust (MAT).

The Trust's Strategic Objectives

All of our academies:

- Are the first choice for children, young people, parents and carers in the community;
- Judged as highly effective by Ofsted, other relevant bodies and those that engage with them;
- Provide an engaging, inspiring and innovative curriculum that equips children and young people with the skills, knowledge, understanding and qualification they need to make a success of their lives;
- Are places where it is enjoyable to go to school and to work and, within realistic parameters, risk taking and making mistakes are considered important elements of learning;
- Are viewed as 'bright stars' of excellence that exemplify the positive impact of co-operation, culture (including sport), business and charity work within the community;
- Provide effective support and guidance for assisting in the next stage of education, employment or training;
- Adopt approaches that are sustainable, environmentally and Fair Trade friendly; and
- Benefit from a mutually constructive relationship with the Co-op Group as Trust sponsor.

Our children and young people:

- Are successful regardless of age, gender, ability, ethnicity, religion, sexual orientation or economic circumstances;
- Have high aspirations and know how they can achieve them;
- Know how to learn successfully and keep themselves safe and healthy;
- Understand the rich heritage of co-operation and how it can be a force for good in society; and
- Are successful in entering the world of training, education or employment equipped with the necessary skills, knowledge, attitudes, confidence and self-esteem to succeed as active members of society.



REPORT OF THE DIRECTORS

Our staff:

- Work hard to be highly effective employees, engage in professional development that has a demonstrable and positive influence on classroom practice and/or whole school performance and develops them as learning professionals;
- Develop in a professional, ethical and moral environment, able to progress up the career ladder within the Trust and beyond;
- Are committed to co-operative values and principles and demonstrate them to children, young people, parents and each other through all that they do;
- Are treated with respect and dignity regardless of their age, gender and sexual orientation, religion, marriage and civil partnership agreement, disability, race or maternity and paternity situation; and
- Are recognised for the positive impact they make and their successes celebrated.

The Trust:

- Is efficient and effective, promoting the highest educational aspirations for all and focussed on achieving the best personal outcomes of children and young people;
- Grows steadily in a measured and considered fashion;
- Carefully selects new schools/academies on the basis of their commitment to cooperation and their ability to work effectively to integrate with existing academies;
- Is valued by The Co-op Group as a vehicle for effective co-operative work to transform lives and communities, in addition to providing development opportunities for its business and those who work for it;
- Effectively engages with other co-operative schools and is open to new opportunities as they arise; and
- Is emulated by others nationally so that it becomes 'the co-operative way'.

Public Benefit

The directors have had due regard to the guidance from the Charity Commission on public benefit when undertaking their duties.



REPORT OF THE DIRECTORS

Strategic Report

Key Performance Indicators - Achievement and performance

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

Secondary academies

Co-op Academy	Leeds		Priesthorpe		Manchester		Stoke		MCMA	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Progress 8 (note 1)	-0.06	-0.07	-0.27	-0.27	0.02	0.14	0.11	0.13	-0.42	-0.15
Attainment 8 (note 2)	3.36	3.82	4.04	4.54	4.3	4.73	4.06	4.49	3.67	4.42
Attendance (note 3)	93.1%	93.3%	94.6%	94.5%	97.2%	97.4%	95.6%	94.4%	95.4%	93.2%
Staff cost as a percentage of income	74%	69%	78%	-	77%	67%	78%	83%	78%	81%

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

Note 2- Schools get a score based on how well pupils have performed in up to 8 qualifications, which include English, mathematics, 3 qualifications including sciences, computer science, history, geography and languages, and 3 other additional approved qualifications. The 2017 figures are provisional.

Note 3 - Provisional figures. Most recently published national average figure for secondary schools is 95%.



REPORT OF THE DIRECTORS

Primary academies

Co-op Academy	Brownhill		Oakwood		Woodlands		Nightingale	
	2017	2016	2017	2016	2017	2016	2017	2016
KS2 Reading Attainment measure (note 4)	57%	37%	42%	32%	45%	31%	N/A	N/A
KS2 Writing Attainment measure (note 4)	67%	52%	49%	42%	40%	40%	N/A	N/A
KS2 Mathematics Attainment measure (note 4)	59%	62%	53%	48%	60%	48%	N/A	N/A
KS2 Combined Attainment (note 6)	52%	31%	28%	20%	35%	22%	N/A	N/A
KS2 Reading Progress measure (note 5)	+1.5	+1.3	-1.5	-1.1	+0.5	-1.5	N/A	N/A
KS2 Writing Progress measure (note 5)	+3.3	+1.9	+0.1	-1.7	+0.8	+0.2	N/A	N/A
KS2 Mathematics Progress measure (note 5)	+3.5	+2.7	+0.3	+1.1	+3.5	-0.2	N/A	N/A
Attendance	94.1%	93.4%	96.1%	95.5%	94.5%	92.5%	94.5%	93.5%
Staff cost as a percentage income	66%	62%	80%	72%	73%	70%	74%	69%

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

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

REPORT OF THE DIRECTORS

Financial Review

The income of the Trust in the year was £55,904k (2016 £65,323k), which includes balances transferred on acquisition from additions to the Trust which were £12,320k (2016 £33,658k). On 1 July 2017, balances in respect of the Co-op Academy Priesthorpe were transferred to the Trust using the acquisition method. Details of the balances transferred are shown in note 29. The figures for 2016 included balances transferred from The Manchester Creative and Media Academy.

The majority of the balance of the Trust's income is derived from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA and associated expenditure are shown as restricted funds in the statement of financial activities on page 24.

The Trust also receives grants for fixed assets from the ESFA. in accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. The net book value of fixed assets at the year end was £100,294k (2016 £81,798k), which again reflects balances acquired for The Co-op Academy Priesthorpe (CAP). Movements in the tangible fixed assets are detailed in note 12. The balance at the bank was £6,717k (2016 £8,028k). The net movement is detailed in the Cash Flow statement on page 26.

During the year ending 31 August 2017 the Trust's expenditure of £42,300k (2016 £34,278k) included full year operating costs of associated with the Manchester Creative and Media Academy (joined on the 1 March 2016) and two months activity from the transfer of the Co-op Academy Priesthorpe. A detailed analysis of expenditure is shown in note 7.

In year the Trust has generated a revenue reserve deficit of £1,417k (2016 Surplus £499k). This deficit is in line with business plan projections and in total, the Trust's combined revenue reserves are £4,824k which is within the reserves policy.

The Co-op Academy Leeds and The Co-op Academy Oakwood are both situated in Private Finance Initiative (PFI) buildings which are owned by Carillion plc and operated by MITIE plc. Payments made under the PFI contract this financial year totalled £1,592k (2016 £1,586k), this includes associated costs for catering, cleaning, utilities and other ancillary services. The term of each lease is 25 years from commencement on 31 August 2012. Please see Financial Commitments Note 21.

One of the most significant items in the current year is the reduction in the outstanding net liabilities to the Local Growth Government Pension Scheme which during the year reduced from £12,605k at the start of the year to £8,600k by the end of the year. The Co-op Academy Priesthorpe accounted for £1,302k of the net liability at the year end but there were significant reductions in the net liabilities across all our Academies. Further details are shown in note 27. This change is likely to be reflected in future contribution rates which will impact on the Trust's future plans.

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

REPORT OF THE DIRECTORS

Financial and Risk Management Objectives and Policies

The nature of academy business is that the financial instruments that are dealt with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors. The Trust considers its exposure to financial instruments to be minimal and such information is not material to an assessment of the Trust's assets, liabilities, financial position and its results. The Trust is however exposed to the defined benefit pension schemes as outlined, in note 27, where there is detailed disclosure of the current position as independently actuarially assessed.

Reserves Policy

The directors have approved a Reserves Policy which requires academies to maintain a revenue reserve of between 5 and 10% of grant income. Budgets or forecasts which show a position outside of this range must be accompanied by a robust business case for Trust Board approval. At 31 August 2017 the revenue reserves across the Trust were £4,824k (2016 £6,241k) and at an academy level, reserves were £4,754k (2016 £5,823k) which was in excess of the required limits. Investment plans exist in a number of academies for growth in capacity.

As part of setting the budget, the directors review the level of reserves each year. This review will consider the nature of income and expenditure streams, the need to match income with commitments and the need to set aside funds for future replacement programmes. The Trust Board will also need to consider what reserves need to be set aside in view of the growth in net liabilities under its pension schemes referred to above. In particular the Trust Board will need to ensure that academy budgets include allowance for the inevitable increases in employer contribution that will follow from the next actuarial reviews.

Investment Policy

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

Plans for Future Periods

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

We have identified six key priorities arising from our strategic objectives on which we will focus to the end of 2018. They are to:

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

How will we know if we have been successful by 2018?

REPORT OF THE DIRECTORS

All academies that have been in the Trust for at least two years will:

- Be judged 'good' and at least two judged as 'outstanding' by Ofsted;
- Be above the government's floor measure;
- Have attendance of pupils/students at least at the national average;
- All be full, or have an increasing roll;
- Have at least half of all senior academy appointments awarded to existing Trust staff following a competitive process that attracts many external candidates; and
- Have results of the annual survey of pupils/students, staff and parents that indicate year on year overall improvement in engagement and culture.

The Trust will have:

- Increased its presence in the North of England selecting growth on the basis of a firm commitment to co-operation and a good match for our existing academies;
- Shared the Trust arrangements with others to encourage further development of co-operative Trusts across the country for the benefit;
- Been acknowledged as a high quality provider of education for children and young people in some of the most disadvantaged communities in the North of England;
- A school improvement service that is acknowledged as 'outstanding'; and
- Ensured that all academies are financially secure, adopting approaches that are sustainable, environmentally and Fair-trade friendly.

Failsworth School

At its September 2016 meeting, the Trust Board agreed to Failsworth School joining the Trust, subject to the completion of the final aspects of due diligence. This process was completed in June 2017 and Failsworth School transferred to the Trust on the 1st September 2017.

Principal Risks and Uncertainties

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

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

To mitigate these risks, the Trust has taken measures including:

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

REPORT OF THE DIRECTORS

Going Concern

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

Employees and Disabled Persons

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

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

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office. Insofar as the directors are aware:

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

The Directors' Annual Report is approved by order of the members and the Strategic Report (included therein) is approved by the Board in its capacity as directors on 6th December 2017 and signed on its behalf by:



Mr R Gill
Chairman

GOVERNANCE STATEMENT

Scope of Responsibility

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

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

The Co-op Academies Trust: Governance

Governance

The information on governance included here supplements that described in the Directors Report and in the Statement of Directors Responsibilities. The Co-op Academy Priesthorpe joined the Trust on 1 July 2017.

The Board of Directors has formally met five times during the year. Attendance during the year at meeting of the Board of Directors was as follows:

Director	Meetings Held	Meetings Attended	Attendance %
Russell Gill (Chair)	5	5	100%
Mags Bradbury	5	4	80%
Neil Braithwaite	5	4	80%
Paul Brennan	5	3	60%
Steve Brice	5	5	100%
Jane Cowell	5	3	60%
Mike Greenacre	5	5	100%
Flo Hadley	5	5	100%
Rufus Olins (From 1.7.17)	1	1	100%

GOVERNANCE STATEMENT

Governance Reviews

Governance arrangements, including financial regulations and a scheme of delegation, were created for the establishment of the Trust on 1 September 2014. During the year, the directors reviewed the governance arrangements of the Trust and at its meeting in September 2017, approved revised governance documents to be implemented across the Trust. A review of governance arrangements takes place annually and included the feedback from academies and governing bodies.

Audit and Risk Committee

The committee is a sub-committee of the main Board of Directors. Its purpose is to support both the director of the Trust and the Board in their responsibilities for issues of risk, internal control and governance by reviewing the comprehensiveness of assurances in meeting the Trust Board's accounting needs. As part of its role, the Committee selects an external and internal auditor and oversees their work. Attendance during the year at meeting of the Committee was as follows:

Director	Meetings Held	Meetings Attended	Attendance %
Flo Hadley (Chair)	5	5	100%
Neil Braithwaite	5	3	60%
Jane Cowell	5	3	60%
Mike Greenacre	5	5	100%

Outcomes Committee

The committee is a sub-committee of the main Board of Directors. Its purpose is to support both the director of the Trust and the Board in their responsibilities for issues of pupil/ student outcomes including examination and internal assessment results, attendance, punctuality, exclusions and wellbeing. Attendance during the year at meeting of the Committee was as follows:

Director	Meetings Held	Meetings Attended	Attendance %
Mags Bradbury (Chair)	1	1	100%
Paul Brennan	1	1	100%
Russell Gill	1	1	100%
Flo Hadley	1	1	100%

Review of Value for Money

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

GOVERNANCE STATEMENT

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

- Introducing an independent internal audit process that covers up to four themes each year including procurement and involving all academies;
- Significantly increasing expenditure on school improvement managed through central trust funds;
- Undertaking extensive due diligence processes for schools and academies wishing to join the Trust and ensuring that only those financially viable are accepted;
- Establishing service level agreements with local schools and academies not in the Trust for providing school improvement services; and
- Procuring a Trust-wide external audit service at reduced cost per academy.

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

The Trust remains committed to maximising value to money. Moving forward, the Trust will continue to identify and pursue opportunities to achieve procurement savings arising from scale. In addition, a key part of the appraisal of new academies will be a robust appraisal of both the cost to the Trust of the acquisition and the opportunity presented to increase resources devoted to school improvement across all of the academies.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place from 1 September 2016 to 31 August 2017 and up to date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place from 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

GOVERNANCE STATEMENT

The Risk and Control Framework

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

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

The Board of Directors appointed an internal auditor to undertake a review of internal controls within each academy and at a Trust level in order to provide a level of assurance on the operation of controls at year end.

The internal auditor carried out checks in the current year on:

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

Recommendations were made by the internal auditor as a result of the reviews, none of which amounted to a material control issue. The internal auditor is directed by and reports to the Audit and Risk Committee.

Review of Effectiveness

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

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

Anti-Slavery & Human Trafficking Policy

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

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

GOVERNANCE STATEMENT

The Accounting Officer has been advised of the implications of the results of their reviews of the system of internal control and a plan to address any weaknesses and ensure continuous improvement of the system is in place. A review of progress made on issues identified in the previous year was undertaken and reported to the Trust Board and to each academy governing body.

Approved by order of the Board on 6th December 2017 and signed on its behalf by:



Mr R Gill
Chairman



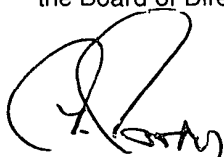
Mr F Norris
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Trust I have considered my responsibility to notify the Trust Board of Directors and the Education Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Trust Board of Directors are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that no instances of material irregular, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Directors and ESFA.



Mr F Norris

Accounting Officer

6th December 2017

STATEMENT OF DIRECTORS RESPONSIBILITY

The directors who are also the directors of The Co-op Academies Trust for the purposes of company law, are responsible for preparing the directors Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Skills Funding Agency (ESFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Directors on 6th December 2017 and signed on its behalf by:



Mr R Gill
Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CO-OPERATIVE ACADEMIES TRUST Year Ending 31st August 2017

Opinion on financial statements

We have audited the financial statements of The Co-operative Academies Trust (the "academy trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2016 to 2017 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 2017 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 2016 to 2017 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 governor's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors 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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. 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.

INDEPENDENT AUDITOR'S REPORT

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.

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 Governors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors Report and the incorporated Strategic 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 Governors' Report and the incorporated Strategic 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 charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Statement of Governors' responsibilities set out on page 14, the governors (who act as directors 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 governor's 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 governors 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 governors 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.

INDEPENDENT AUDITOR'S REPORT

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.

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

RSM UK Audit LLP

KEITH WARD (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
3 Hardman Street
Manchester
M3 3HF

18/12/2017

FINANCIAL STATEMENTS For the Year Ended 31 August 2017

Statement of Financial Activities (Including Income and Expenditure)

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2017 £'000	Total 2016 £'000
Income and endowments from						
Donations and Capital Grants	2	183	-	6,841	7,024	1,227
Academy transfer from local authority	29	-	(1,310)	13,630	12,320	33,658
Charitable activities						
Funding for the trust's educational operations	3	552	35,554	-	36,106	30,101
Other activities						
Other trading activities	4	437	-	-	437	298
Investments	5	17	-	-	17	39
Total incoming resources		1,189	34,244	20,471	55,904	65,323
Expenditure on						
<i>Charitable activities</i>						
Trust's educational operations	6/7	902	38,643	2,785	42,330	34,278
Total Resources Expended		902	38,643	2,785	42,330	34,278
Net Income/(Expenditure)		287	(4,399)	17,686	13,574	31,045
Transfers between funds	18	-	(810)	810	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	7,510	-	7,510	(7,656)
Net Movement in funds		287	2,301	18,496	21,084	23,389
Reconciliation of funds						
Total funds brought forward		2,134	(8,498)	81,798	75,434	52,045
Total funds carried forward		2,421	(6,197)	100,294	96,518	75,434

FINANCIAL STATEMENTS For the Year Ended 31 August 2017

Balance Sheet as at 31 August 2017

Company Registration Number: 7747126

	Note	Total 2017 £'000	Total 2017 £'000	Total 2016 £'000	Total 2016 £'000
Fixed assets					
Tangible assets	12		100,294		81,798
Current assets					
Stock	13	14		17	
Debtors	14	3,570		1,599	
Cash at bank and in hand		6,717		8,028	
		<u>10,301</u>		<u>9,644</u>	
Current Liabilities					
Creditors: amounts falling due within one year	15	(5,477)		(3,403)	
		<u></u>		<u></u>	
Net current assets			4,824		6,241
Net assets excl. pension liability			105,118		88,039
Defined benefit pension scheme liability	27	(8,600)		(12,605)	
Net assets			<u>96,518</u>		<u>75,434</u>
Funds of the academy trust					
Restricted Fund					
Fixed asset fund	18		100,294		81,798
General fund	18		2,403		4,107
Pension reserve	18		(8,600)		(12,605)
Total restricted funds			<u>94,097</u>		<u>73,300</u>
Unrestricted Fund	18		2,421		2,134
Total Funds			<u>96,518</u>		<u>75,434</u>

The financial statements on pages 24 to 55 were approved by the directors, and authorised for issue on the 6th December 2017 and signed on their behalf by:



Mr R Gill - Chairman

FINANCIAL STATEMENTS For the Year Ended 31 August 2017

Cash Flow Statement for the year ended 31 August 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Net Cash flow provided by operating activities	22	(662)	91
Cash flows from financing activities	23	17	39
Cash flows from investing activities	24	(666)	524
Net increase/(decrease) in cash and cash equivalents in the reporting period		(1,311)	654
Cash and cash equivalent at 1 September 2016		8,028	7,374
Cash and cash equivalent at 31 August 2017		6,717	8,028

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

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

General Information

The Trust is a charitable company. The address of the Trust's principal place of business is given on page 2. The nature of the Trust's operations are set out in the Directors' Report.

Basis of Preparation

The financial statements of the Trust, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016/17 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently applied to all the years presented, unless otherwise stated.

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

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Multi-academy Trust Combination

The transfer of the Co-op Academy Priesthorpe into the Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for as set out below.

The assets and liabilities transferred on conversion from the school to the Trust have been valued at their fair value. Fair value is derived based on the cost of an equivalent item. For land and buildings, the buildings were transferred at their depreciated replacement cost as recorded in the relevant accounts as at 1st July 2017. The fair value is in accordance with the accounting policies set out for The Trust. The amounts have been recognised under the appropriate balance sheet categories with a corresponding amount recognised in charitable activities as net income in the Statement of Financial Activities in the year of acquisition and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the note 29.

Going Concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of approval of the financial statements. Cash and Revenue forecasts for this period have been produced on a conservative basis and show that the Trust will continue to trade as a going concern for the foreseeable future, and Governors therefore consider the accounts should be prepared on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS

Incoming Resources

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

Grants Receivable

Capital grants are included in donations on a receivable basis to the extent there is entitlement. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

The general annual grant ('the GAG') from the ESFA, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable on a performance basis. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Sponsorship and Donations Income

Sponsorship and donations income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

Other Income

Other income, including the hire of facilities is recognised in the period it is recoverable and to the extent the Trust has provided the goods or services.

Donated Services and Gifts in Kind

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

Expenditure

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

Expenditure on Raising Funds

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

NOTES TO THE FINANCIAL STATEMENTS

Charitable Activities

These are costs incurred on the Trust's educational operations to further its charitable aims for the benefit of its beneficiaries, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Liabilities

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

Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised as a financing cost in the period it arises in the statement of financial activities and is allocated to the appropriate expenditure heading.

Tangible Fixed Assets

Assets costing £500 or more, or lower value items which amount to £2,500 in aggregate, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund where they are in continued use in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities.

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

Fixed Asset Category	Expected Useful Life
Long leasehold Land and buildings	50 Years
Short-term additions to leasehold buildings	8 Years
Plant and Machinery	8 Years
Fixtures, fittings and equipment	8 Years
Equipment acquired on conversion	3 Years
ICT equipment	4 Years
Motor Vehicles	5 Years

NOTES TO THE FINANCIAL STATEMENTS

Assets under the course of construction are included at cost and are not depreciated until brought fully into use.

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

Leased Assets

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

Stock

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

Financial Instruments

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. The nature of academy business is that the financial instruments that are dealt with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors. The trust considers its exposure to financial instruments to be minimal and such information is not material to an assessment of the trust's assets, liabilities, financial position and its results.

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

VAT Accounting

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

Pensions Benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

NOTES TO THE FINANCIAL STATEMENTS

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately. 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 reporting date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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

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

Agency Arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 31.

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.

NOTES TO THE FINANCIAL STATEMENTS

Critical Accounting Estimates and Assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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

2. Donations and Capital Grants

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
DfE/ESFA Capital Grants	-	579	579	237
Devolved Formula Capital Grants	-	106	106	84
Local Authority Capital Grants	-	6,156	6,156	658
Other donations	81	-	81	145
Contributions from sponsor	102	-	102	103
	<u>183</u>	<u>6,841</u>	<u>7,024</u>	<u>1,227</u>

The income from donations and capital grants in 2016 was £1,227,000 of which £224,000 was unrestricted, £1,003,000 was restricted fixed asset funds and £nil was restricted general funds.

NOTES TO THE FINANCIAL STATEMENTS

3. Funding Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
DfE/ESFA Grant				
General Annual Grant (GAG)	-	30,202	30,202	24,859
Start Up Grants	-	64	64	56
Funding for Sixth Form	-	519	519	587
Insurance Income	-	-	-	18
Rates relief	-	199	199	168
Pupil Premium	-	3,067	3,067	2,660
Other DfE/ESFA	-	263	263	274
	-	34,314	34,314	28,622
Other Government Grants				
FFI Funding (SEND)	-	598	598	411
Nursery Funding LA	-	390	390	451
Other Local Authority Grants	-	206	206	173
	-	1,194	1,194	1,035
Other Income				
Catering Income	552	-	552	400
Other Grants	-	46	46	44
	552	46	598	444
Total	552	35,554	36,106	30,101

Funding for the Trust's educational operations in 2016 was £30,101,000 of which £400,000 was unrestricted, £nil was restricted fixed asset funds and £29,701,000 was restricted general funds.

Catering income has been reclassified from "Other trading activities" to "Other income" within "Funding for Educational Operations" to align with the Accounts Direction 2016/17 and reflect that all catering income is in respect of pupils and staff.

NOTES TO THE FINANCIAL STATEMENTS

4. Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	142	-	142	85
Trip Income	67	-	67	39
Other Income	228	-	228	167
Charges to other bodies	-	-	-	7
	<u>437</u>	<u>-</u>	<u>437</u>	<u>298</u>

Other trading activities in 2016 was £298,000 of which £298,000 was unrestricted, £nil was restricted fixed asset funds and £nil was restricted general funds.

5. Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	17	-	17	39
	<u>17</u>	<u>-</u>	<u>17</u>	<u>39</u>

Investment Income in 2016 was £39,000 of which £39,000 was unrestricted, £nil was restricted fixed asset funds and £nil was restricted general funds.

NOTES TO THE FINANCIAL STATEMENTS

6. Resources Expended

	Staff Costs	Non Pay Expenditure		Total	Total
	£'000	Premises £'000	Other £'000	2017 £'000	2016 £'000
Trust's educational operations					
Direct Costs	24,115	2,784	2,904	29,803	24,386
Allocated Support Costs	6,712	3,124	2,691	12,527	9,892
Costs of educational operations	30,827	5,908	5,595	42,330	34,278
Total Resources expended	30,827	5,908	5,595	42,330	34,278

Resources Expended in 2016 was £34,278,000 of which £761,000 was unrestricted, £2,403,000 was restricted fixed asset fund and £31,114,000 was restricted general funds.

Net income/(expenditure) for the year includes	2017 £'000	2016 £'000
Operating lease rentals	1,571	1,635
Depreciation	2,784	2,403
Net interest on defined pension liabilities	263	174
Fees payable to RSM UK Audit LLP		
- Audit service – Statutory audit	23	26
- Other Services	28	9

NOTES TO THE FINANCIAL STATEMENTS

7. Charitable Activities - Educational Operations

Direct costs	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Assets £'000	Total 2017 £'000	Total 2016 £'000
Teaching and educational support staff costs	-	24,115	-	24,115	19,654
Depreciation	-	-	2,785	2,785	2,403
Educational Supplies	-	1,959	-	1,959	1,520
Examination Fees	-	300	-	300	290
Pupil Support	-	413	-	413	345
Educational consultancy	-	231	-	231	174
	-	27,018	2,785	29,803	24,386
Allocated support costs					
Support Staff Costs	-	6,712	-	6,712	4,623
Catering and trip expenditure	902	-	-	902	761
Recruitment and support	-	415	-	415	363
Maintenance of premises	-	584	-	584	580
PFI Costs	-	1,592	-	1,592	1,586
Electricity, Gas and Water	-	379	-	379	286
Cleaning, refuse and other	-	116	-	116	81
Legal and Professional fees	-	179	-	179	90
Auditors remuneration	-	51	-	51	63
Rent and Rates	-	210	-	210	202
Insurance	-	203	-	203	175
Security and transport	-	40	-	40	32
Bank interest and charges	-	14	-	14	13
Technology costs	-	488	-	488	525
Marketing and Promotion	-	67	-	67	57
Telephone, Post and Stationery	-	420	-	420	348
Non-educational consultancy	-	155	-	155	107
	902	11,625	-	12,527	9,092
	902	38,643	2,785	42,330	34,278

NOTES TO THE FINANCIAL STATEMENTS

8. Staff Numbers and Staff Costs

Staff costs during the period	2017 £'000	2016 £'000
Wages and salaries	21,879	17,999
Social Security Costs	1,903	1,352
Operating cost of defined benefit pension schemes	5,520	3,726
Total Staff Costs	29,302	23,077
Supply Staff Costs	1,436	1,103
Staff restructuring costs	89	97
	30,827	24,277

Staff restructuring costs	2017 £'000	2016 £'000
Redundancy payments	15	14
Severance payments	74	78
Other restructuring costs	-	5
	89	97

Non statutory/non contractual severance payments totalled £74k (2016: £78k). Individually these payments were £18k, £16k, £13k, £10k, £8k, £7k and £1k.

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

	2017 Headcount	2016 Headcount
Leadership	58	54
Teachers	376	271
Administration and support	583	413
	1,017	738

NOTES TO THE FINANCIAL STATEMENTS

9. Staff Costs

Higher Paid Staff

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

Salary Bands	2017 No	2016 No
£60,001 - £70,000	8	8
£70,001 - £80,000	5	4
£80,001 - £90,000	3	3
£90,001 - £100,000	2	2
£100,001 - £110,000	2	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

Sixteen of the above employees earning more than £60,000 per annum participated in the Teachers Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff amounted to £225,292 (2016: £164,479). The other five employees participated in Local Government Pension Scheme, pension contributions amount to £81,494 (2016: £79,314).

Key management personnel compensation

The key management personnel of the Trust comprise the directors and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £403,822 (2016: £902,994). Key management in 2016 included Head teachers, current year is restricted to the Trusts senior leadership team.

NOTES TO THE FINANCIAL STATEMENTS

10. Directors Remuneration and Expenses

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

The value of director's remuneration was as follows	2017 £'000	2016 £'000
Accounting Officer and Director of Trust		
Remuneration	135	120
Employers Pension Contribution	26	23
	<u>161</u>	<u>143</u>
Other Director		
Remuneration	94	95
Employer's Pension Contribution	16	16
	<u>110</u>	<u>111</u>

The increase in remuneration relating to the Accounting Officer and Director of the Trust relates to a pay award approved mid-year, by Board in 2016. During the year ended 31 August 2017, travel and subsistence expenses totalling £645 (2016 £317) were reimbursed to directors. Related party transactions involving the directors are set out in note 28.

11. Directors and Officers Insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Governors and officers for claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to to £5,000,000 and the cost for the year ended 31st August 2017 was £6,500 (2016 £4,950). The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS

12. Tangible Fixed Assets

	Assets under Const £'000	Long Leasehold Land and Buildings £'000	Plant and Machine £'000	Furniture and Equip £'000	Comp Equip £'000	Motor Vehicles £'000	Total £'000
Costs							
At 1 September 2016	790	80,731	775	2,543	1,421	101	86,361
Acquired on Transfers to the Trust	-	13,630	-	-	-	-	13,630
Transfers Assets Under Construction	(940)	903	-	37	-	-	-
Additions	6,099	924	104	108	415	-	7,650
Disposals	-	-	-	(37)	-	-	(37)
At 31 August 2017	5,949	96,188	879	2,651	1,836	101	107,604
Depreciation							
At 1 September 2016	-	2,578	181	878	880	46	4,563
Charges in year	-	1,814	91	553	303	23	2,784
Disposals	-	-	-	(37)	-	-	(37)
At 31 August 2017	-	4,392	272	1,394	1,183	69	7,310
Net Book Values							
At 31 August 2017	5,949	91,796	607	1,257	653	32	100,294
At 31 August 2016	790	78,153	594	1,665	541	55	81,798

During the year the leasehold Land and Buildings, Plant & Machinery and Furniture at Priesthorpe High School were transferred to the Trust. The land and buildings were valued in June 2017, as at 1st July 2017, by a qualified valuer. Further details of transfers in can be found within note 29 to the accounts.

NOTES TO THE FINANCIAL STATEMENTS

13. Stocks

	2017 £'000	2016 £'000
Uniform Stock	14	17

14. Debtors

	2017 £'000	2016 £'000
Trade Debtors	1,236	72
Prepayments	438	331
Accrued Income	526	708
VAT recoverable	1,179	471
Other Debtors	191	17
	<u>3,570</u>	<u>1,599</u>

15. Creditors: Amounts falling due within one year

	2017 £'000	2016 £'000
Trade Creditors	1,571	1,408
Other Creditors	264	105
Other taxation and Social Security	617	484
Accruals and deferred income	3,025	1,406
	<u>5,477</u>	<u>3,403</u>

Deferred Income	2017 £'000	2016 £'000
Deferred Income at 1 September 2016	229	199
Resources deferred in the year	334	229
Amounts released from previous years	(229)	(199)
Deferred Income at 31 August 2017	<u>334</u>	<u>229</u>

NOTES TO THE FINANCIAL STATEMENTS

Deferred Income at 31 August 2017 relates to amounts received before the year end that relate to next academic year. It includes Rates Income funded by the ESFA for the year to 31st March 2017 and SEN funding from Local Authorities paid in advance.

16. Financial Instruments

	2017 £'000	2016 £'000
The carrying amount of the Company's financial instruments at 31st August were:		
Financial Assets		
Debt Instruments measured at amortised costs	1,953	797
Total	<u>1,953</u>	<u>797</u>
Financial Liabilities		
Measured at amortised costs	4,526	2,690
	<u>4,526</u>	<u>2,690</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

17. Central Services

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

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

The actual amounts charged during the year were calculated on a 6% income basis and were as follows		
	2017 2000	2016 2000
Co-op Academy Leeds	174	186
Co-op Academy Manchester	172	137
Co-op Academy Stoke	130	135
Co-op Academy Priesthorpe	25	-
Manchester Creative and Media Academy	157	76
Co-op Academy Brownhill	50	54
Co-op Academy Nightingale	27	18
Co-op Academy Woodlands	49	54
Co-op Academy Oakwood	49	56
Total	833	716

NOTES TO THE FINANCIAL STATEMENTS

18. Funds

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

NOTES TO THE FINANCIAL STATEMENTS

18. Funds (continued)

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

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

- Restricted General Funds are used specifically to provide educational resources for the pupils of the Academies;
- Restricted Fixed Asset Funds provide for the installation, maintenance and repair of the Fixed Assets of the Academies. Unrestricted Funds are those other Resources which may be used to further the objectives of the Academies; and
- There are no limits on the amount of GAG that could be carried forward at 31st August 2017 as outlined in the Academies Financial Handbook or otherwise as the Secretary of State may specify.

Analysis of fund balances by Academy	2017 £000	2016 £000
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Fund balances at 31st August 2017 were allocated as follows:

Co-op Academy Leeds	1,025	1,236
Co-op Academy Manchester	1,006	1,294
Co-op Academy Stoke	103	122
Co-op Academy Priesthorpe	(24)	-
Manchester Creative and Media Academy	966	1,103
Co-op Academy Brownhill	1,113	907
Co-op Academy Nightingale	25	480
Co-op Academy Woodlands	395	561
Co-op Academy Oakwood	145	129
Central Services	70	409
	4,824	6,241
Restricted fixed asset fund	100,294	81,798
Pension reserve	(8,600)	(12,605)
	96,518	75,434

NOTES TO THE FINANCIAL STATEMENTS

Analysis of cost by Academy	Teaching and Educ Support Staff Costs £'000	Other Support Costs £000	Educ Supplies £000	Other Costs (excluding depr) £000	2017 Total £000	2016 Total £000
Expenditure incurred by each Academy during the year was						
Co-op Academy Leeds	4,982	289	491	1,561	7,323	7,398
Co-op Academy Manchester	4,037	1,213	684	885	6,819	5,884
Co-op Academy Stoke	3,766	581	304	577	5,228	5,296
Co-op Academy Priesthorpe	703	140	27	136	1,006	-
Manchester Creative and Media Academy	4,844	974	578	947	7,343	3,479
Co-op Academy Brownhill	1,496	141	158	289	2,084	2,020
Co-op Academy Nightingale	918	70	88	510	1,586	2,175
Co-op Academy Woodlands	1,574	192	218	321	2,305	2,615
Co-op Academy Oakwood	1,744	169	146	297	2,356	911
Central Services	51	2,943	208	293	3,495	2,097
	<u>24,115</u>	<u>6,712</u>	<u>2,902</u>	<u>5,816</u>	<u>39,545</u>	<u>31,875</u>

Depreciation of £2,785k (2016 £2,403k) has been excluded.

19. Analysis of net assets between funds

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

Totals funds for 2016 was £75,434 of which £2,134 was unrestricted general funds, (£8,498) restricted general funds and £81,798 restricted fixed asset funds.

NOTES TO THE FINANCIAL STATEMENTS

20. Capital commitments

	2017 £'000	2016 £'000
Contracted for, but not provided in the financial statements	9,397	1,109

21. Financial commitments

Operating leases

At 31 August 2017 the total of the Trust's future minimum lease payments under non-cancellable operating leases, including payments to be made under the PFI contract for The Co-op Academy Leeds and The Co-op Academy Oakwood buildings owned by Carillion plc and operated by MITIE plc, with unexpired terms of each lease of 20 years, was:

Equipment	2017 £'000	2016 £'000
Amounts due within one year	44	72
Amounts due within one to two years	90	82
Amounts due after five years	-	2
	<u>134</u>	<u>156</u>

Land and Buildings	2017 £'000	2016 £'000
Amounts due within one year	1,503	1,583
Amounts due within one to two years	5,998	6,319
Amounts due after five years	15,387	17,853
	<u>22,888</u>	<u>25,755</u>

NOTES TO THE FINANCIAL STATEMENTS

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

	2017 £'000	2016 £'000
Net income for the reporting period (as per statement of financial activities)	13,574	31,045
Depreciation (note 12)	2,785	2,403
Capital grants from DfE and other capital income	(6,841)	(979)
Investment Income (note 5)	(17)	(39)
FRS 102 Pension cost less contributions payable (note 27)	1,440	378
FRS 102 Pension finance cost (note 27)	763	738
Decrease in Stocks	3	(10)
(Increase) in debtors	(1,923)	(435)
Increase in creditors	1,874	648
Voluntary Income - transfer in of Priesthorpe (note 29)	(12,320)	(33,658)
Net cash inflow from operating activities	(662)	91

23. Cashflow from financing activities

	2017 £'000	2016 £'000
Interest received	17	39

24. Cashflow from investing activities

	2017 £'000	2016 £'000
Purchase of tangible fixed assets (note 12)	(7,650)	(1,784)
Cash transfer on conversion (note 29)	143	1,329
Capital grants from DfE/ESFA	6,841	979
	(666)	(524)

25. Contingent Liabilities

There are no contingent liabilities of which the Governors or staff are aware as at 31st August 2017 which need to be reflected in the accounts.

NOTES TO THE FINANCIAL STATEMENTS

26. Members' Liability

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

27. Pension and Similar Obligations

The 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 Schemes (LGPS) for non-teaching staff, depending upon where the academy is situated. Manchester based academies are managed by Tameside Borough Council, the Leeds based academies are managed by the City of Bradford MDC and the Stoke based academy is managed by Staffordshire County Council.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))

NOTES TO THE FINANCIAL STATEMENTS

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,977,728 (2016: £1,619,342).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website as there is insufficient information to account for as a DB Scheme.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate director-administered funds. The total contribution made for the year ended 31 August 2017 was £1,802,000 of which employer's contributions totalled £1,309,000 and employees' contributions totalled £ 493,000. The agreed contribution rate for future years is between 5.5% and 7.5% for employees, dependent on earnings. The future rate for employers is 19.1% from April 2016 and 19.3% from April 2017.

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

Principal Actuarial Assumptions

The latest actuarial valuation for the Trust's liabilities within each of the three administrations took place as at 31 August 2017. Liabilities have been estimated by independent qualified actuaries on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuaries in updating the latest valuation of the Employer's assets and liabilities for FRS 17 purposes were:

Principal Financial Assumptions (% per Annum)	2017	2016
Discount Rate %	2.5	2.0 - 2.1
RPI Inflation %	3.1	3.0
CPI Inflation %	2.0	1.9 - 2.0
Rate of increase to pensions in payment %	2.0 - 2.4	2.1
Rate of increase to deferred pensions %	2.0	1.9 - 2.1
Rate of general increase in salaries %	2.8 - 3.25	2.5 - 3.4
Commutations of pensions to lump sums %	50%	50%

NOTES TO THE FINANCIAL STATEMENTS

Sensitivity Assumptions

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

Change in Assumptions at 31st August 2017	Approx Increase to ER Liability %	Approx monetary Value £000
0.5% Decrease in real discount rate	12.3	3,385
0.5% Increase in the salary increase rate	2.3	1,093
0.5% Increase in the pension increase rate	10.0	2,795

Mortality Assumptions

The mortality assumptions, which are based on the recent actual mortality experience of members within the Fund, allow for expected future mortality improvements. The ranges for 2017 reflect the fact that the three LGPS schemes are administered separately.

Retirement Dates	At 31 Aug 2017 Years	At 31 Aug 2016 Years
Retiring Today		
Male	21.5 - 22.1	21.4 - 22.7
Female	24.1 - 25.2	24.0 - 25.6
Retiring in 20 Years		
Male	23.0 - 23.7	24.0 - 24.9
Female	26.2 - 27.0	26.6 - 28.0

Expected Return on Assets

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

Asset Categories	Fair Value 31 Aug 2017 £000	Fair Value 31 Aug 2016 £000
Equities	22,236	17,458
Bonds	4,403	3,821
Property	1,672	1,383
Cash	1,091	950
Other	363	240
Total Fair Value of Assets	29,765	23,852

NOTES TO THE FINANCIAL STATEMENTS

The actual return on scheme assets was £2,347,000 (2016: £3,583,000)

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

	2017 £'000	2016 £'000
Valuation as at 1 September 2016	36,457	14,161
Current Service Cost	2,735	1,482
Interest Cost	763	738
Employee contributions	493	414
Actuarial Gain during the Year	(5,163)	11,239
Benefits Paid	(318)	(266)
Past Service Cost	14	-
Net Increase in Liabilities from Acquisitions	3,384	8,748
Curtailments and Settlements	-	(59)
Valuation as at 31 August 2017	38,365	36,457

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

	2017 £'000	2016 £'000
Valuation as at 1 September 2016	23,852	9,980
Return on Plan Assets (excluding net interest on the net defined pension liability)	500	564
Actuarial (Losses)/ Gains	1,847	3,019
Employers Contributions	1,309	1,045
Employee Contributions	493	414
Benefits Paid	(318)	(266)
Net Increase in Assets from Acquisitions	2,082	9,096
Settlements	-	-
Valuation as at 31 August 2017	29,765	23,852

NOTES TO THE FINANCIAL STATEMENTS

Total amounts recognised in the Statement of Financial Activities

Operating Charges	2017 £'000	2016 £'000
Current Service Cost (net of employee contributions)	2,735	1,482
(Gains) / Losses on Curtailments	-	(59)
Total Operating Charge	2,735	1,423

Analysis of Pension Finance Costs	2017 £'000	2016 £'000
Total Net Interest Cost	763	738

Actuarial Gain / (Losses)	2017 £'000	2016 £'000
Total Actuarial Gains / (Losses)	7,510	(7,656)

The History of Experience Adjustments is as follows:

	2017 £000	2016 £000	2015 £000	2014 £000	2013 £000
Present Value of Defined Benefit Obligations	(38,365)	(36,457)	(14,161)	(6,993)	(4,773)
Fair Value of Share of Scheme Assets	29,765	23,852	9,980	5,192	3,283
Deficit in the Scheme	(8,600)	(12,605)	(4,181)	(1,801)	(1,490)

	2017 £000	2016 £000	2015 £000	2014 £000	2013 £000
Experience Adj on Share of Scheme Assets	1,847	3,019	(398)	122	185
Experience Adj on Scheme Liabilities	5,163	(11,239)	12	(84)	449

NOTES TO THE FINANCIAL STATEMENTS

The Trust became a participating Employer in the West Yorkshire Fund on 1st September 2012 (on obtaining Academy status) and a participating Employer in the Greater Manchester Fund and Staffordshire Fund on 1st September 2014.

Those employees of Co-op Academy Priesthorpe who participated in the LGPS at the point of transfer on 1 July 2017 were already Members of the West Yorkshire Fund.

28. Related Party Transactions

The Governors consider that The Co-op Group is a related party by virtue of significant influence. The Trust received support during the period from The Co-op Group in respect of Governors services at a total cost of £nil (2016 £nil). At the year-end there was a balance owed to The Co-operative Group of £nil (2016 £nil).

Donations totalling £102,000 were received from The Co-operative Group during the year (2016 £103,000).

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

29. Conversion and Transfer to the Academy Trust

On 1st July 2017 the trade and assets of Priesthorpe High School were transferred to the Trust for nil consideration.

The assets and liabilities transferred on conversion from the school to the Trust have been valued at their fair value. Fair value is derived based on the cost of an equivalent item. For land and buildings, the buildings were transferred at their depreciated replacement cost as recorded in the relevant accounts as at 30th June 2017. The fair value is in accordance with the accounting policies set out for The Trust.

The amounts have been recognised under the appropriate balance sheet categories with a corresponding amount recognised in charitable activities as net income in the Statement of Financial Activities in the year of acquisition and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out below.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities. The consideration was £nil.

Surplus Funds Acquired	Unrestricted General Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Fixed Assets	-	-	13,630	13,630
Cash Balances	-	143	-	143
Current Assets	-	49	-	49
Current Liabilities	-	(200)	-	(200)
LGPS Pension Liability	-	(1,302)	-	(1,302)
Total Donations and Capital Grants	-	(1,310)	13,630	12,320

Since 1st July, Co-op Academy Priesthorpe has had income of £1,031,000 and expenditure of £1,033,000.

NOTES TO THE FINANCIAL STATEMENTS

30. Post Balance Sheet Events

At its meeting on 13th September 2016, the Trust Board approved to acquire Failsworth High School, subject to the completion of due diligence and the completion of transfer documentation with the Department for Education. The school formally joined the Trust on 1st September 2017.

At its meeting on 25th September 2017, the Trust Board approved to acquire Pudsey Tyersal Primary School, subject to its completion of due diligence and the completion of transfer documentation with the Department for Education. The school formally joined the Trust on 1st December 2017.

31. Agency Arrangements

The Trust administers the disbursements of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year total available fund where, £29,333 (2016: £22,868) and disbursed £18,385 (2016: £17,956), with an amount of £13,949 (2016: £5,221) repayable to the Trust at the 31 August 2017 included in other creditors.