

SEPARATOR SHEET



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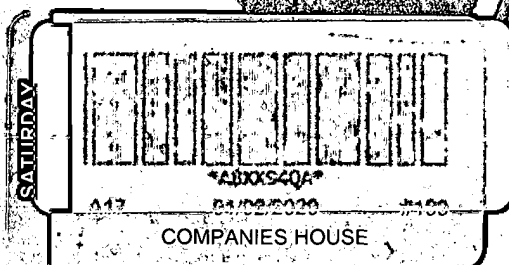
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COMPANIES HOUSE

CO
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Academies Trust



Financial Statements

for year ended 31 August 2019

Co-op 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 2019, it was comprised of the following Academies:

Secondary Academies	Primary Academies	Special Academies
Co-op Academy Leeds	Co-op Academy Brownhill	Co-op Academy Delius→
Co-op Academy Priesthorpe	Co-op Academy Oakwood	Co-op Academy Southfield→
Co-op Academy Swinton	Co-op Academy Woodlands	
Co-op Academy Manchester	Co-op Academy Nightingale	
Co-op Academy North Manchester	Co-op Academy Beckfield	
Co-op Academy Failsforth	Co-op Academy Portland⇒	Sixth Form Colleges
Co-op Academy Stoke-on-Trent	Co-op Academy Broadhurst‡	Connell Co-op College➤
Co-op Academy Walkden➤	Co-op Academy Parklands‡	
Co-op Academy Bebington➤	Co-op Academy Woodslee➤	
Co-op Academy Grange→	Co-op Academy Friarswood➤	
⇒ Joined the Trust on 1/10/2018	‡ Joined the Trust on 1/11/2018	➤ Joined the Trust on 1/12/2018
➤ Joined the Trust on 1/4/2019	→ Joined the Trust on 1/6/2019	

Post 31st August 2019 a number of new schools joined the Trust and their details are shown in note 30.

Trust Members	Appointment	Trust Members	Appointment
Russell Gill	30 May 2014	Caroline Sellers	1 September 2014
Gill Gardner	1 September 2014	Pippa Wicks	26 June 2018
Andrew Lang	1 April 2019		

Trust Directors	Appointment	Trust Directors	Appointment
Russell Gill (Chair) ● ■ ▲ ►	30 May 2014	Mags Bradbury ■ ►	19 August 2011
Neil Braithwaite ● ►	1 September 2014	Mike Greenacre ● ▲	1 September 2014
Jane Cowell ● ▲ ►	9 December 2014	Simon Bourne ▲	1 September 2018
Claire Camara ►	1 September 2018	Geoff Clarke ●	1 September 2018
Eric Craven (resigned 1/7/19)	1 September 2018	Gill Gardner ●	1 September 2018
Nick Lowry ▲	1 September 2018	Shaheen Myers ●	1 September 2018
Patsy Kane ■	7 May 2018		

REFERENCE AND ADMINISTRATION DETAILS

Seconded Members	Appointment	Seconded Members	Appointment
Anthony Crossland •	1 September 2018	Tony Hind ▲	1 September 2018
• Member of the Audit and Risk Committee ■ Member of the Outcomes Committee ▲ Member of the Growth and Development Committee ▶ Member of the Chairs Committee			

Senior Leadership Team	
Chris Tomlinson	Chief Executive Officer and Accounting Officer (Joined 1 July 2019)
Mark Williams	Chief Education Officer - Stoke, Staffordshire Merseyside, and Cheshire Hub
Lynda Johnson	Chief Education Officer - East Pennines Hub
Ian Burchett	Chief Education Officer - Greater Manchester Hub
Juliet Caunt	Chief People Officer
Gary Lagar	Chief Operating Officer and Company Secretary (Appointed 21 November 2016)

Principal and Registered Office:	c/o Membership Department 1 Angel Square Manchester M60 0AG
Company Registration Number:	7747126 (England & Wales)
VAT Registration Number:	173 1108 39
Independent Auditor:	RSM UK Audit LLP 3 Hardman Street Manchester M3 3HF
Bankers:	Lloyds Bank 42-46 Market Street Manchester M1 1PW
Solicitors:	Ward Hadaway Solicitors Sandgate House 102 Quayside Newcastle upon Tyne Squire Patton Boggs (UK) LLP No 1 Spinningfields 1 Hardman Square Manchester M3 3EB
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 2019. The annual report serves the purpose of both a Trustee's Report and Directors' Report under company law.

As at the 31 August 2019, the Trust operated ten primary academies, ten secondary academies, two special schools and one sixth form college in the North of England. The Trust has a combined pupil/student roll of 15,838 in the school census on 1 October 2019.

Structure, Governance, and Management

Constitution

The Trust is a charitable company limited by guarantee (without share capital) and an exempt charity. The charitable company's articles of association are 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 trustees 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 are included in the Reference and Administration details on pages 2/3.

Members' Liability

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

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. Between two and five governors are drawn from the sponsor in addition to two staff governors,

REPORT OF THE DIRECTORS'

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.

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 depend 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 31 August 2019, the Trust included twenty-two Academies and one Sixth Form College. Full Academy and College details are included in the Reference and Administration details on pages 2/3.

Details of the directors (including the Trust Accounting Officer) who served during the year are included in the Reference and Administration details on pages 2/3.

The Trust Board sets the strategic direction for the Trust and is responsible for the performance of all academies within the Trust. The Chairs Committee oversees operational performance and acts as the Trust's Pay and Remuneration Committee. The Audit and Risk Committee oversees the external and internal audit processes as well as ensuring there is an effective risk management approach in place. Decisions reserved for the Trust Board include providing strategic direction to the Trust, ensuring financial viability, establishing an Audit Committee and compliance with the Department for Education requirements. The senior leadership team has the responsibility for implementing Board policy and monitoring operational performance.

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. The remuneration Committee also sets the remuneration of the senior leadership team and recommends pay awards to the Trust Board for consideration. No Trust Board member is paid for their services to the Trust.

Trade Union Facility Time

The Trust has complied with the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017, which took effect from 1 April 2017. The Trust's published report covers the year from April 2018 to March 2019 and is summarised below:

REPORT OF THE DIRECTORS'

Relevant Union Official

Number of employees who were relevant union officials during the relevant period 19.0

Full time equivalent employee number 17.4

Percentage of Time Spent on Facility Time

0% 10

1 - 50% 6

51 - 99% 0

100% 3

The three employees who spent 100% or more of their time on trade union duties were seconded full or part time to local officer roles outside of their academy. The full costs of this release were reimbursed to the Trust.

The remaining 16 employees did occasional trade union work, with those spending less than one day across the year being classed as 0%.

Percentage of Pay Bill Spent on Facility Time

Total cost of facility time £ £35,864

Total pay bill £ £46,862,407

% of pay bill spent on facility time 0.08%

The cost of facility time takes into account the paid time spent by relevant union officials on trade union work, and the money paid by academies in to local authority shared facility arrangements, as well as the money reimbursed for salaries of colleagues seconded to local officer roles.

Paid trade union activities

Time on paid activities, as a % of all paid TU activities 0.31%

This reflects the proportion all paid time spent on trade union work which has been spent on activities where there is no statutory entitlement to paid time off, such as attending meetings related to internal union affairs.

REPORT OF THE DIRECTORS'

Related Parties and other Connected Charities and Organisations

The Trust works closely with its sponsor The Co-operative Group (the Co-op), including access to skilled governors for the Trust's academies, work and training opportunities for pupils. The sponsor has also provided a substantial financial contribution in the year (and commitment going forward should certain conditions be met) to enable the Trust to expand. 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 18.

Objectives, Aims and Activities

When the Co-op agreed to sponsor a secondary academy in Manchester in 2008 there was a relatively narrow ambition to serve the academy and its community as well as possible. Quickly, the positive impact of the work was noticed so further academies in Stoke-on-Trent and East Leeds followed a year or two later. By this time the scale of the undertaking was becoming more apparent so all of the academies were merged into a single legal entity in September 2014.

The Trust currently has twenty-two Academies and one Sixth Form College along the M62 corridor from Greater Manchester in the west to Leeds in the east and academies clustered around Stoke-on-Trent and the Wirral, with a significant concentration in Greater Manchester, close to the Co-op's support center. All of them, bar three, are sponsored academies. In spring 2018, the Co-op agreed to invest £3.6m to enable the trust to grow to up to 40 academies by 2022. This investment is to be reviewed on an annual basis by the Co-op. In addition, there is an ambition to significantly increase the supply of apprentices from the academies into the Co-op.

The Trust has created a strong governance model that has a credible and highly skilled Trust Board. It is supported by local governing bodies that include a senior manager from the Co-op as chair and key partners from the local authority and higher education institutions playing a key role.

The Trust gives the highest priority to school improvement and has created a well-respected central trust set up that sees all aspects such as HR, finance, governance, general administration as well as specialist experts in improving teaching and learning and leadership and management. These services are offered at a very low cost so that all available resources can be directed to the academies.

The Trust's ambition was to create communities of ambitious co-operators made up of children, staff and their parents and carers. Much has been achieved here but we are aware that we must do more in order to ensure that the 'academies help to regenerate their communities'. We have a unique relationship with the trust's sponsor, the Co-op, and we want to do more so that we can genuinely be the most successful multi-academy Trust in the country while maintaining a clear focus on the values and principles of co-operation.

REPORT OF THE DIRECTORS'

OUR AMBITION

Better outcomes for more children in the north of England

By 2022 we want to be educating over 40,000 children in northern schools many of which serve socially and economically challenged communities. This target is 25,000 more than we currently educate.

A broader range of provision so that we can support as many children as possible

By 2022 we want to educate children in primary, secondary, special, alternative provision and post-16 colleges.

Stronger connections with The Co-op so that we can lever greater advantages for our communities

By 2022 we want to be better co-operators and more young people ready for higher education and apprentices. We want to see more students going to university and up to 250 gaining an apprenticeship in the Co-op.

Strengthen our communities

- Lead the regeneration of communities providing aspiration, ambition, support, and encouragement.
- Keep the academy at the heart of its community and create local solutions for local issues.
- Create a broad portfolio of academies including primary, secondary, special, alternative and post-16 provision in some of the most socially and economically challenged areas of the north.
- Be the most effective and influential educational body in the West Yorkshire - Greater Manchester - Merseyside - Staffordshire areas.

Strengthen our academies

- We expect nothing but the best and will work kindly, fairly and safely with our children and their families to encourage and support them. We rely on our senior leaders and managers to support this ambition and know that can achieve this.
- Deliver a curriculum that is broad, balanced, relevant and appropriate for the children's current and future needs.
- Have an outstanding school improvement strategy based on empowering teaching staff where possible.
- All staff and governors are ambassadors for co-operative values and the Ways of Being Co-op.
- All academies support each other because we are one Trust and live by co-operating successfully.
- We have a curriculum that enables children to gain curiosity, ambition and a willingness to practice so that they gain the knowledge, skills, and understanding to help them be socially active citizens. Emphasises the central importance of proficient reading, writing and numeracy skills as the basis of a good education and future personal and social contribution to society.

REPORT OF THE DIRECTORS'

Strengthen our co-operation

- We capitalise on the strong relationship with the Co-op, its sponsor so that pupils and students are well prepared for their future working lives and aware of the opportunities an apprenticeship and further study can offer.
- We encourage our children to be excellent co-operators and to be ambassadors for the benefits of co-operation. Our staff will steer and support this ambition and be wholehearted and enthusiastic about this area of their work.

Our Core Values that underpin how we work

We are committed to Co-operative values and principles and expect all academies and those working centrally to have these at the core of their work. We strive to ensure children, young people and their families and staff at all levels in the Trust develop:

Self-help – so that they can help themselves to improve and make a positive contribution to society;

Self-responsibility – so that they take responsibility for, and answer to their actions;

Democracy – through having a say in how we run our Trust and the academies;

Equality – through ensuring that the voice of each individual can be heard;

Equity – a fair and unbiased community; and

Solidarity – through sharing interests and common purposes for the benefit of all.

The Trust, including each academy and its governing body, is expected to work to the Co-operative ethical values of:

Openness – we believe in being open and sharing information and ideas to raise the outcomes of children and young people and improve their life chances;

Honesty – we act in a professional and respectful manner in our dealings with everyone;

Social responsibility – we maximise our impact on those in our communities while minimising our footprint on the world; and

Caring for others – we treat everyone as we wish to be treated ourselves, understanding that children and young people have one childhood.

Each staff member, governor and pupil/student in the Trust is expected to honour the fundamental commitment to the **Ways of Being Co-op**. All of our academies include prominently, in their name, the word 'Co-op'. This explains our commitment to Ways of Being Co-op. When assessing the effectiveness of our Trust and its academies we will ask whether all staff embody the following statements, which highlight the Ways of Being Co-op, for the benefit of all children.

Be yourself, always - Do what matters most - Show you care - Succeed together

REPORT OF THE DIRECTORS'

The Trust's Strategic Objectives 2019-2022

All academies are great places to work and learn, driven to success by co-operative values and 'Ways of Being' and this is recognised by students/pupils, parents/carers, staff, and the sponsor:

1. Pupils and students (including those eligible for pupil premium funding):
 - attend regularly, behave well, know how to keep themselves safe and are able to contribute fully to their community;
 - ~~aspire to be the best they can and are provided with help and support to help make this happen; and~~
 - have knowledge, skills and understanding that ensure they contribute positively to society.
2. Successfully increase the number of academies up to 40 and extend the range of academies to include special schools, alternative provision, and post-16 colleges.

New academies will include the most successful through to those requiring significant support.
3. Academies offer high-quality support to each other, to other local schools and to the wider co-operative school community so that local communities are regenerated through our combined effort.
4. Operate a trust model that relies on a regional hub presence that shares best practice, improves academy effectiveness and overall efficiency.
5. Create a formidable pipeline for academy students into Co-op apprenticeship opportunities.
6. Have staff that are ambitious for the pupils and students and for themselves.
7. The majority of senior appointments are drawn from our own workforce flowing a competitive external recruitment campaign.
8. Academies are financially secure, adopt sustainable, environmentally and fair-trade friendly.

REPORT OF THE DIRECTORS'

Public Benefit

The trustees have considered the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charities Commission. The main activities of the Trust are to advance for public benefit:

- education for pupils of different abilities between the ages of 3 and 16;
- develop the capacity and skills of those who are socially and economically disadvantaged in such a way that helps meet their needs and enables them to participate more fully in their communities and society at large; and
- provide recreational and leisure time facilities in the interest of social welfare for the local communities in which the academies reside, especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances.

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

We now have ten secondary academies. Some are very new to the Trust and are beginning to show some improvement in a very short space of time, we are optimistic for the future that we can build on this good start. Our most established schools showed some positive outcomes for progress - for example Co-op Academy Manchester achieved +0.07 from -0.13 last year which is very good standard to set. Our English results were very pleasing bearing in mind the high level of vulnerable students we have in our academies.

Primary Academies

During the summer 2019 we had 10 primaries with 8 academies having key stage two outcomes this academic year. Delius is a special school academy where pupils don't sit the key stage two exams and Nightingale was a newly opened school which doesn't have a year 6 yet. The well established primary schools that have been in the Trust for a number of years performed very well in the national assessments at both attainment and progress. Reading is an area of focus for the Trust, however some of academies already do very well, especially Co-op Academy Brownhill in Leeds so we have outstanding practice in the Trust to share. Our newer primaries that have just joined the Trust are showing some signs of improvement considering when they joined they were in difficult circumstances.

Special Schools

We are pleased to be a multi-academy trusts with special schools - we currently have one secondary and one primary. Both are for students with profound learning difficulties so very severe and don't sit public exams.

REPORT OF THE DIRECTORS'

Sixth Form College

We have one college for post 16 students. The A level results maintained the same rate of progress as last year which was very pleasing as now all exams are the newer harder format. The vocational courses showed a good improvement in outcomes with very good progress scores which is very encouraging for the future.

A summary of the Trust's educational outcomes is shown in the tables below and split between secondary and primary academies.

Secondary Academies Key Stage 2 GCSE outcomes 2019	Trust Weighted Aggregate	
	2019	2018
All Students		
A8	39.3	39
P8	-0.39	-0.41
En 4+ (%)	67	67
Ma 4+ (%)	56	54
E&M 4+ (%)	50	49
En 5+ (%)	50	48
Ma 5+ (%)	31	33
E&M 5+ (%)	26	28
EBacc 4+ (% of Yr 11)	13	11
EBacc 5+ (% of Yr 11)	7	6
Pupil Premium		
A8	34.57	34.36
P8	-0.57	-0.59
En 4+ (%)	59	58
Ma 4+ (%)	44	45
E&M 4+ (%)	39	39
En 5+ (%)	42	40
Ma 5+ (%)	21	26
E&M 5+ (%)	18	21
EBacc 4+ (% of Yr 11)	7	6
EBacc 5+ (% of Yr 11)	3	3

REPORT OF THE DIRECTORS'

Primary Academies Key Stage 2 SATS Outcomes 2019	Trust Weighted Aggregate	
	2019	2018
All Students		
Expected		
Reading %	58	58
Writing %	62	66
Mathematics %	61	60
Combined %	45	46
Greater Depth		
Reading %	15	15
Writing %	10	12
Mathematics %	14	11
Combined %	5	5
Progress		
Reading %	0	-0.8
Writing %	0.2	0.7
Mathematics %	-0.2	-0.9
Pupil Premium Students		
Expected		
Reading %	53	58
Writing %	60	64
Mathematics %	60	57
Combined %	40	43
Greater Depth		
Reading %	11	10
Writing %	6	7
Mathematics %	10	8
Combined %	2	3
Progress		
Reading %	0	-1.1
Writing %	0	0.2
Mathematics	0	-1.1

REPORT OF THE DIRECTORS'

The decision of the Co-op Executive Board to support the Trust's growth strategy was a true 'red letter' day. To achieve a £3.6m investment in the Trust signals the faith of the Co-op in our work. It also emphasises the importance of the Trust's work in achieving the broader aims and objectives for the Co-op's community strategy. The investment from the Co-op will be reviewed and agreed on an annual basis. The year saw eleven new academies join the Trust and significant work undertaken to achieve as many as 3 more by 31 August 2020.

REPORT OF THE DIRECTORS'

Financial Review

The Trust has delivered another strong financial performance. The Trust generated a net income for the year of £60,048k including net assets from academy transfers of £64,927k (2018: £45,030k) on a total income of £153,563k (2018: £107,542k). A summary of the Trust's financial performance over the last five years is shown below:

Trust five-year financial summary

Statement of Financial Activities (£000)	2018/19 Actual	2017/18 Actual	2016/17 Actual	2015/16 Actual	2014/15 Actual
Donations and Capital Grants	3,322	12,572	7,024	1,227	1,417
Academy Transfers	64,927	39,721	12,320	33,658	47,400
Funding - Educational Income	82,516	54,015	36,106	30,101	25,021
Other Trading Activities	2,785	1,234	454	337	492
Total Incoming Resources	153,563	107,542	55,904	65,323	74,330
Staffing Costs	67,619	44,927	30,827	24,277	19,061
Premises Costs	13,733	9,035	5,908	4,939	4,362
Depreciation	5,936	4,155	2,784	2,403	1,822
Other	6,227	4,395	2,811	2,659	3,002
Total Resources Expended	93,515	62,512	42,330	34,278	28,247
Net Income / Expenditure	60,048	45,030	13,574	31,045	46,083
Other recognised Gains / (Losses)	(16,701)	5,062	7,510	(7,656)	(185)
Net Movement in Funds	43,347	50,092	21,084	23,389	45,898

Balance Sheet (£000)	2018/19 Actual	2017/18 Actual	2016/17 Actual	2015/16 Actual	2014/15 Actual
Tangible Assets	283,970	159,328	100,294	81,798	50,434
Current Assets	19,020	9,449	10,301	9,644	8,354
Current Liabilities	(14,823)	(6,318)	(5,477)	(3,403)	(2,562)
Total Assets less Current Liabilities	288,167	162,459	105,118	88,039	56,226
Liabilities falling due > 1 Year	(98,210)	(15,849)	(8,600)	(12,605)	(4,181)
Net Assets	189,957	146,610	96,518	75,434	52,045

Balance Sheet (£000)	2018/19 Actual	2017/18 Actual	2016/17 Actual	2015/16 Actual	2014/15 Actual
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Academy Funds

Restricted - Fixed Asset /General	226,417	151,216	102,697	85,905	54,434
Pension Reserve	(40,324)	(8,241)	(8,600)	(12,605)	(4,181)
Total Restricted Funds	186,093	142,975	94,097	73,300	50,253
Unrestricted Funds	3,864	3,635	2,421	2,134	1,792
Total Academy Funds	189,957	146,610	96,518	75,434	52,045

REPORT OF THE DIRECTORS'

During the financial year balances transferred on acquisition from additions to the Trust were £64,927k (2018 £39,721k) based on the acquisition method, and relate to the following Academies:

Academy, College	Conversion/ transfer	Joining Date	Trading Activity
Co-op Academy Portland	Conversion	1 October 2018	11 Months
Co-op Academy Parklands	Conversion	1 November 2018	10 Months
Co-op Academy Broadhurst	Conversion	1 November 2018	10 Months
Co-op Academy Walkden	Conversion	1 December 2018	9 Months
Co-op Academy Woodslee	Conversion	1 December 2018	9 Months
Co-op Academy Friarswood	Conversion	1 December 2018	9 Months
Connell Co-op Academy	Transfer	1 April 2019	5 Months
Co-op Academy Bebington	Conversion	1 April 2019	5 Months
Co-op Academy Delius	Conversion	1 June 2019	3 Months
Co-op Academy Southfield	Transfer	1 June 2019	3 Months
Co-op Academy Grange	Transfer	1 June 2019	3 Months

During the year the above Academies / College had an income of £23,109k and expenditure of £23,791k. Details of the balances transferred are shown in note 29.

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 32.

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 £283,970k (2018 £159,328k), which again reflects balances acquired for the above Academies/ College joining the Trust. Movements in tangible fixed assets are detailed in note 12. The balance at the bank was £15,306k (2018 £6,782k). The net movement is detailed in the Cash Flow statement on page 34.

During the year ending 31 August 2019 the Trust's expenditure of £93,515k (2018 £62,512k) including the trading activities of the above Academies/ Colleges who joined the Trust during the financial year. A detailed analysis of expenditure is shown in note 7.

The Trust received income from the main business sponsor of £1,384k (2018 £418k) which was a combination of growth funding £1,082k (2018 £295k) and a donation towards operational costs of £302k (2018 £123k) shown in note 28.

REPORT OF THE DIRECTORS'

During the year the Trust has generated a core net operating surplus, from restricted general and unrestricted funds, of £1,773k (2018 deficit £1,172k). This surplus is before pension movements and is in line with business plan projections and in total, the Trust's combined (restricted general and unrestricted) revenue reserves are £8,305k (2018 £3,652k) which is within the reserves policy.

Co-op Academies of Leeds and Oakwood are both situated in Private Finance Initiative (PFI) buildings which are owned by Carillion plc (in liquidation) and operated by MITIE plc. Operating payments made under the PFI contract this financial year totalled £1,600k (2018 £1,516k), 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. The PFI assets and corresponding liabilities are not recognised in the Trust's financial statements as the Trust is not a party to the above PFI agreements and the Trust does not have substantially all of the risks and rewards incidental to ownership. Further details are shown in the Trust's statement of accounting policies note 1.

The Trust has a number of Academies which are situated in PFI buildings and details are shown below:

Co-op Academy	PFI Owned and Managed By	Commencement Date	PFI Expiry Date
Failsworth	Academies Services (Oldham) Limited	24 May 2006	31 January 2033
Walkden	S&W TLP (Project Co One) Ltd	8 December 2009	13 August 2036
Bebington	Wirral Schools Services Ltd	27 March 2001	31 July 2031
Southfield / Grange	Integrated Bradford SPV Two Ltd	1 September 2009	13 March 2036

Operating payments made under the PFI contract include costs for catering, cleaning, utilities and other ancillary services.

The assets and corresponding liabilities are recognised in the Trust's financial statements as the Trust has taken on the obligations in respect of the PFI arrangement within the above Academies and the Trust does have substantially all of the risks and rewards incidental to ownership. In addition, the Academy / Trust is making payments towards the capital cost of the building and ownership will transfer to either the Local Authority (and to the Trust via a 125 year lease) or to the Trust at the end of the PFI arrangement. Further details are shown in the Trust's statement of accounting policies note 1, tangible fixed asset note 12 and financial commitments note 21.

The Trust's PFI liabilities has increased to £62,045k (2018 £8,179) following the addition of the above PFI obligations in respect of Co-op Academy's Walkden, Bebington, Southfield and Grange.

One of the most significant other items in the current year is the increase in the outstanding net liabilities to the Local Growth Government Pension Scheme which, during the year, increased from £8,241k at the start of the year to £40,324k by the end of the year. The eleven new Academies joining in the year (see above details) accounted for £11,371k of the net liability on transfer, however there

REPORT OF THE DIRECTORS'

were also significant increases in the net liabilities across all our Academies which includes a £15,773k increase in liabilities following a 0.9% fall in discount rates plus a further £928k increases following the McCloud/ Sargeant judgement and further details on the Trust's accounting assumptions and impact are shown in notes 1(a) and 27. The future impact of these changes will be factored into contribution rates following the next triennial review.

Financial and Risk Management Objectives and Policies

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

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. Additional liabilities associated with those academies with PFI buildings are outlined in note 21.

Reserves Policy

The directors have approved a Reserves Policy which requires individual academies to maintain a revenue reserve (consisting of restricted general and unrestricted reserves) of between 5 and 10% of General Annual Grant (GAG) 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 2019 the revenue reserves across the Trust were £8,305k (2018 £3,652k) and at an academy level, reserves were £8,107k (2018 £3,588k) 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 an 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. In practice, this means no long term deposits/ investments.

Principal Risks and Uncertainties

The directors have carried out a full review of its 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.

REPORT OF THE DIRECTORS'

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 escalating pension liabilities and not delivering improved educational outcomes for pupils, actual and potential financial challenges due to changes in funding and cost growth, and managing growth to ensure continuous 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.

Going Concern

After making appropriate inquiries, 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.

Plans for Future Periods

We will focus on the following key priorities, identified from our strategic objectives, until the end of 2022. They are to:

- Improve outcomes for children and young people, especially their attainment at a faster rate than in other similar schools/academies;
- Improve Ofsted evaluations of academies within the Trust ensuring that new academies achieve at least a 'Good' judgment within two years of joining;
- Ensure that all staff engage in professional development activities, many of which are Hub based, 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;
- Deliver a broad, balanced and relevant curriculum alongside careers advice and personal guidance, taking full advantage of our Co-operative values and Ways of Being Co-op, to better prepare young people for their future lives including entering work, further education or training/apprenticeships;
- Create a seamless curriculum experience that ensures all pupils/students make strong progress in their knowledge, skills, and understanding as well as their personal development;
- Ensure resource and financial security, stability and probity across the Trust;
- Successfully grow to up to 40 academies in four hubs through successful collaboration and co-operation and building further on our reputation for delivering high-quality education;
- Establish a flow of students wishing to embrace the benefits of a Co-op apprenticeship which results in up to 250 apprentices by 2022;
- Create Hub leadership and management structures in four locations so that greater cooperation occurs, efficiencies are achieved, best practice is shared and a sense of One Trust is engendered and lived out;
- Be active participants in regenerating the local communities where our academies are located and provide a vehicle for demonstrating the Co-op Way in those communities;

REPORT OF THE DIRECTORS'

- Successfully manage the transition from one education phase to another so that progress and learning are neither slowed or lost;
- Further develop the relationship with the Trust's sponsor for mutual benefit so that pupils and students;
- are well prepared for the world of work;
- the broad range of careers available to them, including the suitability of apprenticeships; and
- Benefit from the Co-op's digital strategy and contribute to the Co-op's business strategy.

How we will know if we have been successful by 2022 - 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;
- have pupils and students achieving attainment levels above those achieved in similar settings;
- have the attendance of pupils/students at least at the national average with very few permanent exclusions;
- all be full or have an increasing roll;
- have results of the annual survey of pupils/students, staff and parents that indicate year on year overall improvement in engagement and culture;
- see all stronger academies offering high-quality support to each other so that any weaker academies improve quickly; and
- Demonstrate through teaching and learning and leadership and management that Co-operative values and principles and The Ways of Being Co-op are essential for effective education.

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;
- established Hub structures in each of its main locations and used this structure to share best practice and improve moderation processes for each academy;
- shared the Trust arrangements with others to encourage further development of Co-operative trusts across the country;
- been acknowledged as a high-quality provider of education for children and young people in some of the most disadvantaged communities in the North and attract effective schools to improve capacity for growth and improvement;
- up to 250 former academy students on Co-op apprenticeship schemes;
- an outstanding school improvement service that fully utilises school to school support, modern technological approaches, and high-quality external consultants;
- 50% of all senior appointments in the central trust and in the academies are drawn from our own employees following a competitive external recruitment campaign;
- ensured that all academies are financially secure, adopting approaches that are sustainable, environmentally and Fairtrade friendly.

New and Prospective Academies

During the course of the last twelve months the Trust Board agreed to the following School's joining the Trust, subject to the completion of the final aspects of due diligence.

John Curwen Co-operative Primary Academy (agreed by the Board in July 2019 and joined in November 2019) and Princeville Primary School (agreed by the Board in October 2019 and due to join the Trust in February 2020).

REPORT OF THE DIRECTORS'

Employees and Disabled Persons

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

Environment and Sustainability

The Board considers social, environmental and ethical matters in all aspects of the Trust's business. Along with senior managers they review and assess risks both to the long and short term value of the Trust through social, ethical and environmental factors. The Trust complies with environmental laws and regulations and seeks to work with suppliers and customers to improve the effectiveness of environmental management.

Fundraising

The Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the trustees.

Appointment of new Chief Executive Officer

The Board would like to welcome Chris Tomlinson as the new Chief Executive Officer, who joined the Trust on the 1 July 2019 and took over the new role on 1 September 2019 and thank him for taking over the role.

The Board would also like to thank Frank Norris for his time as Chief Executive Officer. Frank oversaw significant growth and development during his tenure and left the Trust on 31 August 2019.

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 12th December 2019 and signed on its behalf by:



Mr R Gill
Chair

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

Director	Meetings Eligible	Meetings Attended	Attendance %
Russell Gill (Chair)	5	5	100%
Mags Bradbury	5	4	80%
Neil Braithwaite	5	4	80%
Jane Cowell	5	4	80%
Mike Greenacre	5	5	100%
Simon Bourne	5	4	80%
Caire Camara	5	2	40%
Geoff Clarke	5	5	100%
Nick Lowry	5	5	100%
Eric Craven	4	4	100%
Gill Gardner	5	5	100%
Shaheen Rasool	5	5	100%

Board members also attended upto 12 other delegated subcommittee meetings to maintain effective management and oversight.

GOVERNANCE STATEMENT

Governance Reviews

The Directors are satisfied with overall governance arrangements and have implemented plans for continuous improvement of arrangements.

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. At its meeting in October 2019, The Directors 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 a meeting of the Committee was as follows:

Director	Meetings Eligible	Meetings Attended	Attendance %
Neil Braithwaite (Chair)	5	4	80%
Geoff Clarke	4	4	100%
Anthony Crossland	4	4	100%
Gill Gardner	4	4	100%
Russell Gill	5	5	100%
Shaheen Rasool	4	4	100%
Jane Cowell (stepped down 1/10/18)	1	1	100%
Mike Geenacre (stepped down 1/10/18)	1	1	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 a meeting of the Committee was as follows:

Director	Meetings Eligible	Meetings Attended	Attendance %
Mags Bradbury (Chair)	3	3	100%
Claire Camara	3	0	0%
Jane Cowell	2	2	100%
Eric Craven	2	1	50%
Russell Gill	3	3	100%

GOVERNANCE STATEMENT

Growth and Development 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 a meeting of the Committee was as follows:

Director	Meetings Eligible	Meetings Attended	Attendance %
Jane Cowell (Chair)	4	4	100%
Simon Bourne	4	4	100%
Russell Gill	4	4	100%
Mike Greenacre	4	4	100%
Tony Hind	4	3	75%
Nick Lowry	4	4	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.

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; and
- Establishing service level agreements with local schools and academies not in the Trust for providing school improvement services.

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.

GOVERNANCE STATEMENT

The Trust remains committed to maximising value for money. Moving forward, the Trust will continue to identify and pursue opportunities to achieve procurement savings arising from the 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 2018 to 31 August 2019 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 have been in place from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

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 (Beevers and Struthers) 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:

- Health and Safety;

GOVERNANCE STATEMENT

- Management of PFI Contracts;
- GDPR; and
- Anti-Fraud and Anti-Bribery Framework.

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, headteachers 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.

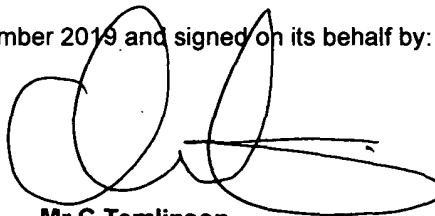
During the last year, the Trust has produced an Anti-Slavery & Human Trafficking Policy and cascaded this out to all colleagues. Our safer recruitment processes ensure that all prospective employees are legally entitled to work in the UK. Further details of actions taken during the last 12 months are 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>.

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 12th December 2019 and signed on its behalf by:



Mr R Gill
Chair



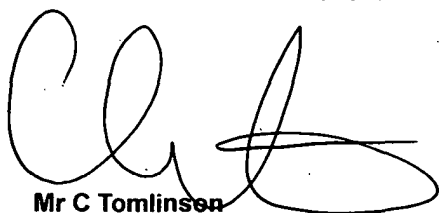
Mr C Tomlinson
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY & 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 2018.

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 2018.

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 C Tomlinson

Accounting Officer

12th December 2019

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors who are also the Trustees of The Co-op Academies Trust for the purposes of charity 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 2015 and the Academies Accounting Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The 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 12th December 2019 and signed on its behalf by:



Mr R Gill
Chair

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CO-OPERATIVE ACADEMIES TRUST Year Ending 31st August 2019

Opinion

We have audited the financial statements of The Co-operative Academies Trust (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities (Income and Expenditure Account), 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 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors 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 directors are responsible for the other information. The other information comprises the information included in the Report of Directors and the Financial Statements for year ending 31 August 2019 and our auditor's report thereon. Our opinion on the financial statements does not cover

INDEPENDENT AUDITOR'S REPORT

the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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

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, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 28, the directors (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

RSM UK Audit LLP

John Guest (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF
Date: *17 December 2019*

FINANCIAL STATEMENTS For The Year Ending 31 August 2019

Statement of Financial Activities (Including Income and Expenditure)

	Note	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2019 £'000	Total 2018 £'000
Income and Endowments from:						
Donations and Capital Grants	2	317	-	3,005	3,322	12,572
Academy transfer from local authority	29	-	(5,529)	30,703	25,174	29,012
Transfer from existing academy	29	-	(2,911)	42,664	39,753	10,709
Charitable activities:						
Funding for the trust's educational operations	3	2,204	81,434	-	83,638	54,252
Other trading activities	4	1,663	-	-	1,663	987
Investments	5	13	-	-	13	10
Total incoming resources		4,197	72,994	76,372	153,563	107,542
Expenditure on:						
Charitable activities:						
Trust's educational operations	6/7	3,968	83,611	5,936	93,515	62,512
Total Resources Expended		3,968	83,611	5,936	93,515	62,512
Net Income/(Expenditure)		229	(10,617)	70,436	60,048	45,030
Transfers between funds	18	-	(341)	341	-	-
Other recognised (losses)/gains						
Remeasurement of net defined benefit obligations	27	-	(16,701)	-	(16,701)	5,062
Net Movement in funds		229	(27,659)	70,777	43,347	50,092
Reconciliation of funds						
Total funds brought forward		3,635	(8,224)	151,199	146,610	96,518
Total funds carried forward		3,864	(36,883)	221,976	189,957	146,610

FINANCIAL STATEMENTS For The Year Ending 31 August 2019

Balance Sheet as at 31 August 2019

Company Registration Number: 7747126

	Note	Total 2019 £'000	Total 2019 £'000	Total 2018 £'000	Total 2018 £'000
Fixed assets					
Tangible assets	12		283,970		159,328
Current assets					
Stock	13	24		7	
Debtors	14	3,690		2,660	
Cash at bank and in hand		15,306		6,782	
		<u>19,020</u>		<u>9,449</u>	
Current Liabilities					
Creditors: amounts falling due within 1yr	15	(14,823)		(6,318)	
Net current assets			<u>4,197</u>		<u>3,131</u>
Total assets less current liabilities			<u>288,167</u>		<u>162,459</u>
Creditors: amounts falling due greater 1yr	15	(57,886)		(7,608)	
Defined benefit pension scheme liability	27	(40,324)		(8,241)	
Net assets			<u>189,957</u>		<u>146,610</u>
Funds of the academy trust:					
Restricted Fund					
Fixed asset fund	18		221,976		151,199
General fund	18		4,441		17
Pension reserve	18		(40,324)		(8,241)
Total restricted funds			<u>186,093</u>		<u>142,975</u>
Unrestricted Fund	18		<u>3,864</u>		<u>3,635</u>
Total Funds			<u>189,957</u>		<u>146,610</u>

The financial statements on pages 32 to 67 were approved by the directors, and authorised for issue on the 12 December 2019 and signed on their behalf by:

Mr R Gill - Chair



FINANCIAL STATEMENTS For The Year Ending 31 August 2019

Cash Flow Statement for the year ended 31 August 2019

	Note	2019 £'000	2018 £'000
Cash flows from operating activities			
Net Cash flow provided by operating activities	22	5,473	266
Cash flows from financing activities	23	13	10
Cash flows from investing activities	24	3,038	(211)
Net increase/(decrease) in cash and cash equivalents in the reporting period		8,524	65
 Cash and cash equivalent at 1 September 2018		6,782	6,717
Cash and cash equivalent at 31 August 2019		15,306	6,782

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), judgments 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 pages 2/3. 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 2018/19 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 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 Trust enters into combinations that involve both the conversion of local authority schools to academies and also the transfer of existing academies.

The transfer of the Co-op Academies Parklands, Delius, Grange, Southfield, Walkden, Broadhurst, Bebington, Portland, Woodslee, Friarswood and Connell Co-op College 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/transfer 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 the date of transfer. The amounts have been recognised under the appropriate balance sheet categories with a corresponding amount recognised in donations and capital grants 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 Directors 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 Directors 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 Directors therefore consider the accounts should be prepared on a going concern 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 and performance conditions are met. 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 for the year it is receivable and any abatement in respect of the period is deducted from income and is recognised as a liability.

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 received and to the extent the Trust has provided the goods or services.

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

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 - (max, subject to independent professional advice)
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

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 circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased Assets

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

Assets subject to PFI Arrangements

An asset and liability are recognised for PFI agreements where the Trust has taken on the obligations in respect of a liability to the Local Authority in respect of the PFI liability and the Trust has substantially all of the risks and rewards incidental to ownership. The amount capitalised as an asset is the fair value of the asset subject to PFI agreements. The value of the liability is represented by a present value of expected future cash flows. PFI payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability and relates to the Co-op Academy's Failsworth, Walden, Bebington, Southfield and Grange.

All other PFI arrangements where the Trust are not a party to the agreement, or where no capital contribution is being made, are charged to income and expenditure on a straight-line basis over the contract term. This relates to Co-op Academy Oakwood and Leeds.

Stock

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

NOTES TO THE FINANCIAL STATEMENTS

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.

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 (see note 16).

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all risks and rewards of ownership are transferred to another party, or if some significant risk and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Debt instruments measured at amortised cost are included in trade debtors and other debtors. Financial liabilities measured at amortised cost are included in trade creditors and accruals.

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.

NOTES TO THE FINANCIAL STATEMENTS

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

NOTES TO THE FINANCIAL STATEMENTS

1a. Critical Accounting Estimates and Areas of Judgement and Assumptions

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

The 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.

Critical accounting estimates - Local Government Pension Scheme

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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The Trust has considered the implication of the McCloud/ Sargeant judgement and is satisfied with the actuarial treatment within the valuations at 31 August 2019 as detailed in note 27.

Critical accounting estimates – Calculation of liabilities associated with PFI arrangements

The present value of the liabilities associated with the Trust's PFI arrangements depends on a number of factors that are determined using a variety of estimates and assumptions. The estimates used include management making an assessment over the split of payments made under PFI arrangements into both capital and revenue elements. Only the capital element is included within the calculation of the associated liability (with revenue elements being included within operating costs as incurred). The assumptions used in determining the present value of the liability include the discount rate used and assumptions made over future inflation that has been applied to expected payments associated with this arrangement. Any changes in these assumptions, which are disclosed in note 15(a), will impact the carrying amount of the associated liability. The liabilities associated with such arrangements total £62,045k (2018: £8,179k)

Critical accounting estimates – Useful economic lives of tangible fixed assets

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life of said assets to the Trust. A change in estimate would result in a change in the depreciation charged to the statement of financial activities in each year. The carrying value of tangible fixed assets subject to such estimates total £283,970k (2018: £159,328k)

Areas of judgement - Assessment of properties subject to PFI

Management are required to make a judgement as to the appropriate accounting treatment and presentation of properties subject to PFI. Judgements are made as to whether the Academy Trust has substantially all the risks and rewards of ownership of the PFI asset (and therefore recognise the asset on the Academy Trust balance sheet) and whether or not the Academy Trust has contractual obligations to contribute towards the capital element of such agreements (and therefore recognise any associated liabilities).

NOTES TO THE FINANCIAL STATEMENTS

2. Donations and Capital Grants

	Unrestricted Funds £'000	Restricted Fixed Asset Funds £'000	Total 2019 £'000	Total 2018 £'000
DfE/ESFA Capital Grants	-	1,682	1,682	652
Devolved Formula Capital Grants	-	603	603	179
Local Authority Capital Grants	-	720	720	11,200
Other donations	15	-	15	418
Contributions from sponsor	302	-	302	123
	317	3,005	3,322	12,572

The income from donations and capital grants in 2018 were £12,572,000 of which £541,000 was unrestricted, £12,031,000 was restricted fixed asset funds and £nil was restricted general funds.

NOTES TO THE FINANCIAL STATEMENTS

3. Funding for Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
DfE/ESFA Grant				
General Annual Grant (GAG)	-	62,721	62,721	44,013
GAG - PFI Income	-	3,331	3,331	1,644
Start Up Grants	-	293	293	55
Funding for Sixth Form	-	2,526	2,526	1,077
Insurance Income	-	62	62	21
Rates relief	-	357	357	339
Pupil Premium	-	5,496	5,496	4,091
Other DfE/ESFA	-	1,714	1,714	358
	-	76,600	76,600	51,598
Other Government Grants				
FFI Funding (SEND)	-	2,432	2,432	797
Nursery Funding LA	-	808	808	496
Other Local Authority Grants	-	1,406	1,406	249
	-	4,646	4,646	1,542
Other Income				
Catering Income	1,122	-	1,122	804
Other Grants	1,082	288	1,370	308
	2,204	288	2,492	1,112
Total	2,204	81,434	83,638	54,252

Funding for the Trust's educational operations in 2018 was £54,015,000 of which £804,000 was unrestricted, £nil was restricted fixed asset funds and £53,211,000 was restricted general funds.

NOTES TO THE FINANCIAL STATEMENTS

4. Other Trading Activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	527	-	527	287
Trip Income	197	-	197	80
Other Income	619	-	619	519
Charges to other bodies	320	-	320	101
	<u>1,663</u>	<u>-</u>	<u>1,663</u>	<u>987</u>

Other trading activities in 2018 was £1,224,000 of which £1,224,000 was unrestricted, £nil was restricted fixed asset funds and £nil was restricted general funds.

5. Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	13	-	13	10
	<u>13</u>	<u>-</u>	<u>13</u>	<u>10</u>

Investment Income in 2018 was £10,000 of which £10,000 was unrestricted, £nil was restricted fixed asset funds and £nil was restricted general funds.

NOTES TO THE FINANCIAL STATEMENTS

6. Resources Expended on Charitable Activities

	Staff Costs	Non-Pay Expenditure		Total	Total
	£'000	Premises £'000	Other £'000	2019 £'000	2018 £'000
Trust's educational operations					
Direct costs	54,058	5,936	5,640	65,634	45,075
Allocated support costs	13,561	7,797	6,523	27,881	17,437
Costs of educational operations	67,619	13,733	12,163	93,515	62,512
Total Resources expended	67,619	13,733	12,163	93,515	62,512

Resources Expended on Charitable Activities in 2018 was £62,512,000 of which £1,376,000 was unrestricted, £4,155,000 was restricted fixed asset fund and £56,981,000 was restricted general funds.

Net income/(expenditure) for the year includes	2019 £'000	2018 £'000
Operating lease rentals	7,404	2,955
Depreciation	5,936	4,155
Net interest on defined pension liabilities	527	289
Interest in respect of liabilities on those schools with PFI arrangements in place	849	-
Fees payable to RSM UK Audit LLP		
- Audit service – Statutory audit	62	28
- Tax compliance	2	2
- Audit Related Services	12	9

Redundancy payments above £5k totalled £60k (2018: £17k). Individually these payments were £6,193 on June 26, £27,863 on August 26, £13,552 on August 26 and £12,183 on August 26.

NOTES TO THE FINANCIAL STATEMENTS

7. Charitable Activities - Educational Operations

Direct costs	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Assets £'000	Total 2019 £'000	Total 2018 £'000
Teaching and Ed support staff costs	-	54,058	-	54,058	36,328
Depreciation	-	-	5,936	5,936	4,155
Educational Supplies	-	2,101	-	2,101	2,851
Examination Fees	-	878	-	878	585
Pupil Support	-	842	-	842	929
Educational consultancy	-	1,819	-	1,819	227
Total Direct Costs	-	59,698	5,936	65,634	45,075
Allocated support costs					
Support Staff Costs	1,223	11,470	-	12,693	8,599
Catering and trip expenditure	2,069	-	-	2,069	1,376
Recruitment and support	-	868	-	868	728
Maintenance of premises	-	1,930	-	1,930	1,039
PFI Operating Costs	-	3,559	-	3,559	2,281
PFI Interest Costs	-	849	-	849	-
Electricity, Gas and Water	-	1,224	-	1,224	706
Cleaning, refuse and other	-	578	-	578	130
Legal and Professional fees	247	366	-	613	232
Governance Costs - Audits	-	104	-	104	39
Rent and Rates	-	394	-	394	394
Security and transport	-	112	-	112	60
Bank interest and charges	-	16	-	16	22
Technology costs	129	1,281	-	1,410	692
Marketing and Promotion	300	-	-	300	159
Telephone, Post and Stationery	-	425	-	425	567
Non-educational consultancy	-	737	-	737	433
Total Support Costs	3,968	23,913	-	27,881	17,437
Total Costs	3,968	83,611	5,936	93,515	62,512

NOTES TO THE FINANCIAL STATEMENTS

8. Staff Costs and Staff Numbers

Staff costs during the period	2019 £'000	2018 £'000
Wages and salaries	49,103	32,930
Social Security Costs	4,262	2,993
Operating cost of defined benefit pension schemes	11,180	7,109
Total Staff Costs	64,545	43,032
Supply Staff Costs	2,917	1,767
Staff restructuring costs	157	128
	67,619	44,927

Staff restructuring costs	2019 £'000	2018 £'000
Redundancy payments	67	24
Severance payments	90	104
	157	128

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

Non-statutory/non-contractual severance payments totalled £90k (2018: £104k). Individually these payments were £15,000 May 19, £20,000 June 19, £16,000 August 19, £19,687 September 19, £1,864 August 19, £15,735 April 19 and £1,624 July 19.

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

Average number of persons employed in year	2019 Headcount	2018 Headcount
Leadership	135	78
Teachers	894	534
Administration and support	1,267	707
	2,296	1,319

NOTES TO THE FINANCIAL STATEMENTS

9. Staff Costs

Higher Paid Staff

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

Salary Bands	2019 No	2018 No
£60,001 - £70,000	15	13
£70,001 - £80,000	12	7
£80,001 - £90,000	-	0
£90,001 - £100,000	6	6
£100,001 - £110,000	3	5
£110,001 - £120,000	3	-
£130,001 - £140,000	-	-
£140,001 - £150,000	1	1

Key management personnel compensation

The key management personnel of the Trust comprises 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 £835,689 (2018: £699,236).

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 under a contract of employment 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	2019 £'000	2018 £'000
1. Accounting Officer and Director of Trust (not a statutory director)		
Remuneration	145	140
Employers' Pension Contribution	28	26
	<u>175</u>	<u>166</u>
2. Other Directors		
Remuneration	164	102
Employer's Pension Contribution	27	18
	<u>196</u>	<u>120</u>

The above information relates to the Accounting Officer who was in post up to 31st August 2019.

During the year ended 31 August 2019, travel and subsistence expenses totalling £7,355 (2018 £346) 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 Directors', Governors' and officers for claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 and the cost for the year ended 31 August 2019 was £7,350 (2018 £7,000). The cost of this insurance is included in the total insurance cost.

NOTES TO THE FINANCIAL STATEMENTS

12. Tangible Fixed Assets

	Assets under Construction £'000	Long Leasehold Land and Buildings £'000	Plant and Machinery £'000	Furniture and Equipment £'000	Comp Equipment £'000	Motor Vehicles £'000	Total £'000
Costs							
At 1 September 2018	17,360	147,021	895	2,988	2,401	118	170,783
Acquired on transfers of existing academies to the Trust	-	59,782	-	244	154	32	60,212
Acquired on local authority transfers to the Trust	-	67,475	-	98	201	3	67,777
Transfer to/from assets under construction	(17,399)	17,399	-	-	-	-	-
Additions	51	977	7	1,062	433	59	2,589
Disposals	-	-	-	-	-	-	-
At 31 August 2019	12	292,654	902	4,392	3,189	212	301,361
Depreciation							
At 1 September 2018	-	7,486	363	1,839	1,690	77	11,455
Charged in year	-	5,041	92	473	301	29	5,936
Disposals	-	-	-	-	-	-	-
At 31 August 2019	-	12,527	455	2,312	1,991	106	17,391
Net Book Values							
At 31 August 2019	12	280,127	447	2,080	1,198	106	283,970
At 31 August 2018	17,360	139,535	532	1,149	711	41	159,328

NOTES TO THE FINANCIAL STATEMENTS

During the year the Land and Buildings, Plant & Machinery and Furniture at the Co-op Academies Portland, Broadhurst, Parklands, Walkden, Friarswood, Woodslee, Bebington, Delius, Grange, Southfield and Connell Co-op College were transferred to the Trust. The land and buildings were valued on transfer by a qualified valuer. Further details of transfers in can be found within note 29 to the financial statements.

13. Stocks

	2019 £'000	2018 £'000
Uniform Stock	24	7

14. Debtors

	2019 £'000	2018 £'000
Trade Debtors	312	285
Prepayments	1,022	542
Accrued Income	1,226	798
VAT recoverable	1,113	1,016
Other Debtors	17	19
	3,690	2,660

15. Creditors: Amounts falling due within one year

	2019 £'000	2018 £'000
Trade Creditors	2,534	1,151
Other Creditors	1,287	1,052
Amounts owed in respect of assets under PFI arrangements	4,159	571
Other taxation and social security	1,051	680
Accruals and deferred income	5,792	2,864
	14,823	6,318

NOTES TO THE FINANCIAL STATEMENTS

Deferred Income	2019 £'000	2018 £'000
Deferred Income at 1 September 2018	1,381	334
Resources deferred in the year	1,536	1,381
Amounts released from previous years	(1,381)	(334)
Deferred Income at 31 August 2019	1,536	1,381

Deferred Income at 31 August 2019 relates to amounts received before the year end, that relate to the next academic year. It includes Rates Income funded by the ESFA for the year to 31 March 2019 and SEN funding from Local Authorities paid in advance.

15 (a) Creditors: Amounts falling due greater than one year

	2019 £'000	2018 £'000
Amounts owed in respect of assets under PFI arrangements	57,886	7,608
	57,886	7,608

16. Financial Instruments

	2019 £'000	2018 £'000
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The carrying amount of the Company's financial instruments at 31st August were:

Financial Assets

Debt Instruments measured at amortised cost	1,555	1,102
Total	1,555	1,102

Financial Liabilities

Measured at amortised costs	73,040	12,670
	73,040	12,670

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 3%GAG income basis and were as follows:	2019 £'000	2018 £'000
Co-op Academy Leeds	171	171
Co-op Academy Priesthorpe	174	166
Co-op Academy Brownhill	67	57
Co-op Academy Woodlands	66	55
Co-op Academy Oakwood	60	56
Co-op Academy Nightingale	60	39
Co-op Academy Beckfield	26	19
Co-op Academy Parklands (Joined 1/11/2018)	29	-
Co-op Academy Delius (Joined 1/6/2019)	36	-
Co-op Academy Grange (Joined 1/6/2019)	74	-
Co-op Academy Southfield (Joined 1/6/2019)	43	-
Co-op Academy Manchester	226	199
Co-op Academy North Manchester	196	179
Co-op Academy Failsworth	222	215
Co-op Academy Swinton	112	51
Co-op Academy Walkden (Joined 1/12/2018)	144	-
Co-op Academy Broadhurst (Joined 1/11/2018)	26	-
Connell Co-op Academy (Joined 1/4/2019)	23	-
Co-op Academy Bebington (Joined 1/4/2019)	77	-
Co-op Academy Portland (Joined 1/10/2018)	22	-
Co-op Academy Woodslee (Joined 1/12/2018)	23	-
Co-op Academy Friarswood (Joined 1/12/2018)	16	-
Co-op Academy Stoke	166	138
Total	2,014	1,345

NOTES TO THE FINANCIAL STATEMENTS

18. Funds

Trust as at 31 August 2019:

	Balance at 1 September 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grants (GAG)	(91)	65,247	(63,413)	415	2,168
GAG - PFI	-	3,331	(3,331)	-	-
Start-Up Grant	-	293	(293)	-	-
LEA and other grants	-	4,934	(4,934)	-	-
Pupil Premium	-	5,496	(5,496)	-	-
Other restricted	-	2,133	(2,133)	-	-
Transfer in of academies (excluding pensions)	108	2,931	-	(756)	2,283
Sub-total	17	84,365	(79,600)	(341)	4,441
Pension reserve	(8,241)	(11,371)	(4,011)	(16,701)	(40,324)
	(8,224)	72,994	(83,611)	(17,042)	(35,883)
Restricted fixed asset funds					
DfE/ESFA capital grants	1,989	2,285	-	-	4,274
Local Authority Capital grants	18,249	720	-	-	18,969
Transfer in of academies	81,570	14,038	(2,211)	-	93,397
Transfer in of academies - PFI	-	46,174	(309)	-	45,865
Local Authority Transfer on conversion	19,448	26,050	(1,929)	-	43,569
Local Authority Transfer on conversion - PFI	35,873	41,727	(1,487)	-	76,113
PFI capitalisation reserve	(8,179)	(54,022)	-	756	(62,045)
Capital expenditure from GAG	2,249	-	-	(415)	1,834
	151,199	76,372	(5,936)	341	221,976
Total restricted Funds	142,975	149,366	(89,547)	(16,701)	186,093
Unrestricted funds					
Unrestricted funds	3,075	4,197	(3,968)	-	3,304

NOTES TO THE FINANCIAL STATEMENTS

Transfer in of academies	560	-	-	-	560
Total unrestricted funds	3,635	4,197	(3,968)	-	3,864
Total funds	146,610	153,563	(93,515)	(16,701)	189,957

Trust Funds as at 31 August 2018:

	Balance at 1 September 2017 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grants (GAG)	1,411	45,080	(46,752)	170	(91)
GAG - PFI	-	1,654	(1,654)	-	-
Start-Up Grant	-	55	(55)	-	-
LEA and other grants	-	1,492	(1,492)	-	-
Pupil Premium	-	4,091	(4,091)	-	-
Other restricted	-	839	(839)	-	-
Transfer in of academies (excluding pensions)	992	334	-	(1,218)	108
Sub-total	2,403	53,545	(54,883)	(1,048)	17
Pension reserve	(8,600)	(2,605)	(2,098)	5,062	(8,241)
	(6,197)	50,940	(56,981)	4,014	(8,224)
Restricted fixed asset funds					
DfE/ESFA capital grants	1,158	831	-	-	1,989
Local Authority Capital grants	7,049	11,200	-	-	18,249
Transfer in of academies	69,661	12,055	(146)	-	81,570
Local Authority Transfer on conversion	20,616	1,905	(3,073)	-	19,448
Local Authority Transfer on conversion - PFI	-	36,809	(936)	-	35,873
PFI capitalisation reserve	-	(8,788)	-	609	(8,179)
Capital expenditure from GAG	1,810	-	-	439	2,249
	100,294	54,012	(4,155)	1,048	151,199
Total restricted Funds	94,097	104,952	(61,136)	5,062	142,975

NOTES TO THE FINANCIAL STATEMENTS

Unrestricted funds					
Unrestricted funds	1,861	2,590	(1,376)	-	3,075
Transfer in of academies	560	-	-	-	560
Total unrestricted funds	2,421	2,590	(1,376)	-	3,635
Total funds	96,518	107,542	(62,512)	5,062	146,610

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 contain resources to be spent for particular capital purposes where conditions of the funding state that asset must be retained and on an ongoing basis. This includes the liability associated with the capital element of certain academies with PFI agreements.
- 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 31 August 2019 as outlined in the Academies Financial Handbook or otherwise as the Secretary of State may specify.

Analysis of fund balances by Academy	2019 £'000	2018 £'000
Fund balances at 31st August 2019 were allocated as follows:		
Co-op Academy Leeds	279	489
Co-op Academy Priesthorpe	(189)	(425)
Co-op Academy Brownhill	1,259	1,200
Co-op Academy Woodlands	465	308
Co-op Academy Oakwood	170	146
Co-op Academy Nightingale	237	118
Co-op Academy Beckfield	185	231
Co-op Academy Parklands (Joined 1/11/2018)	72	-
Co-op Academy Delius (Joined 1/6/2019)	524	-
Co-op Academy Grange (Joined 1/6/2019)	813	-
Co-op Academy Southfield (Joined 1/6/2019)	340	-
Co-op Academy Manchester	362	474

NOTES TO THE FINANCIAL STATEMENTS

Co-op Academy North Manchester	808	708
Co-op Academy Failsworth	1,170	740
Co-op Academy Swinton	(447)	(495)
Co-op Academy Walkden (Joined 1/12/2018)	829	-
Co-op Academy Broadhurst (Joined 1/11/2018)	267	-
Connell Co-op Academy (Joined 1/4/2019)	(12)	-
Co-op Academy Bebington (Joined 1/4/2019)	226	-
Co-op Academy Portland (Joined 1/10/2018)	282	-
Co-op Academy Woodslee (Joined 1/12/2018)	204	-
Co-op Academy Friarswood (Joined 1/12/2018)	180	-
Co-op Academy Stoke	83	94
Central Services	198	64
	8,305	3,652
Restricted fixed asset fund	221,976	151,199
Pension reserve	(40,324)	(8,241)
	189,957	146,610

Co-op Academy Priesthorpe, Co-op Academy Swinton and Connell Co-op College transferred in 2017/18 with reserve deficits and both academies have agreed action plans to bring back into a surplus and in-line with the trust policy over the next 4 years.

Analysis of cost by Academy	Teaching and Educ Support Staff Costs £'000	Other Support Costs £000	Educ Supplies £000	Other Costs (excluding depr) £000	2019 Total £000	2018 Total £000
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Expenditure incurred by each Academy during the year was

Co-op Academy Leeds	4,833	733	539	1,378	7,483	5,383
Co-op Academy Priesthorpe	4,259	985	677	680	6,601	6,609
Co-op Academy Brownhill	1,684	260	137	294	2,375	2,320
Co-op Academy Woodlands	1,670	301	192	335	2,498	2,358
Co-op Academy Oakwood	1,899	245	141	471	2,756	2,557
Co-op Academy Nightingale	1,292	149	166	328	1,935	1,565
Co-op Academy Beckfield	854	209	67	131	1,261	762

NOTES TO THE FINANCIAL STATEMENTS

Co-op Academy Parklands	903	265	72	169	1,409	-
Co-op Academy Delius	512	139	5	84	740	-
Co-op Academy Grange	1,851	307	134	645	2,937	-
Co-op Academy Southfield	1,091	244	70	145	1,550	-
Co-op Academy Manchester	5,177	1,964	961	1,175	9,277	7,485
Co-op Academy North Manchester	5,117	983	929	837	7,866	7,156
Co-op Academy Failsworth	6,568	809	688	1,568	9,633	8,757
Co-op Academy Swinton	2,917	762	367	615	4,661	2,044
Co-op Academy Walkden	4,339	491	407	1,262	6,499	-
Co-op Academy Broadhurst	814	134	77	161	1,186	-
Connell Co-op Academy	650	261	253	322	1,486	-
Co-op Academy Bebington	1,697	761	319	171	2,948	-
Co-op Academy Portland	507	273	75	122	977	-
Co-op Academy Woodslee	612	231	89	127	1,059	-
Co-op Academy Friarswood	437	188	34	95	754	-
Co-op Academy Stoke	4,165	827	537	600	6,129	7,409
Central Services	210	2,040	297	1,012	3,559	4,854
	54,058	13,561	7,233	12,727	87,579	59,259

Depreciation of £5,936k (2018 £4,155k) has been excluded from the above figures.

19. Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	2019 Total Funds £'000	2018 Total Funds £'000
Tangible fixed assets	-	-	283,970	283,970	159,328
Current assets	3,864	15,156	-	19,020	9,449
Current liabilities	-	(10,715)	(4,108)	(14,823)	(6,318)
Liabilities greater 1 year	-	-	(57,886)	(57,886)	(7,608)
Pension scheme liability	-	(40,324)	-	(40,324)	(8,241)
Total net assets	3,864	(35,883)	221,976	189,957	146,610

NOTES TO THE FINANCIAL STATEMENTS

Fund balances at 31 August 2018 are represented by:	Unrestricted general fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	2018 Total Funds £'000	2017 Total Funds £'000
Tangible fixed assets	-	-	159,328	159,328	100,294
Current assets	3,635	5,814	-	9,449	10,301
Current liabilities	-	(5,797)	(521)	(6,318)	(5,477)
Liabilities greater 1 year	-	-	(7,608)	(7,608)	-
Pension scheme liability	-	(8,241)	-	(8,241)	(8,600)
Total net assets	3,635	(8,224)	151,199	146,610	96,518

20. Capital commitments

	2019 £'000	2018 £'000
Contracted for, but not provided in the financial statements	341	452

21. Financial commitments

A) Operating leases

As at 31 August 2019 the total of the Trust's future minimum lease payments under non-cancellable operating leases relating to equipment was:

Equipment	2019 £'000	2018 £'000
Amounts due within one year	139	82
Amounts due within one to two years	135	133
Amounts due after five years	85	18
	359	233

NOTES TO THE FINANCIAL STATEMENTS

B) Commitments - maintenance

Land and Buildings	2019 £'000	2018 £'000
Amounts due within one year	3,063	2,357
Amounts due within one to two years	12,172	10,115
Amounts due after five years	26,018	21,334
	41,253	33,806

The above relates to commitments to operating payments made under the PFI arrangements including costs for catering, cleaning, utilities, and other ancillary services.

At 31 August 2019 the total of the Trust's future minimum lease payments under non-cancellable operating leases are listed below:

Co-op Academy	PFI Owned and Managed By	Unexpired term of PFI arrangements	PFI Expiry Date
Failsworth	Academies Services (Oldham) Limited	13 Years 28 Weeks	31 Jan 2033
Walkden	S&W TLP (Project Co One) Ltd	16 Years 50 Weeks	13 August 2036
Bebington	Wirral Schools Services Ltd	11 Years 48 Weeks	31 July 2031
Southfield / Grange	Integrated Bradford SPV Two Ltd	16 Years 27 Weeks	13 March 2036
Leeds	Owned by Carillion and operated by MITIE	13 Years 48 Weeks	31 July 2033
Oakwood	Education Support Company	10 Years 48 Weeks	31 July 2030

C) Commitments - finance leases

Maturity of PFI debt associated with PFI arrangements:	2019 £'000	2018 £'000
PFI capital payments within:		
Amounts due within one year	4,159	571
Amounts due within one to two years	16,604	2,325
Amounts due after five years	41,282	5,283
	62,045	8,179

The above relates to Co-operative Academy Failsworth, Walkden, Bebington and Southfield Grange.

NOTES TO THE FINANCIAL STATEMENTS

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

	2019 £'000	2018 £'000
Net income for the reporting period (as per the Statement of Financial Activities)	60,048	45,030
Depreciation (note 12)	5,936	4,155
Capital grants from DfE and other capital income	(3,322)	(12,031)
Investment Income (note 5)	(13)	(10)
FRS 102 Pension cost less contributions payable (note 27)	3,501	1,809
FRS 102 Pension finance cost (note 27)	527	289
Decrease in Stocks	(17)	7
Decrease/(Increase) in debtors	1,941	1,772
Increase/(Decrease) in creditors	1,799	(1,034)
Voluntary Income - transfer and conversions into the Trust (note 29)	(64,927)	(39,721)
Net cash inflow from operating activities	5,473	266

23. Cash Flow from financing activities

	2019 £'000	2018 £'000
Interest received	13	10

24. Cash Flow from investing activities

	2019 £'000	2018 £'000
Purchase of tangible fixed assets (note 12)	(2,589)	(12,429)
Cash transfer on conversion (note 29)	2,622	187
Capital grants from DfE/ESFA	3,005	12,031
	3,038	(211)

NOTES TO THE FINANCIAL STATEMENTS

25. Contingent Liabilities

There are no contingent liabilities of which the Directors' Governors' or staff are aware as at 31 August 2019 which need to be reflected in the accounts.

26. Members' Liability

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

27. Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, 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, the Wirral based academies are managed by the Merseyside Pension Fund and the Stoke based academy is managed by Staffordshire County Council.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

The Trust participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £5,190,039 (2018: £3,166,455) and at the year-end £Nil (2018 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

NOTES TO THE FINANCIAL STATEMENTS

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustees-administered funds. The total contribution made for the year ended 31 August 2019 was £3,667,000 of which employer's contributions totalled £2,731,000 and employees' contributions totalled £ 953,000. The agreed contribution rate for future years is between 5.5% and 7.5% for employers, dependent on earnings.

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.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

Principal Actuarial Assumptions

The following information is based on a full actuarial valuation of the fund as at 31st March 2016 updated to 31st August 2019 by a qualified independent actuary. Liabilities have been estimated by independent qualified actuaries on an actuarial basis using the projected unit credit method. The

NOTES TO THE FINANCIAL STATEMENTS

principal assumptions used by the actuaries in updating the latest valuation of the Employer's assets and liabilities are as follows

Principal Financial Assumptions (% per Annum)	2019	2018
Discount Rate %	1.9	2.8
RPI Inflation %	3.0	3.1
CPI Inflation %	2.0	2.0
Rate of increase to pensions in payment %	2.1 - 2.3	2.0 - 2.4
Rate of increase to deferred pensions %	2.0	2.0
Rate of a general increase in salaries %	2.7 - 3.5	2.7 - 3.25
Commutations of pensions to lump sums %	55	55

Accounting for the McCloud/ Sargeant Judgement

In December 2018 the Government lost a court of Appeal case (the McCloud/ Sargeant case) which found that transitional protection arrangements put in place when the firefighter' and judges' schemes were reformed were age discriminatory. The Government's appeal to the Supreme Court was denied in June 2019. In a Written Ministerial Statement on 15 July 2019 the Government committed to seeking a remedy across all public sector schemes.

LGPS actuaries have been instructed by employers to calculate an approximate approach for quantifying a constructive obligation for accounting purposes and this has been incorporated into liabilities at 31 August 2019.

Sensitivity Assumptions

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

Change in Assumptions at 31st August 2019	Approx Increase to ER Liability %	Approx monetary Value £000
0.5% Decrease in real discount rate	13	6,383
0.5% Increase in the salary increase rate	3	1,473
0.5% Increase in the pension increase rate	12	1,364

NOTES TO THE FINANCIAL STATEMENTS

Mortality Assumptions

The mortality assumptions, which are based on recent actual mortality experience of members within the Fund, allow for expected future mortality improvements. The ranges for 2019 reflect the fact that the three LGPS schemes are administered separately.

Retirement Dates	At 31 Aug 2019 Years	At 31 Aug 2018 Years
Retiring Today		
Male	20.6 - 22.2	21.1 - 22.1
Female	23.1 - 25.4	23.1 - 24.4
Retiring in 20 Years		
Male	22.0 - 25.2	23.7 - 25.3
Female	24.8 - 27.9	26.2 - 27.1

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 2019 £000	Fair Value 31 Aug 2018 £000
Equities	48,085	28,966
Bonds	10,288	6,491
Property	4,286	2,582
Cash	3,589	2,731
Other	519	570
Total Fair Value of Assets	66,767	41,340

The actual return on scheme assets was £3,383,000 (2018: £2,114,000)

NOTES TO THE FINANCIAL STATEMENTS

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

	2019 £'000	2018 £'000
Valuation as at 1 September	49,581	38,365
Current Service Cost	5,287	3,537
Interest Cost	2,039	1,191
Employee contributions	953	669
Actuarial loss/ (gain) during the Year	18,572	(3,836)
Benefits Paid	(59)	(500)
Past Service Cost	928	-
Net Increase in Liabilities from Acquisitions	29,790	10,155
Valuation as at 31 August	107,091	49,581

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

	2019 £'000	2018 £'000
Valuation as at 1 September	41,340	29,765
Return on Plan Assets (excluding net interest on the net defined pension liability)	1,512	902
Actuarial Gains	1,871	1,226
Employers Contributions	2,731	1,728
Employee Contributions	953	669
Benefits Paid	(59)	(500)
Net Increase in Assets from Acquisitions	18,419	7,550
Valuation as at 31 August	66,767	41,340

Total amounts recognised in the Statement of Financial Activities

	2019 £'000	2018 £'000
Operating Charges		
Current Service Cost (net of employee contributions)	6,215	3,537
Total Operating Charge	6,215	3,537

NOTES TO THE FINANCIAL STATEMENTS

Analysis of Pension Finance Costs	2019 £'000	2018 £'000
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Total Net Interest Cost

527

289

Actuarial Gain / (Losses)	2019 £'000	2018 £'000
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Total Actuarial (Losses) / Gains

(16,701)

5,062

Those employees of Co-op Academy's who transferred during the year (See page 16) and who participated in the LGPS at the point of transfer were members of either the Greater Manchester Pensions Fund, Staffordshire Pension Fund, Merseyside Pension Fund or the West Yorkshire Fund.

28. Related Party Transactions

All transactions involving organisations in which the trustees may have an interest are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The Directors' consider that The Co-op Group is a related party by virtue of significant influence and common Directors. The Trust received support during the period from The Co-op Group in respect of Governor services at a total cost of £nil (2018 £nil) and IT Services at a total cost of £82,153 (2018 £nil). At the year-end, there was a balance owed to The Co-op Group of £54,697 (2018 £nil).

Donations totalling £301,879 were received from The Co-op Group during the year (2018 £133,000).

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

During the year the Trust received the following Conversions: Co-op Academies - Parkland (on 1/11/2018 from Bradford MDC), Delius (on 1/6/2019 from Bradford MDC), Walkden (on 1/12/2018 from Salford CC), Broadhurst (on 1/11/2018 from Manchester CC), Bebington (on 1/4/2019 from Wirral BC), Portland (on 1/10/2018 from Wirral BC), Woodslee (on 1/12/2018 from Wirral BC) and Friarswood (on 1/12/2018 from Staffordshire CC) along with the transfers of Southfield Grange (two separate schools on 1/6/2019) and Connell 6th Form College (on 1/4/2019) - both existing existing academies, who joined the Trust and their trade and assets were transferred to the Trust for nil consideration.

The assets and liabilities transferred on conversion from the Academy's 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

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buildings, the buildings were transferred at their depreciated replacement cost as recorded in the relevant accounts as at the date of transfer. The fair value is in accordance with the accounting policies set out for The Trust. The Co-op Academies Bebington, Walkden, Southfield and Grange are situated in Private Finance Initiative (PFI) buildings which are owned and operated by the relevant PFI Company (See note 1).

The amounts have been recognised under the appropriate balance sheet categories with a corresponding amount recognised in donations and capital grants 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
Academy Conversions				
Fixed Assets	-	-	67,777	67,777
Cash Balances	-	-	-	-
Current Assets	-	2,401	-	2,401
Current Liabilities	-	(538)	-	(538)
Amounts owed in respect of assets under PFI arrangements	-	-	(37,074)	(37,074)
LGPS Pension Liability	-	(7,392)	-	(7,392)
Total Donations and Capital Grants	-	(5,529)	30,703	25,174
Academy Transfers				
Fixed Assets	-	-	60,212	60,212
Cash Balances	-	2,622	-	2,622
Current Assets	-	867	-	867
Current Liabilities	-	(2,421)	-	(2,421)
Amounts owed in respect of assets under PFI arrangements	-	-	(17,548)	(17,648)
LGPS Pension Liability	-	(3,979)	-	(3,979)
Total Donations and Capital Grants	-	(2,911)	42,664	39,753
Trust Total	-	(8,440)	73,367	64,927

Since transfer the Co-op Academies Parklands, Delius, Grange, Southfield, Walkden, Broadhurst, Bebington, Portland, Woodslee, Friarswood and Connell Co-op College had income of £23,109k and expenditure of £23,791k.

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30. Post Balance Sheet Events

At its meeting on 25 July 2019, the Trust Board gave approval for the acquisition of John Curwen Co-operative Primary Academy subject to the completion of due diligence and the completion of transfer documentation with the Department for Education. John Curwen Co-operative Primary Academy (Now named the Co-op Academy Smithies Moor) formally joined the Trust on 1 November 2019.

At its meeting on 17 October 2019, the Trust Board gave approval for the acquisition of Princeville Primary School, subject to its completion of due diligence and the completion of transfer documentation with the Department for Education.

31. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the academy trust received £84,933 (2018: £44,680) and disbursed £48,978 (2018: £34,667) from the fund. An amount of £Nil (2018: £22,349) is included in other creditors relating to undistributed funds that is repayable to ESFA.