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Central Academies Trust

Annual Report and Financial Statement

Period ended 31 August 2016

(A Company Limited by Guarantee)
Company Registration Number: 10011570 (England and Wales)



Central Academies Trust

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Central Academies Trust

Reference and Administrative Details

Members	Mark Bailie (appointed 18 February 2016) Victor Bellanti (appointed 18 February 2016) Alan East (appointed 18 February 2016) Sarah Jane Durkin (appointed 18 February 2016) Peter Thomas (appointed 18 February 2016)
Trustees	Mark Baillie (appointed 6 May 2016, resigned 6 May 2016) Victor Bellanti (Finance Director) (appointed 18 February 2016) Patricia Cox (appointed 18 February 2016, resigned 6 May 2016, re-appointed 7 May 2016) Alan East (appointed 6 May 2016, resigned 6 May 2016) David Kershaw (Chief Executive Officer) (appointed 18 February 2016) Richard Kershaw (appointed 18 February 2016, resigned 25 May 2016) Sarah Jane Durkin (HR Director) (appointed 18 February 2016) Peter Thomas (Chairman) (appointed 18 February 2016) Steven White (appointed 18 February 2016, resigned 6 May 2016, reappointed 7 May 2016)
Company Secretary	Patricia Cox
Company Name	Central Academies Trust
Principal and Registered Office	38 Woodland Avenue Coventry CV5 6DB
Company Registration Number	10011570
Independent Auditor	PKF Cooper Parry Group Limited
Bankers	Lloyds Bank Plc 30 High Street Coventry CV1 5RE
Solicitors	Hill Dickinson 1 St Pauls Square Liverpool L3 9SJ

Central Academies Trust

Trustees' Report

The Trustees, who are also directors of Central Academies Trust for the purposes of the Companies Act, present their annual report together with audited financial statements for the period ended 31 August 2016.

Central Academies Trust (the "Academy") was incorporated on 18 February 2016 under the name of West Midlands Academy Trust. A resolution was passed on 21 September 2016 to change its name to Central Academies Trust.

Structure, Governance and Management

Constitution

The charity was incorporated on 18 February 2016 as a company limited by guarantee (number 10011570), and as such has no share capital. The company's activities are governed by its Memorandum and Articles of Association dated 17 February 2016. The liability of the members of the company, as set out in the Memorandum of Association, is limited to £10 per member.

The Trustees are a highly successful and vastly experienced team of educationalists and Senior Public and Private Sector professionals. This group have created an exceptional team, with a deep commitment to school improvement and raising standards in schools and academies serving challenging communities whilst providing 'good' value for money. They will work in the West and East Midlands where the Trust has a strong understanding of the local context.

Trust Objectives, Strategies and Activities

The Academy Trusts objects are:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream academies) or educational institutions which are principally concerned with providing full time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive education unless alternative provision is made for them ("the alternative provision academies") or 16-19 Academies offering a curriculum appropriate to the needs of its students ("the 16-19 academies") or schools specifically organised to make special educational provision for pupils with special educational needs ("the special academies");
- To promote for the benefits of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Central Academies Trust

Trustees' Report

Principal Activities

The principal activities of the charity, which is a Department for Education approved academy sponsor is the delivery and improvement of state funded education to school age children and the development of a range of education services for those schools.

Method of Recruitment and Appointment or Election of Trustees

In accordance with the Memorandum and Articles of Association, Central Academies Trust has appointed a strong board with a range of experience and expertise. This leaves the charity well placed to enforce strong accountability and to lead the organisation through a period of growth.

Trustee Induction and Training

New Trustees receive induction training appropriate to the role they are to fulfil. Trustees regularly review their requirement for training and this is provided as and when required. In the course of the previous year a training session covering responsibilities under charity law was held.

Organisational Structure

- The charity's main operating base is in Coventry.
- The board meets a minimum of 12 times a year and additional meetings are held as required.

Risk Review

The Trustees have established systems to identify, monitor, and review the major operational and business risks which the charity faces and have established systems to ensure they appropriately mitigate them. The Trustees monitor internal financial controls, procedures and risk management.

The Trust will have its first sponsored academy in September 2017. In June 2017 a risk committee will be established and the key risks will be identified during this time.

Objectives and Activities

The Charity's mission is to enable children to flourish in school by giving them a knowledge-rich academic education and developing their character strengths and virtues. Pupils learn how to work hard and study well, and also to be good and to do good to others. This will set them up for a future of success and wellbeing, whatever they choose to do in their lives.

Public Benefit

In setting the objectives and planning activities, the Trustees have given careful consideration to ensuring compliance with the Charity Commission's general guidance on public benefit.

Central Academies Trust

Trustees' Report

Trustees' Responsibilities

The Trustees (who are also directors of Central Academies Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepting Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that 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.

In so far as the Trustees are aware:

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

The Trustees 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.

Auditor

PKF Cooper Parry Group Limited were appointed as auditor and they will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions for small companies under section 477 of the Companies Act 2006.

Approved by the board and signed on its behalf by:



Dr David Kershaw CBE JP

Chief Executive Officer

22 May 2017

Central Academies Trust

Independent Auditor's Report to the members of Central Academies Trust

We have audited the financial statements of Central Academies Trust for the period ended 31 August 2016 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Academy Trust'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 Academy Trust'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 Academy Trust and the Academy Trust's members, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees responsibilities on page 4, the Trustees (who are also the directors of the Academy Trust 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2016 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Central Academies Trust

Independent Auditor's Report to the members of Central Academies Trust (continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

PKF Cooper Parry Group Limited

Simon Atkins FCA (Senior statutory auditor)

for and on behalf of

PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditors
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

22 May 2017

Central Academies Trust
Statement of Financial Activities for the Period Ended 31 August
2016 (including Income and Expenditure Account)

	Note	Un- restricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Income and endowments from:					
<i>Charitable Activities:</i>					
• Funding for the Academy's educational operations	2	-	51,000	-	51,000
Total incoming resources		-	51,000	-	51,000
Expenditure on:					
Raising Funds		-	-	-	-
<i>Charitable activities:</i>					
• Academy's educational operations	3	-	18,132	-	18,132
Total resources expended		-	18,132	-	18,132
Net income/ (expenditure) for the year		-	32,868	-	32,868
Reconciliation of funds					
Funds carried forward at 31 August 2016		-	32,868	-	32,868

All income and expenditure relates to continuing activities and represents all gains and losses recognised during the year.

The notes on pages 10 to 15 form part of these financial statements.

Central Academies Trust
Balance Sheet as at 31 August 2016
 Company Number 10011570

	Notes	2016	
		£	£
Current assets			
Debtors	7	3,126	
Cash at bank and in hand		43,747	
		<u>46,873</u>	
Liabilities			
Creditors : Amounts falling due within one year	8	(14,005)	
		<u></u>	
Net current assets			<u>32,868</u>
			<u></u>
Total net assets			<u>32,868</u>
			<u></u>
Funds of the Academy:			
Restricted income funds			
• Restricted Income fund	10.		32,868
			<u>32,868</u>
Total funds			<u>32,868</u>

The notes on pages 10 to 15 form part of these financial statements.

Approved by the trustees, and authorised for issue on 22 May 2017 and are signed on their behalf by:



Dr David Kershaw CBE JP
Chief Executive Officer

Central Academies Trust

Statement of Cash Flows for the Period Ended 31 August 2016

	Notes	2016 £000
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	11	43,747
Change in cash and cash equivalents in the reporting period		43,747
Cash and cash equivalents 31 August 2016	12	43,747

Central Academies Trust

Notes to the Financial Statements for the Period Ended 31 August 2016

1. Accounting Policies

Basis of Preparation

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

Central Academies Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

▪ **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

Expenditure

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

▪ **Expenditure on Raising Funds**

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

▪ **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Central Academies Trust

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

1. Statement of Accounting Policies (continued)

Liabilities

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

Provisions

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

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

Taxation

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

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

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

Central Academies Trust

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

2 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2016 £
DfE / EFA grants			
Other DfE/EFA grants	-	51,000	51,000
	-	51,000	51,000

3 Expenditure

	Staff Costs £	Non Pay Expenditure Premises £	Other Costs £	Total 2016 £
Charitable objectives				
Allocated support costs		-	18,132	18,132
	-	-	18,132	18,132

Net income/(expenditure) for the period
include:

2016
£

Fees payable to the auditor for

- Audit

1,500

Central Academies Trust

Notes to the Financial Statements for the Period Ended 31 August 2016

(continued)

4. Charitable Activities - Academy's educational operations

	Total 2016 £
Support costs – educational operations	18,132
Total direct and support costs	18,132

	Total 2016 £
Analysis of support costs	
Website costs	40
Consulting	13,714
Legal fees	1,878
Audit fees	1,500
Other accountancy support	1,000
Total Support Costs	18,132

5. Related Party Transactions - Trustees' Remuneration & Expenses

No Trustees received any payments, other than expenses, from the academy trust in respect of their role as Trustees.

During the period ended 31 August 2016, no expenses were paid to trustees.

Other related party transactions involving the trustees are set out in note 14.

7. Debtors

	2016 £
VAT Recoverable	3,126
	3,126

8. Creditors: Amounts Falling Due within one Year

	2016 £
Trade Creditors	11,505
Accruals and deferred income	2,500
	14,005

Central Academies Trust

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

9. Funds

	Income £	Expenditure £	Gains, Losses and Transfers £	Balance at 31 August 2016 £
Restricted general funds				
Sponsor capacity fund	51,000	(18,132)	-	32,868
Total restricted funds	51,000	(18,132)	-	32,868
Total funds	51,000	(18,132)	-	32,868

10. Analysis of Net Assets between Funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Current assets	-	46,873	-	46,873
Current liabilities	-	(14,005)	-	(14,005)
Total net assets	-	32,868	-	32,868

11. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

	2016 £
Net income/(expenditure) for the period (as per SoFA)	32,868
Adjusted for:	
(Increase)/decrease in debtors	(3,126)
Increase/(decrease) in creditors	14,005
Net cash provided by/(used in) operating activities	43,747

12. Analysis of cash and cash equivalents

	Cash flows £	At 31 August 2016 £
Cash in hand and at bank	43,747	43,747

Central Academies Trust

Notes to the Financial Statements for the Period Ended 31 August 2016 (continued)

13. Members' Liability

Each member of the Academy trust 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.

14. Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from the local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

The following related party transaction took place in the period of account:

David Kershaw (Director) - provided Consultancy services (Warwick Educational Associates Ltd) between 18 February 2016 through to 31 August 2016 for the total amount of £5,000.