

THE COLLABORATIVE ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended
31st August 2016

Company registration number: 08168307

THE COLLABORATIVE ACADEMIES TRUST

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THE COLLABORATIVE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	T.Nash A.Sigston L.Phillips J.Baker EdisonLearning Limited	Resigned 01/06/2016 Appointed 01/06/2016 Resigned 29/08/2016
Trustees	S.Peck H.Lay N.Pope* N.Riddiough D.Morrison M.Abraham* R.Imms* S.Abouzahr L.Phillips A.Sigston T.Nash * member of the Audit Committee	Chairman Deceased 03/02/2016 (Staff) Term expired 01/12/2016 (Staff) Appointed 08/10/2015 Appointed 08/10/2015 Appointed 01/03/2016 Appointed 08/10/2015 Resigned 01/06/2016 Resigned 01/06/2016
Accounting Officer	K.Crossley	(CEO)
Key Management Personnel:		
Chief Executive Officer	K.Crossley	B.Ed (Hons)
Chief Finance Officer	J.Olley	ACA
Principal Kingsthorpe College	D.Morrison	
Headteacher Lumbertubs Primary School	C.Cook	
Headteacher Manor Court County Primary School	A.Gould	A.Mitchell Resigned 31/08/2016
Headteacher Priorswood Primary School	D.Fielding	M.Coathe Resigned 31/03/2016
Headteacher Spring Lane Primary School	A.Owens	
Executive Headteacher:		
Willowdown Primary Academy	L.Gabriel	N.Riddiough Deceased 03/02/2016
Woolavington Village Primary School	L.Gabriel	N.Riddiough Deceased 03/02/2016
Wellesley Park Primary School	L.Gabriel	
Head of School:		
Willowdown Primary Academy	M.Jackson	
Woolavington Village Primary School	O.Priestley	
Wellesley Park Primary School	S.Evans	
Headteacher Willow Brook Primary School and Nursery	J.Newitt	

THE COLLABORATIVE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Principal and Registered Office	The Mill House Kings Acre Coggeshall Essex C06 1NY
Company Registration Number	08168307 (England and Wales)
External Auditor	RSM UK Audit LLP Marlborough House Victoria Road South Chelmsford Essex CM1 1LN
Internal Auditor	Crowe Clarke Whitehill St Brides House 10 Salisbury Square London EC4Y 8EH
Bankers	Barclays Bank Plc 99 Hatton Garden London EC1N 8DN Lloyds Bank Plc George Row Northampton NN1 1DJ
Solicitors	Stone King LLP Wellington House East Road Cambridge CB1 1BH

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT

The Trustees present their Annual Report, incorporating the Strategic Report, together with the financial statements and auditor's report of the charitable company for the year ended 31st August 2016. The Annual Report serves the purposes of both the Trustees' Report and the Directors' Report under company law.

The Trust operates primary schools in Essex and Somerset and primary and secondary schools in Northamptonshire.

Its schools have a combined pupil capacity of 3,616 and a roll of 3,329 in the school census dated 6th October 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of The Collaborative Academies Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Collaborative Academies Trust (CAT).

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on pages 2 - 3. Note 10 of the Financial Statements sets out the Trustees and Officers insurance provided by the Trust.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

The trust holds insurance that indemnifies Trustees and Governors against losses arising from claims made for maladministration or dishonest, fraudulent, criminal, or malicious act or omission subject to some principal exclusions and up to a value of £2,000,000.

METHOD OF RECRUITMENT AND APPOINTMENT OF TRUSTEES

The Trustees are appointed and inducted in accordance with the provisions set out in the Memorandum and Articles of Association. Provision within the articles allows for representation on the Board of Directors by three Member Directors appointed by EdisonLearning Ltd, who are themselves a Corporate Member of the Academy Trust. The Chair does not come from one of these three Member Directors. In addition, three Principals representing the schools can be elected to serve as a Director, one from the Trust secondary schools, one from the primary schools and a third from any special schools. Three Co-opted Directors can be appointed, along with up to nine other Directors as the Members see fit to add to the experience and expertise of the Board.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF LOCAL GOVERNORS

Governors are recruited at a local level from existing governing bodies and from other local people. National support has been found through SGOSS, (School Governors' One-Stop Shop) a national charity for governor recruitment. All schools are required to reconstitute their LGBs on conversion, appoint a Chair and agree the composition and Terms of Reference. Parent and Staff governors are elected on the same basis as many maintained schools. At Trust Board level the Trust have advertised via the New Schools Network for Trustees with a specific skill set. This has been successful and has seen the appointment of additional Trustees in the new academic year.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Trust Board meets at least once a term formally and Directors are in regular contact otherwise. Induction and training needs are identified as meetings take place. The Trust provides all new Trustees with the opportunity to look around the schools, and provides an information pack that includes the Roles and Responsibilities of Trustees, the Terms of Reference, and information on the legal documentation that relate to the Trust. An induction meeting is carried out with the Chair of the Board. Reviews are taken regularly in regards to the mix of skills on the Board and this has led the Board to advertise and recruit through the New Schools Network for additional board members. The Board's procedures are set out in the Memorandum and Articles of Association.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF LOCAL GOVERNORS

The Trust has in place a scheme of delegation and terms of reference for LGBs. The LGBs in effect act as committees of the Board of Directors and discharge their duties within the guidelines and frameworks, set out by the Directors, at a local level. Policies are reviewed in an annual cycle and may be across the whole Trust or be at a local level. Training for Governors and Chairs is provided by the Trust and through the Quality Framework for Governance while training and induction for Trustees also includes Guidance given by the Charities Commission.

ORGANISATIONAL STRUCTURE

The Board is supported by the Chief Executive Officer and Chief Finance Officer. In addition, Academy Learning Advisers worked with the schools either as CAT employees, through the tripartite agreement with EdisonLearning and the EFA or as Associates. Academy Learning Advisers ceased at the end of this year and a Director of School Improvement has been appointed from 1st September 2016. A range of partner organisations has developed, most notably in the form of RSM UK Audit LLP to provide audit, Stone King to provide legal advice and EPM to provide HR and Payroll services. The Chief Executive Officer has been appointed to the position of Accounting Officer.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trust review pay and remuneration on an annual basis for the CEO. There is a pay review sub committee that makes recommendations and sets objectives for the Board to agree. Executive staff are asked to withdraw from this part of the meeting. Pay is set in line with the market rate for this role.

The CEO reviews and sets the objectives of the CFO, he does this by reviewing the previous year and aligning the new objectives with that of his own. Pay is set on the market rate for this role. The CEO takes recommendations from local school governing bodies on the performance of Executive Head Teachers, Heads of School and Principals. All schools employed staff have their performance reviewed in line with Teachers pay and conditions.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

EdisonLearning Limited is a corporate member and sponsor of the Collaborative Academies Trust. It can appoint three people to represent it, and it is these three members that can appoint other Trustees. EdisonLearning does not consolidate CAT into its financial statements. The restrictions set out by the Funding Agreement and the Memorandum and Articles of Association of the Trust do not allow for assets of the Trust to be freely used across the business entity and consolidation would materially misrepresent the trading results and assets held by EdisonLearning. The Trust holds a tripartite agreement with the DfE and EdisonLearning ensuring costs associated with using EdisonLearning's school improvement services are provided to CAT 'at cost' with no profit element included. Further details can be found in note 24.

Kingsthorpe College provide information technology and PE support to Spring Lane Primary School and Lumbertubs Primary School. Income and expenditure that is relevant has been effectively eliminated in the CAT accounts as they are inter-entity.

OBJECTIVES AND ACTIVITIES

OBJECTIVES AND AIMS

Our aim is for every child in a CAT school to become a successful learner, confident individual and responsible citizen, able to discover a skill, an ability, a talent or an interest through which they can become whatever they want to be.

Our schools will recognise and nurture the 'uniqueness' of the individuals in their care and in doing so help them to have choices, make the most of opportunities and develop the strength of character and resilience to overcome any barriers in their way.

In so doing, we aim to help all the children and staff involved in CAT schools to develop a love of learning and the recognition of a range of successful outcomes, a lifelong interest in seeking new opportunities and a willingness to help themselves and others find their place in the world.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES, STRATEGIES AND ACTIVITIES

Our work will:

- ensure all our schools become at least 'good' with a demonstrable impact on progress, attainment and well-being for the children taught in them:
- develop the range of skills, abilities, talents and interests of the children in our schools through our taught curriculum and extra curricula activity
- 'narrow the gap' for all our children
- develop the Trust into self sustaining clusters that grow as part of a wider family of schools
- foster true collaboration between schools and improve organisational capacity centrally, regionally and in our schools
- develop our people so they can be exemplary in the roles they perform
- encourage innovation

At the heart of our Academies there is a focus on:

- 1) Relationships and Ethos, creating a more effective structure for academic and pastoral mentoring and dealing consistently with student and family support issues
- 2) Curriculum and Learning opportunities that are stimulating, with a high degree of personalised learning and an emphasis on quality learning in the classroom
- 3) Organisation and Systems that have student achievement at the heart, with effective use of data, time across the Academy day, and the benefits of distributed leadership that bring capacity and human scale structures that are efficient and cost effective.

The Collaborative Academies Trust ensures these three foci are underpinned by a rigorous monitoring of performance measures and the development of all staff across each Academy.

The continuous improvement of each Academy will be facilitated through EdisonLearning's donated Intellectual Property (IP) in respect of the Five Strand Design for School Improvement; this consists of a distillation of research to identify best educational practices and a journey to support their implementation. The value of the IP transferred lies predominantly in the ability of the staff used to implement it. It would be difficult to value and separate the IP element being donated, and the Trust are of the opinion that this would also be immaterial in the context of the financial statements.

PUBLIC BENEFIT

The Academy Trust Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission, in exercising their powers. The areas benefitting from the Trust are the areas around Northampton Town, Northamptonshire, Colchester, Essex and Bridgwater, Chard, Wellington and North Taunton in Somerset.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

School Improvement work is based on particular needs identified in the school development plan and is delivered through CAT Advisers and EdisonLearning and a range of other partners, advisers, consultants and companies as appropriate.

Impact is quality assured through the Key Performance Indicator (KPI) review termly, the School Improvement Partner (SIP) visits and the termly Team Around the School meetings (TArSc group).

All the Heads/Principals of the academies in the Trust, along with the Chief Executive Officer, meet termly to discuss opportunities for all or individual academies and to reflect on barriers to success.

All academies in the Trust either have, or had on conversion, an Ofsted judgement of Requires Improvement or Special Measures. The Trust views all the schools as having made progress on their journey to become 'good' or 'outstanding' however it is also aware that some academies have not made as much progress in their published results as it would have wished. With the appointment of the new Director of School Improvement the Board have requested that current reserves be used in a more strategic way to both pick up the pace of improvement and increase the resource available to support our schools.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

KEY PERFORMANCE INDICATORS AND ACHIEVEMENT

Key performance information is summarised in the tables below:

SCHOOL

Kingsthorpe College
 Lumbertubs Primary School
 Spring Lane Primary School
 Manor Court Community Primary School
 Priorswood Primary School
 Wellesley Park Primary School
 Woolavington Village Primary School
 Willowdown Primary Academy
 Willow Brook Primary School and Nursery

REGION	SECTOR	NOR	OFSTED	YEAR
Northampton	Secondary	1302	2	2015
Northampton	Primary	195	3	2016
Northampton	Primary	413	2	2016
Somerset	Primary	373	3	2015
Somerset	Primary	172	3	2015
Somerset	Primary	380	2	2015
Somerset	Primary	148	3	2016
Somerset	Primary	145	N/A	N/A
Essex	Primary	201	N/A	N/A

5+ A*-C inc English and Maths (EN/Ma)			Attainment Progress	
2014	2015	2016	2016	2016
50%	51%	52%	4.88 C	0.3

Secondary School

Kingsthorpe College

Primary Schools

Lumbertubs Primary School
 Spring Lane Primary School
 Manor Court Community Primary School
 Priorswood Primary School
 Wellesley Park Primary School
 Woolavington Village Primary School
 Willow Brook Primary School and Nursery

Key Stage 2

Reading	Writing	Maths	SPAG	Combined
52%	66%	70%	62%	45%
23%	60%	65%	70%	23%
29%	65%	41%	45%	28%
48%	62%	81%	67%	43%
69%	66%	69%	88%	59%
69%	94%	70%	66%	63%
50%	70%	57%	63%	43%

Reading	Writing	Maths	SPAG	Combined
49%	69%	64%	66%	43%
-17%	-5%	-5%	-6%	-10%
-7%	-9%	-9%	-12%	-10%

CAT average
 National Gap 2016
 National Gap 2015

Change

-10%	+4%	+4%	+6%	+0%
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Analysis

At Key Stage 2 (KS2) CAT schools closed the gap for attainment against national* figures for Writing, Maths and SPAG. Manor Court and Spring Lane fell below the floor standard for Reading. The figures for progress saw CAT schools on average well above the national floor targets.

A third of Trust schools are now rated 'Good' by Ofsted, none are in 'Special Measures' and two await their first grades as academies within CAT.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Analysis (continued)

Trust wide the average EYFS 'good development' data was 66%, year 1 phonics screening was 83% and all schools except Manor Court and Priorswood are above the national floor targets.

Kingsthorpe College has improved still further and has raised again the key measures in KS4 and 5 and continues to enjoy the positive messages regarding the school, from parents, pupils, staff and Ofsted.

Woolavington Village Primary school (Somerset) has had its strongest data yet and is close to national figures for the first time on a number of measures.

* 2016 National Statistics are not comparable with previous years due to the national assessment changes. Not all national data was available at the time of this report.

GOING CONCERN

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

FINANCIAL REVIEW

Income is mostly obtained from the Department for Education (DfE)/Education Funding Agency (EFA) in the form of General Annual Grants (GAG), the use of which is restricted to the Trust's educational objectives. The grants from the DfE/EFA and the associated expenditure can be seen in the restricted funds of the Statement of Financial Activities. All schools continue to receive some funding from their respective local authority for special educational needs, budget adjustments or nursery fees. The total funding received in this way, excluding capital funding, amounted to £16,681,000 (2015:£16,980,000).

The Trust received capital grant income that has been shown in the restricted fixed asset income along with a transfer from the revenue reserve to cover fixed assets additions in the period. The Trust now receives Schools Condition Funding of £300,000 for the year ending 31st March 2017 (2016: £293,000) The Trust have accounted for this grant as income as it has met the income recognition criteria of the SORP. The Trust have used a major part of these funds during the year to renovate a toilet block in Priorswood, replace a roof, windows and address damp in a school block at Manor Court and transform a staffroom into a classroom at Wellesley Park to accommodate an increase in pupil numbers.

Three schools in the Trust have not had their land and buildings transferred into the Trust because they are part of the Northamptonshire PFI project. The commitments to PFI costs can be seen in note 18 of the financial statements. The restricted fixed asset fund has been reduced by the annual depreciation charge.

Schools have their own delegated authority to make capital purchases from their budget using their Devolved Formula Capital Grant or revenue reserves. During the period schools sought advice from the Trust before initiating any major investments.

The Statement of Financial Activities shows a deficit of £4,102,000 (2015: Surplus £8,350,000, including conversion surplus of £8,541,000). This includes a significant recognised loss on the defined benefit pension scheme of £3,162,000 (2015: gain £404,000). The significant change in the deficit has arisen due to the key changes in financial assumptions when assessing the defined benefit obligation. The overall deficit liability held on the balance sheet has increased from £4,505,000 to £8,065,000 in one year.

The Trust uses the following key performance indicators for financial elements of school organisation:

- The reserves held and the expected commitment to use them
- Total payroll as a % of revenue income
- % payroll split between teaching and non-teaching costs
- Cashflow balance

These are presented to the Finance and Audit committee monthly in management accounts and in a summary dashboard for the Trustees at Board meetings.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

General reserves on the balance sheet show general restricted and unrestricted reserves of £1,869,000 (2015:£2,090,000). This is higher than our reserves policy, and with funding falling in real terms the Trust are happy with this level of reserves.

At the year end total payroll as a percentage of income was 80% (2015: 80%), 62% (2015: 59%) of these costs were spent in direct teacher costs. The Trust expects schools to spend between 75-80% of income in staff costs, and this is in line with expectation. The Trust expects 60-65% of payroll to be spent on teacher costs and is pleased that the percentage has increased from 59% to 62%.

All schools have a strong cashflow balance and budgets to make the best use of their resources to meet the outcomes they have set. The total cash balance was £2,838,000 (2015: £2,912,000) including capital funding of £204,000 (2015:£125,000). This is much higher than the balance expected by the Trust which is more in the region of £1,300,000. Cash used in 2015/16 met lagged funding obligations in Kingsthorpe and school improvement initiatives. The pace of school improvement is expected to rise in 2016/17 as the Board has requested funds held be used strategically to increase the pace of progress and invest reserves in specific strategies to support this. The Balance Sheet position at the year end was £11,201,000 (2015: £15,303,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The Board continues to review risk. During the year it highlighted 9 areas of strategic risk and the strategy for managing them.

These are:

Internal Capacity- The risk the Trust current staffing is so under pressure that it fails to meet strategic and operational goals. The Trust has appointed a Director of School Improvement and is reviewing the area's of Estate management and Human Resources.

Financial- The risk that current funding pressures and uncertainty effect the ability of the Trust to meet its goals. The Trust set up the Finance and Audit Committee during the year. Management accounts are reviewed monthly, three year budgets forecasts are produced. The Trust are reviewing procurement and the possibility of centralisation.

Growth- The risk that the Trust does not have enough resource to support the central trust function and that one school remains isolated. The Trust has a business plan that is regularly reviewed. Board and Executive members are regularly meeting with RSC/ DfE. The Board are investing reserves in increasing the pace of improvement.

Academic Performance- The risk that the Trust is perceived to be a low performing Trust by outside agencies. The Trust has appointed a Director of School Improvement and is looking individually at the investment needed in each school to continue its journey to 'Outstanding'.

Reputation- The Trust will not attract pupils and quality staff. The Board seeks assurance through reports and audits on areas where reputational risk is high. There is a culture and ethos within the Trust to maintain and promote the Trust in a positive light. There is a crisis management plan and media support.

Recruitment - The risk that at a time of teacher shortages and a shortage of good leaders progressing to Headship, the Trust may not be able to fill all vacancies. The Trust uses E-Teach to support recruitment. It has started to review the CPD strategy and the use of internal collaboration to meet training needs. Reports are produced for the Board on vacancies and HR issues.

Safeguarding - The risk that pupils and staff are not safe. The schools have named Safeguarding governors and staff. DBS checks are reviewed every three years. There is a Trust wide policy on safeguarding and confirmation is requested from all schools on an annual audit checklist.

Succession Planning- The risk the Trust would be effected by the loss of a key Board or staff member. The Board regularly reviews its skill base at Board level. It uses new schools network to support this. At a staff level it has connections with recruitment agencies and assesses its internal ability to promote. It is setting up a Remuneration and Benefits sub-committee.

Compliance- The risk the Trust fails to comply with statutory regulation. The Trust has policies and processes in place to ensure compliance, some of these are at a local level and others are at a Trust level. The Board has appointed internal and external auditors to review finance and regularity. It is appointing an external Health and Safety specialist to audit schools Health and Safety provisions. Health and Safety is reported on at all Board meetings and an Assurance policy is at a draft stage.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

RESERVES POLICY

It is the Trust's view that there should be reserves to support schools to achieve their outcomes for today's children and not hold reserves unnecessarily. The Trust has asked all schools to work towards a reserve of one months staffing cost plus £20,000 for a primary school and £100,000 for a secondary school. This, they believe, will give all schools a working capital buffer and the ability to make decisions that meet the outcomes for their pupils both in the short term and longer term. The total funds of the Trust amounted to £11,201,000 (2015: 15,303,000), with £1,501,000 (2015: £1,560,000) being freely available, the balance being invested in fixed assets, or having restriction, including the deficit on the local pension scheme of £8,065,000 (2015: £4,505,000). Funds notes 15 and 16 set out the carry forward for each school and the analysis between restricted and unrestricted funds. The deficit in Head Office in 2014/15 was repaid by schools during the year and the overall budgets set for 2016/17 show that reserves of £352,000 will be used before additional investments strategies have been agreed. The Trust investment strategy will include a significant investment in IT, middle leader training and support in Kingsthorpe and the investment in consistent assessment, bespoke intervention into primary schools to increase the pace of improvement.

Like most Academy Trusts the Board takes the advice of the local LGPS Actuary to meet its obligations in relation to the LGPS deficit it holds. The change in the assumptions this year has led to a large increase in deficit.

INVESTMENTS POLICY

The Trustees maximise income from funds in future years by investing in short term cash deposits.

EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

The Trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made that they are given full and fair consideration when such vacancies arise. There is an occupational health scheme in operation so employees who have become injured or disabled in the course of their employment can, where possible, continue in employment with the Trust.

During employment the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

PLANS FOR FUTURE PERIODS

The Trust would like the clusters of primary schools in Northampton and Essex to grow to a similar size as in Somerset, and for the secondary schools in Northampton to become a centre of excellence in order to support the extension of the secondary school strategy.

Our schools are not custodian Trustees on behalf of others.

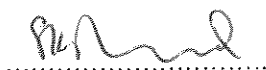
AUDITOR

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 13th December 2016 and signed on the boards behalf by:



S. Peck
Chairman

THE COLLABORATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees have delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between The Collaborative Academies Trust and the Secretary of State for Education. He is also responsible for reporting to the Trust Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trust Body has formally met 6 times during the year. Attendance during the year at meetings of the trustee body was as follows:

TRUSTEE/DIRECTOR		MEETINGS ATTENDED	OUT OF A POSSIBLE
S.Peck		6	6
A.Sigston	Resigned 01/06/2016	4	5
T.Nash	Resigned 01/06/2016	5	5
N.Pope		5	6
H.Lay		2	6
N.Riddiough	Deceased 03/02/2016	1	3
S.Abouzahr	Appointed 01/03/2016	1	4
D.Morrison		5	6
L.Phillips	Appointed 08/10/2015	2	5
M.Abraham	Appointed 08/10/2015	5	5
R.Imms	Appointed 08/10/2015	5	5
Also in attendance			
K.Crossley	CEO	6	6
J.Olley	CFO	6	6

The Board composition and governance is regularly reviewed at meetings. R.Imms, S.Abouzahr and M.Abrahams were appointed with a corporate/finance background, while L.Phillips has an education background. The Board are very pleased with these appointments that they had proactively recruited for since the last financial report. A formal review of governance took place on the 26th January 2016 using the 'Nine Characteristics of successful MAT' and the ICSA 'Academy School Governance Matrix'. The outcomes of this review were that the Board graded 2 elements as beginning, 6 as developing and 1 as embedding in the Nine Characteristics and 3 elements as compliant, 2 as progressing, 4 as established and 1 as mature under the 10 areas from the ICSA. The Trust also commissioned a full review of its Scheme of Delegation during Summer 2016 for adoption in the Autumn of 2016. The next review will be completed in Spring of 2017. See Reference and Administrative Details page 2-3 for appointments and resignations post year end.

All schools have a local governing body committee that takes responsibility for finance. Minutes are submitted to the CEO and circulated to the CFO as necessary. The committee that deals with finance at a local level is seen as a subcommittee of the Trust Board.

The Finance and Audit Committee met three times during the year. The purpose of this subcommittee is to oversee the Academy Trusts governance, risk management, internal control and value for money framework, including the receipt of reports from both internal and external auditors. Attendance at the meetings was as follows:

THE COLLABORATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

TRUSTEES		MEETINGS ATTENDED	OUT OF POSSIBLE
A.Sigston	Resigned 01/06/2016	3	3
T.Nash	Resigned 01/06/2016	1	3
N.Pope		2	3
M.Abraham*	Appointed 08/10/2015	2	2
R.Imms	Appointed 08/10/2015	2	2

		MEETINGS ATTENDED	OUT OF POSSIBLE
Also in attendance			
K.Crossley	CEO	3	3
J.Olley	CFO	3	3

REVIEW OF VALUE FOR MONEY

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

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

- running a pilot on Maths software and investing in its purchase following the impact analysis
- using resources from 'Good' schools to support the other schools in the Trust
- procurement at Trust level to maximise savings

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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Collaborative Academies Trust for the year to 31st August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Trust Board has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year to 31st August 2016 and up to the date of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy 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 Local Governing Body and the Trust Board;
- regular reviews by the Local Governing Bodies Staffing and Resource/Finance committees of reports, followed by full reports at Full Governing Body meetings, 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;
- identification and management of risks.

THE COLLABORATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

The Board of Trustees has considered the need for specific internal audit function and has decided to appoint Crowe Clarke Whitehill as internal auditor. The internal auditors role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of Payroll systems
- Testing of Purchasing systems
- Testing of Fixed Asset systems
- Testing of Bank and Cash systems

The reports from Crowe Clarke Whitehill were reviewed by the Finance and Audit Committee and the school local governing bodies. All schools received updated Fixed Asset schedules and training on the fixed assets that are capitalised at year end. All areas were delivered as planned and no significant issues arose.

REVIEW OF EFFECTIVENESS

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

- The work of the Internal Auditor
- The work of the External Auditor
- The financial management and governance self-assessment process
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the Audit Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

Appr



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S. Peck
Chairman



.....
K. Crossley
Accounting Officer

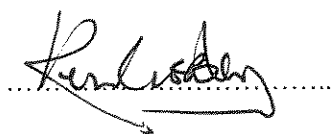
THE COLLABORATIVE ACADEMIES TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Collaborative Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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 2015.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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

A handwritten signature in black ink, appearing to read 'K. Crossley', is written over a horizontal dotted line. An arrow points from the signature down to the name 'K. Crossley' in the text block below.

K. Crossley

13th December 2016

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

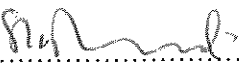
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Trustee Board on 13th December 2016 and signed on its behalf by:


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S.Peck
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COLLABORATIVE ACADEMIES TRUST

We have audited the financial statements of The Collaborative Academies Trust for the year ended 31 August 2016 on pages 18 to 49. 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 FRS102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the Academies: Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the Trustees (who act as Trustees for the charitable company, and are also 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.

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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st 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;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015/2016 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COLLABORATIVE ACADEMIES TRUST

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:

- the charitable company has not kept adequate accounting records, 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.

RSM UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Marlborough House

Victoria Road South

Chelmsford

Essex

CMI 1LN

... 14/12/16.

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st August 2016

	<i>Notes</i>	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2016 £'000	Total 2015 £'000
Income and endowments from:						
Donations and Capital Grants	2	165	215	372	752	864
Transfer from local authorities on conversion		-	-	-	-	8,541
Income from charitable activities						
Funding for the Academy Trust's educational operations	5	-	16,681	-	16,681	16,980
Other Trading Activities	3	142	-	-	142	143
Investment income	4	7	-	-	7	7
Total Income		314	16,896	372	17,582	26,535
Expenditure on:						
Raising funds	6	373	-	-	373	328
Charitable activities:						
Academy Trust's educational operations	6/7	-	17,376	773	18,149	18,261
Total Expenditure		373	17,376	773	18,522	18,589
Net (Expenditure)/ Income		(59)	(480)	(401)	(940)	7,946
Transfers between funds	15	-	(80)	80	-	-
Other Recognised (losses)/gains						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(3,162)	-	(3,162)	404
Net Movement in Funds		(59)	(3,722)	(321)	(4,102)	8,350

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

For the year ended 31st August 2016

RECONCILIATION OF FUNDS

		Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2016 £'000	Total 2015 £'000
Net Movement in Funds		(59)	(3,722)	(321)	(4,102)	8,350
Total funds brought forward		1,560	(3,975)	17,718	15,303	6,953
TOTAL FUNDS CARRIED FORWARD	15, 16	1,501	(7,697)	17,397	11,201	15,303

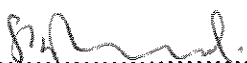
THE COLLABORATIVE ACADEMIES TRUST

BALANCE SHEET
As at 31st August 2016

Company registration number: 08168307

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
FIXED ASSETS					
Tangible assets	11		17,115		17,279
CURRENT ASSETS					
Stock	12	44		30	
Debtors	13	679		732	
Cash at bank and in hand		2,838		2,912	
		<u>3,561</u>		<u>3,674</u>	
CREDITORS: Amounts falling due within one year	14	<u>(1,410)</u>		<u>(1,145)</u>	
NET CURRENT ASSETS			<u>2,151</u>		<u>2,529</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			19,266		19,808
NET ASSETS EXCLUDING PENSION LIABILITY			19,266		19,808
Defined Benefit Pension Scheme Liability	23		<u>(8,065)</u>		<u>(4,505)</u>
TOTAL NET ASSETS			<u>11,201</u>		<u>15,303</u>
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	15	17,397		17,718	
Restricted Income Fund	15	368		530	
Pension reserve	15	(8,065)		(4,505)	
		<u></u>		<u></u>	
TOTAL RESTRICTED FUNDS			9,700		13,743
TOTAL UNRESTRICTED FUNDS	15		<u>1,501</u>		<u>1,560</u>
TOTAL FUNDS			<u>11,201</u>		<u>15,303</u>

The financial statements on pages 18 to 49 were approved by the Trustees and authorised for issue on 13 December 2016 and are signed on their behalf by:

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S. Peck
Chairman

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT OF CASHFLOWS

For the year ended 31st August 2016

	<i>Notes</i>	2016	2015
CASHFLOWS FROM OPERATING ACTIVITIES		£'000	£'000
Net Cash provided by/(used in) operating activities	19	111	(58)
Cashflows from investing activities	20	(185)	263
Change in Cash and Cash Equivalents in the year		(74)	205
Cash and Cash Equivalents at 1 September		2,912	2,707
CASH AND CASH EQUIVALENTS AT 31st AUGUST	21	2,838	2,912

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES

GENERAL INFORMATION

The Collaborative Academies Trust is a limited company by guarantee, domiciled and incorporated in England.

The address of the Company's registered Office and principal place of business is The Mill House, Kings Acre, Coggeshall, Essex. CO6 1NY.

The Company's principal activities are that of an educational academy trust and more detail can be found in the Trustees report on pages 4-10.

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

BASIS OF PREPARATION

The financial statements of the academy trust, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS102 and has therefore applied the relevant public benefit requirements of FRS102.

FIRST TIME ADOPTION OF FRS 102

These financial statements are the first financial statements of The Collaborative Academies Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the the UK and Republic of Ireland' (FRS102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Collaborative Academies Trust for the year ended 31st August 2015 were prepared in accordance with the previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. (The Trustees have also taken advantage of certain exemptions from the requirements of FRS102 permitted by FRS102 Chapter 35 'Transition to this FRS')

Reconciliations to previous UK GAAP for the comparative figures are included in Note 1.

EXPLANATION OF TRANSITION TO FRS102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS102. The following disclosures are required in the year of transition. The financial statements prepared under previous UK GAAP were for the year ended 31st August 2015 and the date of transition to FRS102 and SORP 2015 was therefore 1st September 2014. As a consequences of adopting FRS102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

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 at least one year from the date of authorisation for issue 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.

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES (CONTINUED)

INCOMING RESOURCES

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

GRANTS RECEIVABLE

Grant income is included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year 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.

The General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

SPONSORSHIP INCOME AND DONATIONS

Sponsorship income and donations provided to the Academy Trust are recognised in the Statement of Financial Activities in the period in which they are receivable, (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

OTHER INCOME

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

INTEREST RECEIVABLE

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

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.

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES (CONTINUED)

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 any irrecoverable VAT.

TANGIBLE FIXED ASSETS

Tangible fixed assets costing £1,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment. The £1,000 value can be an individual value or be used on project costs that accumulate to £1,000 or more. Assets on conversion are transferred at valuation.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of an asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the fixed assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

Long leasehold land	Over the life of the lease
Long leasehold buildings	Over the remaining useful life based on the surveyor valuation at conversion (between 19-47 years)
Building and Land Improvements	Over 10 years
Fixtures, fittings and equipment	Over 3 years
Motor Vehicles	Over 5 years

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

TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 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 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.

STOCKS

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

LEASED ASSETS

Rentals under operating leases (including PFI contracts) are charged on a straight-line basis over the lease term.

THE COLLABORATIVE ACADEMIES TRUST

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.

PENSION 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, and the assets are held separately from those of the Academy Trust. The Trust also has a defined contribution scheme.

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 quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the cost of the scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs 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 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 obligation. The difference between the interest income on scheme assets and the actual return on the scheme assets is recognised in 'Other Gains and Losses'

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

The company also contributes to a money purchase pension scheme for qualifying employees which are held in a separately administered fund. Contributions are charged to the SOFA as they become due in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

FUNDS ACCOUNTING

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

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

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

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES (CONTINUED)

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

CONVERSION TO AN ACADEMY TRUST

The conversion from state maintained schools to an Academy Trust, involved the transfer of identifiable assets and liabilities and the operation of the schools for £Nil consideration and has been accounted for under the acquisition accounting method.

AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

FINANCIAL INSTRUMENTS

The Collaborative Academies Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102, in full to all of its financial instruments.

Financial assets and financial liabilities are recognised when The Collaborative Academies Trust becomes party to the contractual provisions of the instrument, and are offset only when the company currently has legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or realise the asset and settle the liability simultaneously.

Financial assets

Trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where an arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured as amortised.

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

A provision for impairment of trade debtors is established when there is objective evidence that the amount due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of carrying value of the trade debtor over the present value of future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activity.

Financial liabilities and Equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amount settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payment discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or subsequently 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 the asset 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.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st August 2016

1 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st AUGUST 2015

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000
Income and endowments from:				
Donations and Capital Grants	272	148	444	864
Transfer from local authorities on conversion	10	(432)	8,963	8,541
Income from charitable activities				
Funding for the Academy Trust's educational operations	-	16,980	-	16,980
Other Trading Activities	143	-	-	143
Investment income	7	-	-	7
Total Income	432	16,696	9,407	26,535
Expenditure on:				
Raising funds	324	4	-	328
Charitable activities:				
Academy Trust's educational operations	-	17,579	682	18,261
Total Expenditure	324	17,583	682	18,589
Net Income / (Expenditure)	108	(887)	8,725	7,946
Transfers between funds	-	(104)	104	-
Other Recognised gains				
Actuarial gains on defined benefit pension schemes	-	404	-	404
Net Movement in Funds	108	(587)	8,829	8,350

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

1 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of total funds	1st	31st August
	September 2014	2015
	£'000	£'000
Total Funds under previous UK GAAP	6,953	15,303
Total Funds reported under FRS102	<u>6,953</u>	<u>15,303</u>

Reconciliation of net income/(expenditure)	31st August 2015
	£'000
Net income /expenditure previously reported under UK GAAP	8,003
Change in the recognition of LGPS interest cost	(57)
Net movement in funds reported under FRS 102	<u>7,946</u>

Change in recognition of Local Government Pension Scheme interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the debit to expense by £57,000 and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.

2 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2016	Total 2015
	£'000	£'000	£'000	£'000	£'000
Capital Grants	-	-	372	372	444
Other donations	165	215	-	380	420
	<u>165</u>	<u>215</u>	<u>372</u>	<u>752</u>	<u>864</u>

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

3 OTHER TRADING ACTIVITIES	Restricted		Total 2016 £'000	Total 2015 £'000
	Unrestricted	general		
	funds £'000	funds £'000		
Hire of facilities	13	-	13	10
Commission	2	-	2	13
Breakfast and after school club	83	-	83	91
Uniform	8	-	8	17
Staff services	29	-	29	12
Other	7	-	7	-
	142	-	142	143

4 INVESTMENT INCOME	Restricted		Total 2016 £'000	Total 2015 £'000
	Unrestricted	funds		
	funds £'000	£'000		
Short term deposits	7	-	7	7

5 FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS	Unrestricted funds £'000	Restricted		Total 2016 £'000	Total 2015 £'000
		general	fixed asset		
		funds £'000	funds £'000		
DfE/EFA REVENUE GRANTS					
General Annual Grant (GAG)	-	15,046	-	15,046	15,337
Other DfE/EFA grants	-	351	-	351	342
TOTAL DfE/EFA REVENUE GRANTS	-	15,397	-	15,397	15,679
OTHER GOVERNMENT GRANTS					
Local Authority Grants	-	1,284	-	1,284	1,301
TOTAL OTHER GOVERNMENT GRANTS	-	1,284	-	1,284	1,301
FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS	-	16,681	-	16,681	16,980

6 EXPENDITURE	Staff costs £'000	Non pay expenditure		Total 2016 £'000	Total 2015 £'000
		Premises	Other costs		
		£'000	£'000		
Expenditure on raising funds	152	-	221	373	328
Academy Trust's education operations					
Direct costs	11,155	-	1,160	12,315	12,303
Allocated support costs	2,438	1,444	1,952	5,834	5,958
	13,745	1,444	3,333	18,522	18,589

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

6 EXPENDITURE (CONTINUED)

Net incoming/(expenditure) for the period includes:	2016 £'000	2015 £'000
Operating lease rentals	677	662
Depreciation	728	682
Fees payable for audit and accounting services:		
- audit	35	35
- other services	24	14

7 CHARITABLE ACTIVITIES - ACADEMY TRUST'S EDUCATION OPERATIONS

	2016 £'000	2015 £'000
DIRECT COSTS- Educational Operations	12,315	12,303
SUPPORT COSTS- Educational Operations	5,834	5,958
	<u>18,149</u>	<u>18,261</u>

ANALYSIS OF SUPPORT COSTS

	2016 £'000	2015 £'000
Support staff costs	2,220	2,168
Depreciation	728	682
Technology costs	206	255
Premises costs	1,444	1,440
Catering	431	478
Bank interest and charges	6	7
Other support costs	521	636
Other finance cost - pension finance cost	169	177
Governance Costs	109	115
	<u>5,834</u>	<u>5,958</u>

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

8 STAFF COSTS	2016	2015
Staff costs during the period were:	£'000	£'000
Wages and salaries	10,564	10,526
Social security costs	818	717
Pension costs	2,111	1,912
	<u>13,493</u>	<u>13,155</u>
Central HQ benefits	20	44
Supply teacher costs	167	325
Staff restructuring costs	<u>65</u>	<u>77</u>
	<u><u>13,745</u></u>	<u><u>13,601</u></u>

Staff Severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £65,050 (2015: £77,200). Individually the payments were: £2,550, £4,600, £6,200, £12,000, £14,700, £25,000 .

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the period was as follows:

	2016 No.	2016 FTE	2015 No.	2015 FTE
Teachers	200	180	196	178
Administration and support	318	192	335	205
Key Management Personnel	12	12	10	10
	<u>530</u>	<u>384</u>	<u>541</u>	<u>393</u>

The number of employees whose emoluments fell within the following bands was:

	2016	2015
£60,001 - £70,000	3	5
£70,001 - £80,000	3	2
£90,001 - £100,000	1	-
£100,001 - £110,000	<u>1</u>	<u>2</u>

Six (2015: Seven) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31st August 2016, pension contributions for these staff amounted to £71,639 (2015:£69,563).

The other two members of staff participated in the defined contribution scheme. Pension contributions for those members of staff were £12,304 (2015: £12,190) for the period.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

8 STAFF COSTS (CONTINUED)

The key management personnel of the Academy Trust comprise of the Trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key personnel for their services to the Academy Trust was £949,109 (2015: £888,170).

Gifts and Hospitality

During the year the Trust authorised £147.38 from restricted funds (including delivery costs) that could be classified as 'Gifts'.

9 RELATED PARTY TRANSACTIONS -TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees have been paid remuneration or have received benefits from employment with the Academy Trust. The Principal/ Executive Heads that are Trustees only receive remuneration in respect of services they provide undertaking the roles of principal under their contracts of employment and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

D. Morrison (Principal and Trustee)

Remuneration £100,001-£105,000 (2015: £90,001-£95,000)

Employer's pension contributions £15,001-£20,000 (2015: £10,001-£15,000)

N.Riddiough (Executive Headteacher and Trustee)

Remuneration £30,001-£35,000 (2015: £60,001-£65,000)

Employer's pension contributions £5,001-£10,000 (2015: £5,000-£10,000)

K.Crossley (Chief Executive Officer)

Remuneration £95,001-£100,000 (2015: £95,001-£100,000)

Employer's pension contributions £5,001-£10,000 (2015 : £5001-£10,000)

S.Peck joined the Board of Trustees on the 21st January 2014. He is contracted to provide governance support and guidance to schools in the Somerset area. During the year S.Peck received £39,093 (2015: £37,370) for his work with schools on a consultancy basis. S.Peck has not been paid for his time as a Trustee or as Chairman of the Board. The Board have renewed the contract for the next two years, which shows reducing contracted hours over the period. The Board consider the fees to be significantly below the current rate being paid to support our other schools in a different geographical area, and well below the suggested day rate of £500 per day for a National Leader of Governance and seen to be 'at cost'. The Board are happy that this represents best value for the Trust at this time. The Board are happy that S.Peck has not had a role in the decision making of the Board to renew his contract for work with the Somerset Schools and that the contract has been reviewed at arms length.

During the year ended 31st August 2016, travel and subsistence expenses totalling £6,250 (2015: £3,373) were reimbursed to four Trustees (2015: three Trustees).

Related party transactions involving the Trustees are set out in note 24.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

10 TRUSTEES' AND OFFICERS INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance is provided within our umbrella policy covering up to £2,000,000 on any one claim.

The cost of this insurance is £1,312 (2015: £3,943) and has been included in the total insurance cost.

11 TANGIBLE FIXED ASSETS

	Long leasehold land and buildings £'000	Fixtures, fittings, equipment & motor vehicles £'000	Total £'000
COST			
At 1st September 2015	17,772	695	18,467
Additions	422	142	564
At 31st August 2016	<u>18,194</u>	<u>837</u>	<u>19,031</u>
DEPRECIATION			
At 1st September 2015	837	351	1,188
Charge for the period	504	224	728
At 31st August 2016	<u>1,341</u>	<u>575</u>	<u>1,916</u>
NET BOOK VALUE			
31st August 2016	<u>16,853</u>	<u>262</u>	<u>17,115</u>
31st August 2015	<u>16,935</u>	<u>344</u>	<u>17,279</u>

The long leasehold properties transferred on conversion have been transferred at a valuation, which has been fixed at the date of transfer. The valuations were completed by DVS Property Specialists, Chartered Surveyors, on a depreciated replacement cost basis, in accordance with the Statement of Assets Valuation Practice 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors.

12 STOCK

	2016 £'000	2015 £'000
Resources and Stationery	44	30

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

13 DEBTORS	2016	2015
	£'000	£'000
Trade debtors	30	5
VAT recoverable	181	185
Other debtors	22	17
Prepayments and accrued income	446	525
	<hr/>	<hr/>
	679	732
	<hr/> <hr/>	<hr/> <hr/>
14 CREDITORS: Amounts falling due within one year	2016	2015
	£'000	£'000
Trade creditors	571	410
Other taxation and social security	231	202
Other creditors	229	194
Accruals and deferred income	379	339
	<hr/>	<hr/>
	1,410	1,145
	<hr/> <hr/>	<hr/> <hr/>
Deferred income:	2016	2015
	£'000	£'000
Deferred Income at 1st September 2015	170	178
Amounts released from previous year	(170)	(178)
Resources deferred in the period	131	170
	<hr/>	<hr/>
Deferred income at 31st August 2016	131	170
	<hr/> <hr/>	<hr/> <hr/>

The deferred income relates to Universal Infant Free School Meals advances of £130,777 (2015: £137,154) from the EFA and £nil (2015: £33,000) funding from Essex County Council for the GROW project.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

15 FUNDS	At 1st September 2015 £'000	Incoming £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31st August 2016 £'000
RESTRICTED GENERAL FUNDS					
General Annual Grant	372	15,046	(14,978)	(80)	360
Pension reserve	(4,505)	-	(398)	(3,162)	(8,065)
	(4,133)	15,046	(15,376)	(3,242)	(7,705)
Other DfE/EFA grants	-	351	(351)	-	-
Local authority grants	-	1,284	(1,284)	-	-
Other Grants	158	215	(365)	-	8
	(3,975)	16,896	(17,376)	(3,242)	(7,697)
RESTRICTED FIXED ASSET FUNDS					
Inherited on conversion	16,952	-	(491)	-	16,461
DfE/EFA capital grants	502	368	(219)	-	651
Capital expenditure from GAG	188	-	(44)	80	224
Other Capital grant	-	4	(4)	-	-
Local Authority Capital Grant	76	-	(15)	-	61
	17,718	372	(773)	80	17,397
TOTAL RESTRICTED	13,743	17,268	(18,149)	(3,162)	9,700
TOTAL UNRESTRICTED FUNDS					
	1,560	314	(373)	-	1,501
TOTAL FUNDS	15,303	17,582	(18,522)	(3,162)	11,201

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the academies within the Trust. This has been provided via the EFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academies. Under the individual funding agreements with the Secretary of State for Education, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31st August 2016. A transfer of funds represents the amount of revenue income spent over and above the capital funding received by schools in the purchase of fixed assets.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

15 FUNDS (CONTINUED)

The Pension reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Other DfE/EFA fund has been created to recognise the restricted grant funding received from the DfE/EFA which fall outside the scope of core funding.

The Local Authority revenue grants fund has been set up to recognise the funding received from Northamptonshire, Essex and Somerset County Councils. The associated expenditure has been allocated to this fund.

Other Grants has been created to recognise the donations received by the Academy Trust that have an external restriction that means it must be spent for educational purposes.

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the local authority which represent the school site inherited from the local authority including the leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The DfE/EFA capital grant fund represents the total amount of capital grants received. The monies spent on fixed assets and refurbishment works are therefore allocated to this fund. Depreciation charged on the fixed asset purchases is allocated to the fund. The fund balance carried forward represent the carrying value of the fixed assets purchased using the capital grants received, together with the value of capital grants unspent by the reporting date.

The Capital expenditure from GAG fund has been created to reflect the value of tangible fixed assets purchased from GAG funding. Depreciation charged to the assets purchased with the GAG funding is allocated to this fund. The Local Authority capital grant relates to the provision of an outdoor classroom to support the nursery expansion for 2 year olds.

Analysis of academies by fund balance:

Fund balances at 31st August were allocated as follows:

	2016	2015
	£'000	£'000
Kingsthorpe College	761	980
Spring Lane Primary School	282	247
Lumbertubs Primary School	135	118
Manor Court Community Primary School	181	132
Priorswood Primary School	182	213
Wellesley Park Primary School	152	183
Woolavington Village Primary School	62	82
Willow Brook Primary School and Nursery	66	58
Willowdown Primary Academy	33	96
Head Office	15	(19)
	<u>1,869</u>	<u>2,090</u>
Restricted fixed asset fund	17,397	17,718
Pension reserve	(8,065)	(4,505)
	<u>9,332</u>	<u>13,213</u>
Total funds	<u>11,201</u>	<u>15,303</u>

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

15 FUNDS (CONTINUED)

Analysis of academies by cost:

Expenditure incurred by each academy during the period was as follows:

	Teaching & Educational Support Staff Costs £'000	Other Support Staff £'000	Educational Supplies £'000	Other Costs (Excluding Depreciation) £'000	Total 2016 £'000	Total 2015 £'000
Kingsthorpe College	4,284	780	201	1,359	6,624	6,743
Spring Lane Primary School	1,407	86	60	394	1,947	1,898
Lumbertubs Primary School	907	58	40	231	1,236	1,343
Manor Court Community	1,133	178	45	329	1,685	1,540
Priorswood Primary School	658	117	22	201	998	1,026
Wellesley Park Primary	964	157	23	314	1,458	1,519
Woolavington Primary	544	137	15	165	861	892
Willow Brook Primary	761	202	40	181	1,184	1,208
Willowdown Primary Academy	528	109	16	166	819	663
Central HQ Office	6	327	2	249	584	650
LGPS pension finance cost	-	229	-	169	398	425
	11,192	2,380	464	3,758	17,794	17,907

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2016 £'000	Total 2015 £'000
Tangible fixed assets	-	-	17,115	17,115	17,279
Current assets	1,501	1,778	282	3,561	3,674
Current liabilities	-	(1,410)	-	(1,410)	(1,145)
Pension scheme liability	-	(8,065)	-	(8,065)	(4,505)
TOTAL NET ASSETS	1,501	(7,697)	17,397	11,201	15,303

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

17 FINANCIAL INSTRUMENTS	2016	2015
Financial assets:		
Debt Instruments measured at amortised cost	36	6
Financial liabilities		
Measured at amortised cost	583	579
18 FINANCIAL COMMITMENTS		
OPERATING LEASES		
At 31st August the total of the Academy Trust's future minimum lease payments (including PFI) under non-cancellable operating leases as follows:		
	2016	2015
	£'000	£'000
Amounts due within one year	678	689
Amounts due between one to five years	2,548	2,616
Amounts due over five years	10,216	10,950
	13,442	14,255
19 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	2016	2015
	£'000	£'000
Net (expenditure)/ Income for the reporting period as per the Statement of Financial Activities	(940)	7,946
Cash impact of transfer on conversion	-	(8,541)
Depreciation (note 11)	728	683
Capital grants from DiE/EFA/LA	(372)	(444)
Interest receivable	(7)	(7)
Defined benefit scheme cost less contributions payable (note 23)	229	248
Defined benefit pension scheme finance cost (note 23)	169	177
(Increase)/ Decrease in stocks	(14)	2
(Increase)/Decrease in debtors	53	(241)
Increase/(Decrease) in creditors	265	119
	111	(58)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

20 CASH FROM INVESTING ACTIVITIES	2016	2015
	£'000	£'000
Interest received	7	7
Purchase of tangible fixed assets	(564)	(216)
Capital grants from DfE/EFA	372	368
Capital grant from Local Authority	-	76
	<hr/>	<hr/>
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	(185)	235
	<hr/>	<hr/>
20A CASH TRANSFERRED ON CONVERSION TO AN ACADEMY	2016	2015
Cash balance transferred on conversion	-	28
	<hr/>	<hr/>
21 ANALYSIS OF CASH AND CASH EQUIVALENTS		
	At 31st	At 31st
	August 2016	August 2015
Cash at bank and in hand	2,838	2,912
	<hr/>	<hr/>

22 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.

23 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Northamptonshire County Council, Somerset County Council and Essex County Council. Both are multi-employer defined-benefit schemes. The Trust also contributes to a joint scheme with EdisonLearning Limited for Trust headquarters staff. This is a defined contribution scheme through Scottish Life.

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

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 Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18th July 2013.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

23 PENSION AND SIMILAR OBLIGATIONS

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Services Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31st March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9th June 2014. The key elements of the valuation and subsequent consultations are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pension currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investment held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employers pension costs paid to TPS in the year amounted to £1,088,000 (2015: £922,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions Website

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined benefit scheme. The Trust has set out above the information available on the scheme.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes

The LGPS are a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2016 was £822,000 (2015:£806,000), of which employer's contributions totalled £642,000 (2015: £625,000) and employees' contribution totalled £180,000 (2015: £181,000). The agreed rates for future years are 25.6% for employers in Northamptonshire, 12.3% plus additional deficit payments in Essex and 18.1% for employers in Somerset and between 5.5 - 8.5 % for employees.

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

NORTHAMPTONSHIRE

Principal actuarial assumptions

	2016	2015
Rate of increase in salaries	4.1%	4.6%
Rate of increase for pensions in payment/Inflation	2.1%	2.7%
Discount rate	2.1%	3.8%
Inflation Assumption (CPI)	2.1%	2.7%
Commutation of pension to lump sum (Pre April 2008/post April 2008)	50%/75%	50.0%

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

	2016	2015
Retiring today:	Years	Years
Males	22.3	22.3
Females	24.3	24.3
Retiring in 20 years:		
Males	24.0	24.0
Females	26.6	26.6

The Academy Trust's share of the assets and liabilities in the Northamptonshire scheme were:

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
Equities	2,046	1,433
Bonds	548	389
Property	230	184
Cash	58	41
TOTAL MARKET VALUE OF ASSETS	2,882	2,047

The actual return on the scheme assets was £451,000 (2015: £59,000).

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (Continued)

NORTHAMPTONSHIRE (CONTINUED)

Amounts recognised in the statement of financial activities:	2016	2015
	£'000	£'000
Current service cost	356	411
Net interest cost	88	83
Total Operating Charge	444	494

Changes in the present value of defined benefit obligations were as follows:	2016	2015
	£'000	£'000
At 1st September 2015	4,346	3,794
Upon conversion	-	-
Current service cost	356	411
Interest cost	173	149
Employee contributions	81	89
Benefits Paid	(20)	(34)
Changes to actuarial assumptions	1,804	(63)
At 31st August 2016	6,740	4,346

Changes in the fair value of Academy Trust's share of scheme assets:	2016	2015
	£'000	£'000
At 1st September 2015	2,047	1,589
Upon conversion	-	-
Interest on assets	85	66
Return on plan assets (excluding net interest cost)	366	(7)
Employee contributions	81	89
Estimated benefits paid	(20)	(34)
Employer contributions	323	344
At 31st August 2016	2,882	2,047

SOMERSET

<u>Principal actuarial assumptions</u>	2016	2015
Rate of increase in salaries	4.1%	4.5%
Rate of increase for pensions in payment	2.3%	2.7%
Discount rate	2.2%	4.0%
Inflation (CPI)	3.2%	2.7%
Commutation of pension to lump sum (Pre April 2008/post April 2008)	50%/75%	50.0%

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (continued)

SOMERSET CONTINUED

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

	2016 Years	2015 Years
Retiring today:		
Males	23.8	23.7
Females	26.2	26.1
Retiring in 20 years:		
Males	26.1	26.0
Females	28.5	28.4

The Academy Trust's share of the assets and liabilities in the Somerset scheme were:

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
Equities	1,358	1,013
Gilts	130	95
Other Bonds	222	149
Property	198	145
Cash	55	25
TOTAL MARKET VALUE OF ASSETS	1,963	1,427

Actual return on scheme assets was £258,000 (2015:£38,000).

Amounts recognised in the Statement of Financial Activities:

	2016 £'000	2015 £'000
Current service cost	436	404
Net interest cost	63	76
Total Operating Charge	499	480

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (continued)

SOMERSET (CONTINUED)

Changes in the present value of defined benefit obligations were as follows:	2016	2015
	£'000	£'000
At 1st September 2015	3,148	2,901
Upon conversion	-	4
Current service cost	436	404
Interest cost	126	124
Employee contributions	81	75
Actuarial loss	1,631	(358)
Benefits paid	(62)	(2)
At 31st August 2016	5,360	3,148

Changes in the fair value of Academy Trust's share of scheme assets:	2016	2015
	£'000	£'000
At 1st September 2015	1,427	1,072
Upon Conversion	-	2
Interest on Assets	63	48
Return on plan assets (excluding net interest on the net defined pension liability)	195	(10)
Employer contributions	259	242
Employee contributions	81	75
Benefits paid	(62)	(2)
At 31st August 2016	1,963	1,427

ESSEX

Principal actuarial assumptions

	2016	2015
Rate of increase in salaries	4.1%	4.5%
Rate of increase for pensions in payment	2.3%	2.7%
Discount rate	2.2%	4.0%
Inflation (CPI)	1.8%	2.7%
Commutation of pension to lump sum	60.0%	60.0%

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (continued)

ESSEX (CONTINUED)

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

	2016 Years	2015 Years
Retiring today:		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years:		
Males	25.2	25.1
Females	27.7	27.6

The Academy Trust's share of the assets in the Essex scheme were:

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
Equities	121	52
Gilts	6	3
Other Bonds	8	8
Property	19	9
Cash	5	2
Alternative Assets	8	6
Other managed funds	8	-
TOTAL MARKET VALUE OF ASSETS	175	80

Actual return on scheme assets was £17,000 (2015:£2,000).

Amounts recognised in the Statement of Financial Activities:

	2016 £'000	2015 £'000
Current service cost	79	79
Net interest cost	18	18
Total Operating Charge	97	97

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (continued)

ESSEX (CONTINUED)

Changes in the present value of defined benefit obligations were as follows:	2016	2015
	£'000	£'000
At 1st September 2015	565	-
Upon conversion	-	448
Current service cost	79	79
Interest cost	23	20
Change in financial assumptions	300	-
Employee contributions	18	18
At 31st August 2016	985	565

Changes in the fair value of Academy Trust's share of scheme assets:	2016	2015
	£'000	£'000
At 1st September 2015	80	-
Interest on assets	5	2
Return on plan assets (excluding net interest cost)	12	-
Employee contributions	18	18
Employer contributions	60	60
Benefits Paid	-	-
At 31st August 2016	175	80

CONSOLIDATED LOCAL GOVERNMENT PENSION SCHEMES

	2016	2015
	£'000	£'000
Present value of defined benefit obligations	(13,085)	(8,059)
Fair value of share of scheme assets	5,020	3,554
Deficit in the scheme	(8,065)	(4,505)

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (continued)

CONSOLIDATED LOCAL GOVERNMENT PENSION SCHEMES (CONTINUED)

Amounts recognised in the Statement of Financial Activities:

	2016	2015
	£'000	£'000
Current service cost	871	894
Net interest Cost	169	177
Total Operating Charge	1,040	1,071

Other pension commitments

In addition to the above, the charitable company also makes payments into a defined contribution scheme on behalf of certain employees. The assets of this scheme are held separately to those of the charitable company in an independently administered fund. The contributions payable for the period are £22,245 (2015: £18,635) and these have been included in the Statement of Financial Activities.

At the 31st August 2016 £nil (2015: £nil) was included in creditors.

24 RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from 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 regulation and normal procurement procedures. The following related party transactions took place in the period of account.

EdisonLearning Limited

The Academy Trust goes to great lengths to make sure that work completed by EdisonLearning Ltd is in line with its Tripartite agreement and that all transactions are completed in line with the Academy Trust's financial regulations and normal procurement procedures. All staff governors and trustees have to complete and review business interest forms regularly and meetings begin with a review of any changes.

EdisonLearning continues to recharge staff costs held jointly between the Trust and EdisonLearning Ltd in order to get best value for money. The expenditure is recharged to the trust at cost and this is set out below:

	2016	2015
	£'000	£'000
Staff Cost	33	151
School Improvement	4	18
Administrative costs	3	2
	40	171

EdisonLearning Ltd provide office facilities for the Trust to use as a headquarters at no cost. The estimated costs apportioned on a room basis would be approximately £5,000 and have not been included on the grounds of materiality.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2016

RELATED PARTIES (CONTINUED)

On an annual basis the Trust reviews all school outcomes and the support that is necessary to meet its development plan. When using EdisonLearning Ltd to support school improvement the Trust looks at both value for money and the expertise to provide that support. The Trust uses support from external providers where this is appropriate in order to maintain its goal of creating the best outcomes for the schools and pupils involved.

Trade Creditors includes a balance of £27 (2015: £1,124) owed to EdisonLearning Limited at the year end.

There are no other related party transactions other than those disclosed and in Note 9.

25 CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the period:

- Educational support services
- Governance support
- Legal support
- Financial accounting support

The Trust takes a contribution of 3-4% of certain income streams to pay for these services. It does this by reducing the amount of GAG it transfers onto schools on a monthly basis.

The actual amount contributed during the period by each academy was as follows:

	2016	2015
	£'000	£'000
Kingsthorpe College	189	203
Lumbertubs Primary School	49	44
Spring Lane Primary School	75	66
Manor Court Community Primary School	61	54
Priorswood Primary School	35	33
Wellesley Park Primary School	52	52
Woolavington Village Primary School	31	29
Willowdown Primary Academy	25	20
Willow Brook Primary School and Nursery	44	41

26 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. The balance brought forward on 1st September 2015 was a creditor of £1,617. In the period it received £17,855 (2015: £21,186) and disbursed £13,773, (2015: £16,857) with an amount of £5,699 (2015: £1,617) included in Other Creditors.

THE COLLABORATIVE ACADEMIES TRUST

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

In accordance with the terms of our engagement letter dated 3rd June 2016 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Collaborative Academies Trust during the period 1st September 2015 to 31st August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Collaborative Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Collaborative Academies Trust's funding agreement with the Secretary of State for Education dated June 2016 and the Academies Financial Handbook extant from 1st September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015/2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1st September 2015 to 31st August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

THE COLLABORATIVE ACADEMIES TRUST

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1st September 2015 to 31st August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

RSM UK Audit LLP

RSM UK AUDIT LLP

Chartered Accountants
Marlborough House
Victoria Road South
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14 December 2016
