

THE COLLABORATIVE ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended
31st August 2017

Company registration number: 08168307

THE COLLABORATIVE ACADEMIES TRUST

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THE COLLABORATIVE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	T.Nash		
	P. Lincoln		Appointed 03/11/2016
	EdisonLearning Limited		Resigned 05/10/2017
	A.Sigston		Resigned 04/10/2017
	Ex-Officio	R.Imms	Appointed 07/11/2017
	Ex-Officio	L.Phillips	Resigned 07/11/2017
	Ex-Officio	S.Peck	Resigned 11/07/2017
Trustees	R.Imms*	Chairman	Appointed 07/11/2017
	S.Peck		Resigned 11/07/2017
	H.Lay		Resigned 06/04/2017
	N.Pope*		
	M.Abraham*		
	L.Phillips		Resigned 07/11/2017
	S.Abouzahr		
	M.Emerson		Appointed 11/05/2017
	D.Morrison		Resigned 01/12/2016
* member of the Finance and Audit Committee. (R.Imms removed on becoming Chairman)			
Accounting Officer	S.Peck		Appointed 17/07/2017
	K.Crossley		Resigned 30/04/2017
	S.McShane		Appointed 01/05/2017
	S.McShane		Resigned 16/07/2017
Key Management Personnel:			
Chief Executive Officer	S.Peck		Appointed 17/07/2017
	K.Crossley		Resigned 30/04/2017
Director of School Improvement	S.McShane		Appointed 01/09/2016
Chief Finance Officer	J.Olley ACA		
Principal Kingsthorpe College	J.Giovanelli		Appointed 25/01/2017
	D.Morrison		Resigned 31/12/2016
Headteacher Lumbertubs Primary School	C.Cook		
Trust Consultant Headteacher at Priorswood Primary School	A.Gould		Contracted 05/09/2016 to 31/03/2017
Head of School: Priorswood Primary School	D.Fielding		Resigned 30/04/2017
Headteacher Spring Lane Primary School	A.Owens		
Trust Consultant Headteacher at Priorswood Primary School	A.Gould		Contracted 18/04/2017 to 21/12/2017
Headteacher Manor Court Primary School	L.Talmage		Appointed 18/04/2017
Executive Headteacher:			
Priorswood Primary School	L.Gabriel		
Wellesley Park Primary School	L.Gabriel		
Head of School:			
Willowdown Primary Academy	M.Jackson		
Woolavington Village Primary School	O.Priestley		
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 2017. The Annual Report serves the purposes of both the Trustees' Report and the Directors' Report under company law.

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

Its schools have a combined pupil capacity of 3,616 and a roll of 3,322 in the school census dated 5th October 2017.

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

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

Changes to the Memorandum and Articles of Association came into effect on 1st October 2017 and EdisonLearning Ltd officially resigned membership on the 5th October 2017. The new Memorandum and Articles of Association states that there shall be a minimum of three members, including the Chair of the Trustees, and there shall be not less than three or more than twelve Trustees. Two parent Trustees must be appointed if the Trust does not have Local Governing Bodies, currently this is not the case.

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 Local Governing Bodies (LGB's) 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 Academy Ambassadors for Trustees with a specific skill set. This has been successful and has seen the appointment of an additional Trustee in the new academic year.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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 Academy Ambassadors for additional board members. The Board's procedures are set out in the Memorandum and Articles of Association.

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 at a local level.

ORGANISATIONAL STRUCTURE

The Board is supported by the Chief Executive Officer, Chief Finance Officer and the Director of School Improvement. In addition to this the Trust commission a range of external providers for specific targeted interventions. 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 (CEO) has been appointed to the position of Accounting Officer, however the Director of School Improvement held this role for a period during the year while the Trust sought a replacement CEO.

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 and Director of School Improvement. 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 LGB's 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 was a corporate member and sponsor of the Collaborative Academies Trust until 5th October 2017. It could appoint three people to represent it, and it is these three members that could 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 did not allow for assets of the Trust to be freely used across the business entity and consolidation would have materially misrepresented 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 were provided to CAT 'at cost' with no profit element included. Further details can be found in note 24.

Kingsthorpe College provide information technology, clerking services 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.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES (CONTINUED)

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.

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 attainment 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

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 co-ordinated by the Director of School Improvement who was appointed in September 2016. The focus this year has been on ensuring schools have the necessary foundations in place to improve, are well prepared for inspections and are raising attainment and therefore measured as 'Good' under the current Ofsted assessment. The table below shows the Ofsted profile of our schools:

In the academic year 2016-2017 six of the nine schools received visits from Ofsted

SCHOOL	Ofsted Visit	Judgement	Next step
Kingsthorpe College	Monitoring inspection 29 September 2016	Safeguarding effectiveness and Overall effectiveness remains 'Good'	Likely to receive inspection within 3 years of last inspection (May 2018)
Willow Brook Primary School and Nursery	Full Inspection June 2017	First Inspection under CAT- 'Good'	Full inspection in 3 years time
Manor Court Community Primary School	Full Inspection July 2017	Remains 'Requires Improvement'	Likely to be subject to HMI monitoring. Full inspection in 24 Months
Woolavington Village Primary School	Full Inspection September 2016	First Inspection under CAT 'Requires Improvement'	Full inspection in 24 months
Willowdown Primary Academy	Full Inspection April 2017	First Inspection - 'Requires Improvement'	Full inspection in 24 months
Priorswood Primary School	Full Inspection April 2017	Declined to Inadequate (Serious Weakness)	Will be subject to monitoring by HMI. Full inspection in 18 Months

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

The remaining schools have the following Ofsted profile:

Spring Lane Primary School
Wellesley Park Primary School
Lumertubs Primary School

Grading	Next Inspection
Good	Likely inspection June 2019
Good	Likely inspection Autumn 2018
Requires Improvement	Likely inspection 2018

The impact of the improvement work can be seen across the Trust. In their first Ofsted gradings since joining the Trust in September 2015 Willowbrook Primary and Nursery School was judged 'Good' and Willowdown Primary Academy was graded as 'Requires Improvement'. Schools such as Woolavington Village Primary School achieved an Ofsted rating of 'Requires Improvement with Good Leadership' and others showed less progress.

While a grading of 'Good' was not achieved in all schools the text of Ofsted reports recognised the positive impact of changes in the schools due to the Trust's increased focus on school improvement. Achievement of children is better in some of our schools and the gap narrowing, particularly in Kingsthorpe, Manor Court and Spring Lane. In some schools improvement is less strong and this has led to an overall widening of the Key Stage 2 gap between CAT and the national average. In 2018 we anticipate better results through consistently better teaching and more rigorous monitoring of children's journey to agreed and challenging targets. Throughout the Trust there has been greater collaboration which has meant a sharing of skills and the development of joint initiatives. In place, for example, are common curricular approaches across schools and common assessment approaches. Staff have risen to the challenge to support schools and there have been a number of successful promotions and teachers taking on new roles that are Trust wide.

KEY PERFORMANCE INDICATORS AND ACHIEVEMENT

At Kingsthorpe College there has been a sustained upward trajectory over the last three years at Key Stage 5 in terms of headline data. At Key Stage 4 comparisons are more difficult due to national changes, however attainment and progress remain positive.

Secondary School Kingsthorpe College

5+ A*-C inc English and Maths (EN/Ma) (English and Maths changed gradings in 2017)				Attainment 8		Progress 8	
2014	2015	2016	2017	2016	2017	2016	2017
50%	51%	52%	50%	48.8	42.4	0.3	0.08
A'Level Results							
A*- E		A*-C					
2016	2017	2016	2017				
97.90%	97.80%	29.30%	33.90%				

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

KEY PERFORMANCE INDICATORS AND ACHIEVEMENT (CONTINUED)

In Early Years, phonics and Key Stage 1 the achievement of children in CAT schools is broadly similar to national average. At Key Stage 2 it is more variable. Some of the variation is due to small cohorts and this means that although attainment might be lower than national average, progress is positive. In a few schools attainment and progress are not strong enough.

Primary Schools

National Average
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
Willowdown Primary Academy

Key Stage 2				
Reading	Writing	Maths	*SPAG	Combined
71%	76%	75%	77%	61%
55%	59%	59%	73%	46%
72%	62%	70%	73%	60%
63%	71%	61%	64%	56%
50%	45%	55%	60%	30%
70%	83%	81%	83%	61%
50%	75%	55%	55%	45%
43%	60%	57%	60%	43%
50%	63%	50%	50%	44%

CAT average
National Gap 2017
National Gap 2016

Reading	Writing	Maths	*SPAG	Combined
57%	65%	61%	65%	48%
-14%	-11%	-14%	-12%	-13%
-17%	-5%	-5%	-6%	-10%

*SPAG: Spelling, Punctuation and Grammar

In a few schools attainment and progress are not strong enough. In all the school reports, recent improvements have been praised, but what has been seen as historic inaction has been criticised. The Trust has strengthened common school improvement tools such as school development plans, self evaluation forms, monitoring visits and school improvement reviews and visits. These measures secure the foundations of the schools and the sustainability of their improvements. The Director of School Improvement, with the headteachers, have driven these changes and the impact has been recognised in Ofsted visits, Regional School Commissioner and Local Authority monitoring visits.

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 and Skills Funding Agency (ESFA) 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/ESFA 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 £16,951,000 (2016:£16,681,000).

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 received Schools Condition Funding of £300,000 for the year ending 31st March 2017 (2016: £300,000). 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 to renovate school learning areas that were unfit for purpose, especially in Early Years and Key Stage 1. We have also had to meet the cost of areas that have not met Health and Safety requirements. The Trust is currently working on a project to replace and repair flat roofing at Manor Court Community Primary School.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

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

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.

The Statement of Financial Activities shows a surplus of £301,000 (2016: Deficit £4,102,000). This includes a significant recognised surplus on the defined benefit pension scheme of £1,933,000 (2016: loss £3,162,000). The significant change is due to the actuarial valuations at the year end. The overall deficit liability held on the balance sheet has decreased from £8,065,000 to £6,963,000 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 via monthly in management accounts and in a summary dashboard for the Trustees at Board meetings.

General reserves on the balance sheet show general restricted and unrestricted reserves of £1,229,000 (2016:£1,869,000). The Trust believes this level of reserves is appropriate.

At the year end total staff costs as a percentage of income was 85% (2016: 80%), 58% (2016: 62%) 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 higher than expected, mainly due to increased long term illness and agency staffing of unfilled vacancies.

The total cash balance was £2,568,000 (2016: £2,838,000) including capital funding of £410,000 (2016: £204,000). This is representative of the level of increased investment in the schools by the Board across the year. The cash held in schools individually varies across the Trust and monthly cash flow reviews are carried out centrally, with schools borrowing cash, via inter school loans, where necessary. Due to this the Trust is reviewing schools having individual bank accounts and amalgamating the accounts into one account. The Balance Sheet position at the year end was £11,502,000 (2016: £11,201,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The Board continues to review risk through its risk register. The main risks are set out below:

Internal Capacity - The risk the Trust cannot meet the current expectations on standardisation and alignment as expected by the National Schools Commissioner. The Trust has standardised some best practice at Primary School level and is currently looking at the regionality of its schools.

Financial - The risk that current funding pressures and uncertainty affect the ability of the Trust to meet its goals. The Trust has a Finance and Audit Committee that reviews management accounts monthly and three year budget forecasts. The Trust is reviewing procurement and the possibility of centralisation of financial processes.

Growth - The risk that the Trust does not grow in a way that the Board requires to meet the strategic and operational goals. The Trust executive and Board members continue to have regular dialogue with the National Schools Commissioner and the Regional Schools Commissioners.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Academic Performance - The academic performance of the trust as a whole is below the Board's expectations. The Trust is looking individually at the investment needed in each school to continue to remedy this. Standardisation and alinement of schools in similar regions is being implemented.

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 and has recruited as a Trust for multiple schools at the same time this year. The Trust has done a review on continuing professional development strategy during the year.

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 affected by the loss of a key Board or staff member. The Board regularly reviews its skill base at Board level. It uses Academy Ambassadors to support this. At a staff level it has connections with recruitment agencies and assesses its internal ability to promote. It has set 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 appointed an external Health and Safety specialist to audit schools Health and Safety provisions. Health and Safety is reported on at all Board meetings.

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 overall Trust reserves are expected to be in the region of one months staffing cost plus £20,000 for a primary school and £100,000 for a secondary school. This 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 £11,502,000 (2016: 11,201,000), with £1,227,000 (2016: £1,501,000) being freely available, the balance being invested in fixed assets, or having restriction, including the deficit on the local pension scheme of £6,963,000 (2016: £8,065,000). Funds notes 15 and 16 set out the carry forward for each school and the analysis between restricted and unrestricted funds.

Like most Academy Trusts the Board takes the advice of the Local Government Pension Scheme (LGPS) Actuary to meet its obligations in relation to the LGPS deficit it holds. The change in the assumptions last year 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.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

PLANS FOR FUTURE PERIODS

With the appointment of a new CEO, the Trust has conducted a full strategic review of how the Trust operates and its regionality. Following the conclusion of this review, the Trust has entered into discussions with the Regional Schools Commissioner and other key stakeholders in relation to a potential divestment strategy. At the date of this report, these plans are still under review.

Our schools are not custodian Trustees on behalf of others.

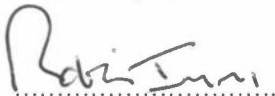
AUDITOR

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 12th December 2017 and signed on the boards behalf by:



R.Imms
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 has delegated the day-to-day responsibility to the CEO (from 01/09/2016-30/04/2017 and from 17/07/2017 onwards) or Director of School Improvement (from 01/05/2017-16/07/2017), 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 Board has formally met six times during the year. Attendance during the year at meetings of the Trust Board was as follows:

TRUSTEE/DIRECTOR		MEETINGS ATTENDED	OUT OF A POSSIBLE
S.Peck	Resigned	5	5
N.Pope		4	6
H.Lay	Resigned	0	4
S.Abouzahr		5	6
D.Morrison	Resigned	0	1
L.Phillips	Resigned	4	6
M.Abraham		5	6
R.Imms		6	6
M.Emerson	Appointed	2	2
Also in attendance			
S.Peck	CEO (from 17/07/2017)	1	1
K.Crossley	CEO (Until 30/04/2017)	4	4
J.Olley	CFO	5	6
S.McShane	Director of School Improvement	6	6
C.Hilliard	Interim Director of Trust Strategy and Delivery	2	2

The Board composition and governance is regularly reviewed at meetings. M.Emerson was appointed with a background in Human Resources during the year. The Board are very pleased with this appointment that they had proactively recruited for since the last financial report. A formal review of governance is due to take place in the December 2017 Board meeting. See Reference and Administrative Details page 2-3 for appointments and resignations post year end.

All academies 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 five times during the year (2016: three). 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)

FINANCE AND AUDIT COMMITTEE ATTENDANCE

TRUSTEES	MEETINGS ATTENDED	OUT OF POSSIBLE
N.Pope	5	5
M.Abraham*	3	5
R.Imms	5	5

Also in attendance

	MEETINGS ATTENDED	OUT OF POSSIBLE
K.Crossley CEO	4	4
J.Olley CFO	5	5
S.McShane Accounting Officer	0	1
S.Peck	1	1
RSM UK Audit LLP	1	1
Crowe Clark Whitehill	2	2

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Chief Executive Officer/ Director of School Improvement 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:

- Introducing standardised assessment tests across the primary schools, allowing schools to assess against each other and discuss barriers to learning.
- used a Trust approach to recruitment in the South West Region.
- 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 2017 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 2017 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;

THE COLLABORATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

- 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 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 and HR systems

The reports from Crowe Clarke Whitehill were reviewed by the Finance and Audit Committee and the school local governing bodies. No significant issues arose.

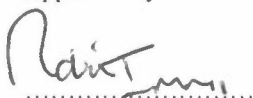
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive Officer/Director of School Improvement 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 Finance and Audit Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12th December 2017 and signed on its behalf by:



R.Imms
Chairman



S.Peck
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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2016.

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 2016.

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



.....

S.Peck

12th December 2017

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

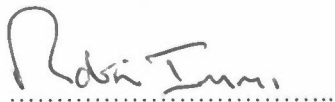
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Trustee Board on 12th December 2017 and signed on its behalf by:



.....

R.Imms
Chairman

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

We have audited the financial statements of The Collaborative Academies Trust (the "academy trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2016/2017 issued by the Education and Skills Funding Agency.

Basis for Opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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

Opinion on other requirement of the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees's Report and the incorporated Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 16, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

This report is made solely to the charitable company's members, 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 them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)

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

Chartered Accountants

Marlborough House

Victoria Road South

Chelmsford

Essex

CM1 1LN

13 December 2017

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st August 2017

(Including Income and Expenditure Account)

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2017	Total 2016
	<i>Notes</i>	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and Capital Grants	2	165	200	389	754	752
Transfer from local authorities on conversion		-	-	-	-	-
Income from charitable activities						
Funding for the Academy Trust's educational operations	5	-	16,951	-	16,951	16,681
Other Trading Activities	3	209	-	-	209	142
Investment income	4	3	-	-	3	7
Total Income		377	17,151	389	17,917	17,582
Expenditure on:						
Raising funds	6	271	72	-	343	373
Charitable activities:						
Academy Trust's educational operations	6/7	-	18,456	750	19,206	18,149
Total Expenditure		271	18,528	750	19,549	18,522
Net (Expenditure)/ Income		106	(1,377)	(361)	(1,632)	(940)
Transfers between funds	15	(380)	180	200	-	-
Other Recognised (losses)/gains						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	1,933	-	1,933	(3,162)
Net Movement in Funds		(274)	736	(161)	301	(4,102)

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

For the year ended 31st August 2017

RECONCILIATION OF FUNDS						
		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2017	Total 2016
	<i>Notes</i>	£'000	£'000	£'000	£'000	£'000
Net Movement in Funds		(274)	736	(161)	301	(4,102)
Total funds brought forward		1,501	(7,697)	17,397	11,201	15,303
TOTAL FUNDS CARRIED FORWARD	15, 16	1,227	(6,961)	17,236	11,502	11,201

THE COLLABORATIVE ACADEMIES TRUST

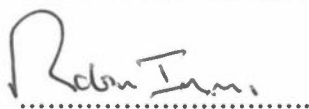
BALANCE SHEET

As at 31st August 2017

Company registration number: 08168307

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
FIXED ASSETS					
Tangible assets	11		16,805		17,115
CURRENT ASSETS					
Stock	12	24		44	
Debtors	13	505		679	
Cash at bank and in hand		2,568		2,838	
		<u>3,097</u>		<u>3,561</u>	
CREDITORS: Amounts falling due within one year	14	<u>(1,437)</u>		<u>(1,410)</u>	
NET CURRENT ASSETS			<u>1,660</u>		<u>2,151</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			18,465		19,266
NET ASSETS EXCLUDING PENSION LIABILITY			18,465		19,266
Defined Benefit Pension Scheme Liability	23		<u>(6,963)</u>		<u>(8,065)</u>
TOTAL NET ASSETS			<u>11,502</u>		<u>11,201</u>
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	15	17,236		17,397	
Restricted Income Fund	15	2		368	
Pension reserve	15	(6,963)		(8,065)	
		<u></u>		<u></u>	
TOTAL RESTRICTED FUNDS			10,275		9,700
TOTAL UNRESTRICTED FUNDS	15		<u>1,227</u>		<u>1,501</u>
TOTAL FUNDS			<u>11,502</u>		<u>11,201</u>

The financial statements on pages 20 to 51 were approved by the Board of Trustees and authorised for issue on 12th December 2017 and are signed on their behalf by:



R.Imms
Chairman

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT OF CASHFLOWS

For the year ended 31st August 2017

	<i>Notes</i>	2017 £'000	2016 £'000
CASHFLOWS FROM OPERATING ACTIVITIES			
Net Cash (used in)/provided by operating activities	19	(266)	111
Cashflows from investing activities	20	(4)	(185)
Change in Cash and Cash Equivalents in the year		(270)	(74)
Cash and Cash Equivalents at 1 September		2,838	2,912
CASH AND CASH EQUIVALENTS AT 31st AUGUST	21	2,568	2,838

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES

GENERAL INFORMATION

The Collaborative Academies Trust is a Charitable Company limited 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 4-11.

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, which is a public benefit entity under FRS102, 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 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

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.

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

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES (CONTINUED)

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.

GIFTS IN KIND

Gifts in kind shall be accounted for where they are material and an estimated value can be established.

EXPENDITURE

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

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of 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.

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES (CONTINUED)

TANGIBLE FIXED ASSETS (CONTINUED)

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)
Leasehold 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.

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 for central staff.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit 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 COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES (CONTINUED)

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 and Skills Funding Agency/Department for Education.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The useful economic life of leasehold buildings has been based on the Quantity Surveyor's report at the date of conversion.

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

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES (CONTINUED)

AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA 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 ESFA.

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 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.

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 2017

1 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31st AUGUST 2016

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2016 £'000
Income and endowments from:				
Donations and Capital Grants	165	215	372	752
Transfer from local authorities on conversion	-	-	-	-
Income from charitable activities				
Funding for the Academy Trust's educational operations	-	16,681	-	16,681
Other Trading Activities	142	-	-	142
Investment income	7	-	-	7
Total Income	314	16,896	372	17,582
Expenditure on:				
Raising funds	373	-	-	373
Charitable activities:				
Academy Trust's educational operations	-	17,376	773	18,149
Total Expenditure	373	17,376	773	18,522
Net Income / (Expenditure)	(59)	(480)	(401)	(940)
Transfers between funds	-	(80)	80	-
Other Recognised gains				
Actuarial gains/(losses) on defined benefit pension schemes	-	(3,162)	-	(3,162)
Net Movement in Funds	(59)	(3,722)	(321)	(4,102)

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

2 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2017 £'000	Total 2016 £'000
Capital Grants	-	-	389	389	372
Other donations	165	200	-	365	380
	165	200	389	754	752

3 OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted general funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	11	-	11	13
Commission	3	-	3	2
Breakfast and after school club	95	-	95	83
Uniform	4	-	4	8
Staff services	81	-	81	29
Fundraising	15	-	15	7
	209	-	209	142

4 INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	3	-	3	7

5 FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2017 £'000	Total 2016 £'000
DfE/EFA REVENUE GRANTS					
General Annual Grant (GAG)	-	15,458	-	15,458	15,046
Other DfE/ESFA Grants	-	317	-	317	351
TOTAL DfE/EFA REVENUE GRANTS	-	15,775	-	15,775	15,397
OTHER GOVERNMENT GRANTS					
Local Authority Grants	-	1,176	-	1,176	1,284
TOTAL OTHER GOVERNMENT GRANTS	-	1,176	-	1,176	1,284
FUNDING FOR ACADEMY TRUST'S	-	16,951	-	16,951	16,681

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

6 EXPENDITURE

	Staff costs £'000	Non pay expenditure		Total	Total
		Premises £'000	Other costs £'000	2017 £'000	2016 £'000
Expenditure on raising funds	157	-	186	343	373
Academy Trust's education operations					
Direct costs	11,857	-	1,187	13,044	12,315
Allocated support costs	2,832	1,434	1,896	6,162	5,834
	<u>14,846</u>	<u>1,434</u>	<u>3,269</u>	<u>19,549</u>	<u>18,522</u>
	<u>14,846</u>	<u>1,434</u>	<u>3,269</u>	<u>19,549</u>	<u>18,522</u>

Net (incoming)/expenditure for the period includes:

	2017 £'000	2016 £'000
Operating lease rentals	731	677
Depreciation	706	728
Profit on disposal of fixed assets	(4)	-
Fees payable to auditor for:		
- audit	36	35
- non audit services	16	24

7 CHARITABLE ACTIVITIES - ACADEMY TRUST'S EDUCATION OPERATIONS

	2017 £'000	2016 £'000
DIRECT COSTS- Educational Operations	13,044	12,315
SUPPORT COSTS- Educational Operations	6,162	5,834
	<u>19,206</u>	<u>18,149</u>

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

7 CHARITABLE ACTIVITIES - (CONTINUED)

	2017	2016
	£'000	£'000
ANALYSIS OF SUPPORT COSTS		
Support staff costs	2,608	2,220
Depreciation	706	728
Technology costs	231	206
Premises costs	1,434	1,444
Catering	396	431
Bank interest and charges	7	6
Other support costs	496	521
Other finance cost - pension finance cost	173	169
Governance Costs	111	109
	<u>6,162</u>	<u>5,834</u>

8 STAFF COSTS

	2017	2016
	£'000	£'000
Staff costs during the period were:		
Wages and salaries	10,785	10,564
Social security costs	946	818
Pension costs	2,615	2,111
	<u>14,346</u>	<u>13,493</u>
Central HQ benefits	10	20
Supply teacher costs	404	167
Apprenticeship Levy	16	-
Staff restructuring costs	70	65
	<u>14,846</u>	<u>13,745</u>

Staff Severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £69,600 (2016: £65,050). Individually the payments were: £6,100, £10,000, £12,500, £16,000, and £25,000 .

Staff numbers

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

	2017	2017	2016	2016
	No.	FTE	No.	FTE
Teachers	204	186	200	180
Administration and support	316	192	318	192
Key Management Personnel	12	12	12	12
	<u>532</u>	<u>390</u>	<u>530</u>	<u>384</u>

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

8 STAFF COSTS (CONTINUED)

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

	2017	2016
£60,001 - £70,000	1	3
£70,001 - £80,000	5	3
£80,001 - £90,000	1	1
£110,001 - £120,000	1	1

Five (2016: Six) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31st August 2017, pension contributions for these staff amounted to £62,133 (2016:£71,639).

The other three (2016:Two) members of staff participated in the defined contribution scheme. Pension contributions for those members of staff were £17,109 (2016: £12,304) for the period.

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 national insurance and pension contributions) received by key personnel for their services to the Academy Trust was £1,193,489, (2016:£1,038,589). This included £53,500 in settlement agreements, £25,000 that relates to a director in the year.

Gifts and Hospitality

During the year the Trust authorised £36.99 (2016: £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 £60,000-£70,000 (2016: £100,001-£105,000)

Employer's pension contributions £5,001-£10,000 (2016 : £15,001-£20,000)

K.Crossley (Chief Executive Officer)

Remuneration £110,001-£120,000 (2016: £95,001-£100,000)

Employer's pension contributions £5,001-£10,000 (2016 : £5,001-£10,000)

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

9 RELATED PARTY TRANSACTIONS -(CONTINUED)

S.Peck joined the Board of Trustees on the 21st January 2014 and acted as a contractor to support governance in the Somerset area until he was appointed the Chief Executive Officer on the 17th July 2017. During the year S.Peck received £37,619 (2016: £39,093) 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 considered 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 considered this to be best value for the Trust at the time and are happy that S.Peck did not have a role in the decision making of the Board to renew his contract at the time. Through a formal recruitment process S.Peck was appointment as Chief Executive Officer and became an employee of the Trust. His salary was set by the remuneration committee.

During the year ended 31st August 2017, travel and subsistence expenses totalling £5,362 (2016: £6,250) were reimbursed to four Trustees (2016: four Trustees).

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

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 £976.50 (2016: £1,312) and has been included in the total insurance cost.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

11 TANGIBLE FIXED ASSETS

	Long leasehold land and buildings £'000	Fixtures, fittings, equipment & motor vehicles £'000	Total £'000
COST			
At 1st September 2016	18,194	837	19,031
Additions	220	178	398
Disposal	-	(14)	(14)
At 31st August 2017	<u>18,414</u>	<u>1,001</u>	<u>19,415</u>
DEPRECIATION			
At 1st September 2016	1,341	575	1,916
Charge for the period	541	165	706
Disposal	-	(12)	(12)
At 31st August 2017	<u>1,882</u>	<u>728</u>	<u>2,610</u>
NET BOOK VALUE			
31st August 2017	<u>16,532</u>	<u>273</u>	<u>16,805</u>
31st August 2016	<u>16,853</u>	<u>262</u>	<u>17,115</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

	2017 £'000	2016 £'000
Resources and Stationery	24	44

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

13 DEBTORS	2017	2016
	£'000	£'000
Trade debtors	35	30
VAT recoverable	203	181
Other debtors	5	22
Prepayments and accrued income	262	446
	<hr/>	<hr/>
	505	679

14 CREDITORS: Amounts falling due within one year	2017	2016
	£'000	£'000
Trade creditors	714	571
Other taxation and social security	231	231
Other creditors	241	229
Accruals and deferred income	251	379
	<hr/>	<hr/>
	1,437	1,410

Deferred income:	2017	2016
	£'000	£'000
Deferred Income at 1st September 2016	131	170
Amounts released from previous year	(131)	(170)
Resources deferred in the period	143	131
	<hr/>	<hr/>
Deferred income at 31st August 2017	143	131

The deferred income relates to Universal Infant Free School Meals advances of £142,757 (2016: £130,777) from the ESFA.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

15 FUNDS

	At 1st September 2016 £'000	Incoming £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31st August 2017 £'000
RESTRICTED GENERAL FUNDS					
General Annual Grant	360	15,458	(15,998)	180	-
Pension reserve	(8,065)	-	(831)	1,933	(6,963)
	(7,705)	15,458	(16,829)	2,113	(6,963)
Other DfE/ESFA grants	-	317	(317)	-	-
Local authority grants	-	1,176	(1,176)	-	-
Other Grants	8	200	(206)	-	2
	(7,697)	17,151	(18,528)	2,113	(6,961)
RESTRICTED FIXED ASSET FUNDS					
Inherited on conversion	16,461	-	(540)	-	15,921
DfE/ESFA capital grants	651	380	(159)	-	872
Capital expenditure from GAG	224	-	(40)	200	384
Other Capital grant	-	-	-	-	-
Local Authority Capital Grant	61	9	(11)	-	59
	17,397	389	(750)	200	17,236
TOTAL RESTRICTED	9,700	17,540	(19,278)	2,313	10,275
TOTAL UNRESTRICTED FUNDS					
	1,501	377	(271)	(380)	1,227
TOTAL FUNDS	11,201	17,917	(19,549)	1,933	11,502

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

15 FUNDS (CONTINUED)

COMPARATIVE FUNDS STATEMENT

	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/ESFA 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/ESFA 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 FUNDS	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 ESFA 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 2017. 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 in the amount of £200,000 (2016: £380,000) and a transfer of unrestricted to restricted reserves of £380,000 (2016: nil). The movement of unrestricted reserves represents the additional investment in schools over and above the GAG.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

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/ESFA fund has been created to recognise the restricted grant funding received from the DfE/ESFA 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/ESFA 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. A transfer is made between the restricted general funds to the restricted fixed asset fund to meet the difference between the amount spent on capital and the capital funding available. 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 reconfiguration of a classroom to meet basic need.

Analysis of academies by fund balance:

Fund balances at 31st August were allocated as follows:

	2017	2016
	£'000	£'000
Kingsthorpe College	603	761
Spring Lane Primary School	252	282
Lumbertubs Primary School	145	135
Manor Court Community Primary School	111	181
Priorswood Primary School	29	182
Wellesley Park Primary School	111	152
Woolavington Village Primary School	6	62
Willow Brook Primary School and Nursery	(30)	66
Willowdown Primary Academy	(63)	33
Head Office	65	15
	<hr/>	<hr/>
	1,229	1,869
Restricted fixed asset fund	17,236	17,397
Pension reserve	(6,963)	(8,065)
	<hr/>	<hr/>
	10,273	9,332
Total funds	<hr/>	<hr/>
	11,502	11,201

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

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 2017 £'000	Total 2016 £'000
Kingsthorpe College	4,443	633	164	1,309	6,549	6,624
Spring Lane Primary School	1,601	89	98	362	2,150	1,947
Lumbertubs Primary School	846	62	44	234	1,186	1,236
Manor Court Community	1,220	195	33	269	1,717	1,685
Priorswood Primary School	710	120	29	193	1,052	998
Wellesley Park Primary	1,046	199	36	339	1,620	1,458
Woolavington Primary	533	134	12	150	829	861
Willow Brook Primary	789	202	27	169	1,187	1,184
Willowdown Primary Academy	686	98	23	179	986	819
Central HQ Office	19	370	-	303	692	584
LGPS pension finance cost	-	658	-	173	831	398
	11,893	2,760	466	3,680	18,799	17,794

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2017 £'000	Total 2016 £'000
Tangible fixed assets	-	-	16,805	16,805	17,115
Current assets	1,227	1,439	431	3,097	3,561
Current liabilities	-	(1,437)	-	(1,437)	(1,410)
Pension scheme liability	-	(6,963)	-	(6,963)	(8,065)
TOTAL NET ASSETS	1,227	(6,961)	17,236	11,502	11,201

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

17 FINANCIAL INSTRUMENTS	2017	2016
Financial assets:	£'000	£'000
Debt Instruments measured at amortised cost	39	202
Financial liabilities	£'000	£'000
Measured at amortised cost	718	583
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:		
	2017	2016
	£'000	£'000
Amounts due within one year	713	678
Amounts due between one to five years	2,790	2,548
Amounts due over five years	10,505	10,216
	<u>14,008</u>	<u>13,442</u>
19 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES		
	2017	2016
	£'000	£'000
Net (expenditure)/ Income for the reporting period as per the Statement of Financial Activities	(1,632)	(940)
Cash impact of transfer on conversion	-	-
Depreciation (note 11)	706	728
Capital grants from DfE/ESFA/LA	(389)	(372)
Interest receivable	(3)	(7)
Defined benefit scheme cost less contributions payable (note 23)	658	229
Defined benefit pension scheme finance cost (note 23)	173	169
Decrease)/(Increase) in stocks	20	(14)
Decrease in debtors	174	53
Increase in creditors	27	265
	<u>(266)</u>	<u>111</u>
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

20 CASH FROM INVESTING ACTIVITIES	2017	2016
	£'000	£'000
Interest received	3	7
Proceeds from the sale of fixed assets	2	-
Purchase of tangible fixed assets	(398)	(564)
Capital grants from DfE/EFA	380	372
Capital grant from Local Authority	9	-
	<hr/>	<hr/>
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	(4)	(185)
	<hr/>	<hr/>
20A CASH TRANSFERRED ON CONVERSION TO AN ACADEMY	2017	2016
Cash balance transferred on conversion	-	-
	<hr/>	<hr/>
21 ANALYSIS OF CASH AND CASH EQUIVALENTS		
	At 31st	At 31st
	August 2017	August 2016
Cash at bank and in hand	2,568	2,838
	<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 scheme 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 2016.

Contributions amounting to £219,697 (2016: £212,092) were payable to the schemes at the 31st August 2017 and are included within creditors.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

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

The Government Actuary, 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 previous 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 £1,094,000 (2016: £1,088,000).

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 2017

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 2017 was £892,000 (2016:£822,000), of which employer's contributions totalled £705,000 (2016: £642,000) and employees' contribution totalled £187,000 (2016: £180,000). The agreed rates for future years are 23.6% Sept 2017, 22.6% Sept 2018, 21.6% Sept 2019 for employers in Northamptonshire, 20.8% Sept 2017, 21.8% April 2018 and 22.8% April 2019 in Essex and 20.9% 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

	2017	2016
Rate of increase in salaries	2.7%	4.1%
Rate of increase for pensions in payment/Inflation	2.4%	2.1%
Discount rate	2.5%	2.1%
Inflation assumption (CPI)	2.4%	2.1%
Commutation of pension to lump sum (Pre April 2008/post April 2008)	50%/75%	50%/75%

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

	2017	2016
	Years	Years
Retiring today:		
Males	22.1	22.3
Females	24.2	24.3
Retiring in 20 years:		
Males	23.9	24.0
Females	26.1	26.6

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

	Fair value at 31 August 2017 £'000	Fair value at 31 August 2016 £'000
Equities	2,572	2,046
Bonds	556	548
Property	243	230
Cash	104	58
TOTAL MARKET VALUE OF ASSETS	3,475	2,882

The actual return on the scheme assets was £187,000 (2016: £451,000).

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (Continued)

NORTHAMPTONSHIRE (CONTINUED)

Amounts recognised in the statement of financial activities:	2017	2016
	£'000	£'000
Current service cost	531	356
Net interest cost	148	88
Total operating charge	679	444

Changes in the present value of defined benefit obligations were as follows:	2017	2016
	£'000	£'000
At 1st September 2016	6,740	4,346
Upon conversion	-	-
Current service cost	531	356
Interest cost	148	173
Employee contributions	83	81
Benefits paid	(21)	(20)
Changes to actuarial assumptions	(1,268)	1,804
At 31st August 2017	6,213	6,740

Changes in the fair value of Academy Trust's share of scheme assets:	2017	2016
	£'000	£'000
At 1st September 2016	2,882	2,047
Upon conversion	-	-
Interest on assets	65	85
Return on plan assets (excluding net interest cost)	122	366
Employee contributions	83	81
Estimated benefits paid	(21)	(20)
Employer contributions	344	323
At 31st August 2017	3,475	2,882

SOMERSET

Principal actuarial assumptions

	2017	2016
Rate of increase in salaries	4.2%	4.1%
Rate of increase for pensions in payment	2.7%	2.3%
Discount rate	2.6%	2.2%
Inflation (CPI)	2.7%	3.2%
Commutation of pension to lump sum (Pre April 2008/post April 2008)	50%/75%	50%/75%

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

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:

	2017 Years	2016 Years
Retiring today:		
Males	23.9	23.8
Females	25.1	26.2
Retiring in 20 years:		
Males	26.2	26.1
Females	27.4	28.5

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

	Fair value at 31 August 2017 £'000	Fair value at 31 August 2016 £'000
Equities	1,887	1,358
Gilts	147	130
Other bonds	263	222
Property	239	198
Cash	116	55
TOTAL MARKET VALUE OF ASSETS	2,652	1,963

Actual return on scheme assets was £290,000 (2016:£258,000).

Amounts recognised in the Statement of Financial Activities:

	2017 £'000	2016 £'000
Current service cost	815	436
Net interest cost	73	63
Admin charge	1	-
Total operating charge	889	499

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

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:	2017 £'000	2016 £'000
At 1st September 2016	5,360	3,148
Upon conversion	-	-
Current service cost	709	436
Interest cost	122	126
Employee contributions	86	81
Actuarial loss	(159)	1,631
Benefits paid	(41)	(62)
At 31st August 2017	6,077	5,360

Changes in the fair value of Academy Trust's share of scheme assets:	2017 £'000	2016 £'000
At 1st September 2016	1,963	1,427
Upon conversion	-	-
Interest on assets	49	63
Return on plan assets (excluding net interest on the net defined pension liability)	241	195
Actuarial gain/(loss)	(37)	-
Employer contributions	297	259
Employee contributions	86	81
Benefits paid	(41)	(62)
Plan introductions, benefit charges, curtailments and settlements	94	-
At 31st August 2017	2,652	1,963

ESSEX

Principal actuarial assumptions

	2017	2016
Rate of increase in salaries	4.2%	4.1%
Rate of increase for pensions in payment	2.7%	2.3%
Discount rate	2.6%	2.2%
Inflation (CPI)	2.7%	1.8%
Commutation of pension to lump sum	50.0%	60.0%

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

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:

	2017 Years	2016 Years
Retiring today:		
Males	22.2	22.9
Females	24.7	25.3
Retiring in 20 years:		
Males	24.3	25.2
Females	27.0	27.7

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

	Fair value at 31 August 2017 £'000	Fair value at 31 August 2016 £'000
Equities	205	121
Gilts	20	6
Other bonds	12	8
Property	30	19
Cash	10	5
Alternative assets	24	8
Other managed funds	13	8
TOTAL MARKET VALUE OF ASSETS	314	175

Actual return on scheme assets was £31,000 (2016:£17,000).

Amounts recognised in the Statement of Financial Activities:

	2017 £'000	2016 £'000
Current service cost	123	79
Net interest cost	17	18
Total operating charge	140	97

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

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:	2017 £'000	2016 £'000
At 1st September 2016	985	565
Upon conversion	-	-
Current service cost	123	79
Interest cost	22	23
Change in financial assumptions	(30)	300
Employee contributions	18	18
Change in demographic assumptions	15	-
Experience loss/(gain) on defined obligation	(19)	-
At 31st August 2017	<u>1,114</u>	<u>985</u>

Changes in the fair value of Academy Trust's share of scheme assets:	2017 £'000	2016 £'000
At 1st September 2016	175	80
Interest on assets	5	5
Return on plan assets (excluding net interest cost)	26	12
Employee contributions	18	18
Employer contributions	64	60
Other actuarial gains/(losses)	26	-
At 31st August 2017	<u>314</u>	<u>175</u>

CONSOLIDATED LOCAL GOVERNMENT PENSION SCHEMES

	2017 £'000	2016 £'000
Present value of defined benefit obligations	(13,404)	(13,085)
Fair value of share of scheme assets	<u>6,441</u>	<u>5,020</u>
Deficit in the scheme	<u>(6,963)</u>	<u>(8,065)</u>

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2017

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:

	2017	2016
	£'000	£'000
Current service cost	1,469	871
Net interest cost	238	169
Admin cost	1	
Total operating charge	1,708	1,040

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 £22,331 (2016: £22,245) and these have been included in the Statement of Financial Activities.

At the 31st August 2017 £2,374 (2016: £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 recharged staff costs held jointly between the Trust and EdisonLearning Ltd. During the year the Trust separated its staff costs that were jointly held. The expenditure is recharged to the trust at cost and this is set out below:

	2017	2016
	£'000	£'000
Staff Cost	5	33
School Improvement	5	4
Administrative costs	1	3
	11	40

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 (2016: £5000) 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 2017

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 £0 (2016: £27) 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 passports between 95.2% and 96.9% of GAG income to pay for these services. It does this by reducing the amount of GAG it transfers onto schools on a monthly basis. During 2016/17 it also withheld an additional amount of £159,250 to support schools across the Trust, some of which has been carried forward into 2017/18. The additional costs included the cost of standardising assessment papers, the CAT executive Board meeting more regularly, training, external school improvement and consultancy following the retirement of the CEO.

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

	2017	2016
	£'000	£'000
Kingsthorpe College	227	189
Lumbertubs Primary School	55	49
Spring Lane Primary School	97	75
Manor Court Community Primary School	91	61
Priorswood Primary School	77	35
Wellesley Park Primary School	53	52
Woolavington Village Primary School	42	31
Willowdown Primary Academy	43	25
Willow Brook Primary School and Nursery	54	44

26 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. The balance brought forward on 1st September 2016 was a debtor of £5,699. In the period it received £25,022 (2016: £17,855) and disbursed £11,528, (2016: £13,773) with an amount of £19,194 (2016: £5,699) included in other creditors.

THE COLLABORATIVE ACADEMIES TRUST

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

In accordance with the terms of our engagement letter dated 3rd June 2016 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31st August 2017 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Collaborative Academies Trust and the ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31st August 2017 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 2016 to 2017 issued by the ESFA. 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 2016 to 31st August 2017 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
Chelmsford
CM1 1LN

13 December 2017
