

THE COLLABORATIVE ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended
31st August 2015

Company registration number: 08168307

THE COLLABORATIVE ACADEMIES TRUST

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THE COLLABORATIVE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members and Trustees	T.Nash*		
	A.Sigston*		
	P.Lincoln	Until 06/05/2015	
	L.Phillips	From 08/10/2015	
Trustees	S.Peck	(Chairman from 06/05/2015)	
	H.Lay		
	N.Pope*	Appointed 30/09/2014	
	N.Riddiough	Appointed 01/12/2014	(Staff)
	D.Morrison	Appointed 02/12/2014	(Staff)
	M.Riley	Resigned 18/09/2014	
	L.Pitt	Resigned 31/10/2014	
	M.Abraham	Appointed 08/10/2015	
	R.Imms	Appointed 08/10/2015	
	* member of the Audit Committee		
Company Secretary	RSM Tax and Accounting Limited (Formerly Baker Tilly Tax and Accounting Limited)		
Accounting Officer	K.Crossley	(CEO)	
Chief Financial Officer	J.Olley	(CFO)	
Management Team:			
Chief Executive Officer	K.Crossley B.Ed (Hons)		
Chief Finance Officer	J.Olley ACA		
Principal Kingsthorpe College	D.Morrison		
Headteacher Lumbertubs Primary School	C.Cook		
Headteacher Manor Court County Primary School	A.Mitchell		
Headteacher Priorswood Primary School	M.Coathe	C.Hepher	Resigned 31/08/2015
Headteacher Spring Lane Primary School	A.Owens		
Principal Wellesley Park Primary School	L.Gabriel		
Executive Headteacher:			
Willowdown Primary Academy	N.Riddiough		
Woolavington Village Primary School	N.Riddiough	W.Beer	Contract terminated
Headteacher Willow Brook Primary School and Nursery	J.Newitt		
Principal and Registered Office	The Mill House Kings Acre Coggeshall Essex C06 1NY		
Company Registration Number	08168307 (England and Wales)		

THE COLLABORATIVE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

External Auditor	RSM UK Audit LLP (Formerly Baker Tilly 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 2015. The annual report serves the purposes of both the Trustees' Report and the Directors' Report under company law.

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

Its academies have a combined pupil capacity of 3,586 and a roll of 3,130 in the school census dated 1st October 2015

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 - . 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.

METHOD OF RECRUITMENT AND APPOINTMENT OF TRUSTEES

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

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF LOCAL GOVERNORS

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Trust Board meets at least once a term formally and Directors are in regular contact otherwise. Induction and training needs are identified as meetings take place. Reviews are taken regularly in regards to the mix of skills on the Board and this has led the board to advertise through the New Schools Network 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 by the Trust and through the Quality Framework for Governance while training and induction for Trustees also includes Guidance given by the Charities Commission.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

ORGANISATIONAL STRUCTURE

The Board is supported by the Chief Executive Officer and Chief Finance Officer. In addition, Academy Learning Advisers work with the schools either as CAT employees, through the tripartite agreement with EdisonLearning and the EFA or as Associates. A range of partner organisations has developed, most notably in the form of RSM (Formerly Baker Tilly) to provide audit, Stone King to provide legal advice and EPM to provide HR and Payroll services. The Chief Executive Officer has been appointed to the position of Accounting Officer.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

EdisonLearning Limited is a corporate member and sponsor of the Collaborative Academies Trust. It can appoint 3 people to represent it, and it is these three members that can appoint other Trustees. EdisonLearning does not consolidate CAT into its financial statements although it maintains controls that would normally lead it to be treated as a 100% owned subsidiary. The restrictions set out by the Funding Agreement and the Memorandum and Articles of Association of the Trust do not allow for assets of the Trust to be freely used across the business entity and consolidation would materially misrepresent the trading results and assets held by EdisonLearning. The Trust holds a tripartite agreement with the DfE and EdisonLearning ensuring costs associated with using EdisonLearning's school improvement services are provided to CAT 'at cost' with no profit element included. Further details can be found in note 24.

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

OBJECTIVES AND ACTIVITIES

OBJECTIVES AND AIMS

Our aim is for CAT schools to be the best; schools without failure, where every child is able to discover a skill, an ability, a talent or an interest through which they can become whatever they want to be.

Our aim is to develop students who are successful learners, confident individuals and responsible citizens. We will achieve this through ensuring competence in basic skills, embedding values, understanding of the wider world, a set of personal skills and capacities as well as accreditation of knowledge and understanding of the subject disciplines.

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.

Our work will:

- develop the range of skills, abilities, talents and interests of the children in our schools through our taught curriculum and extra curricula activity
- 'narrow the gap' for our more disadvantaged children
- develop the Trust into three self sustaining clusters (Essex, Somerset and Northamptonshire) that grow as part of a wider family of schools
- improve organisational capacity centrally, regionally and in our schools
- challenge existing roles and models
- foster true collaboration between schools
- help all our schools become at least 'good' with a demonstrable impact on progress, attainment and well being for the children taught in them.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES, STRATEGIES AND ACTIVITIES

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

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

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

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

PUBLIC BENEFIT

The Academy Trust Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission, in exercising their powers. The areas benefiting 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

On conversion our schools have undertaken an analysis against the Features of Highly Effective Schools – the Collaborative Quality Analysis. This helps to shape priorities against the five areas of the EdisonLearning Ltd Design for School Improvement and informs the school development plan. Our academies then work collaboratively with CAT and EdisonLearning Achievement Advisers through a number of individual and network development days.

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

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

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

All academies in the Trust either have, or had on conversion, an Ofsted judgement of Requires Improvement or Special Measures. The Trust views all the schools as having made progress on their journey to become 'good' or 'outstanding' however it is also aware that some academies have not made as much progress in their published results as it would have wished. Where this is the case the Board are requesting additional evidence of impact and monitoring along with information on the plans to move the academy forward at a quicker pace.

The Trust has appointed its first Executive Principal in Somerset, who now oversees Willowdown Primary Academy and Woolavington Village Primary Schools. The Trust will continue to review its leadership and governance structures during the next financial year and as opportunities arise.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

KEY PERFORMANCE INDICATORS AND ACHIEVEMENT

Willowdown Primary Academy and Willow Brook Primary School and Nursery joined the trust on 1st September 2014.

Key performance information is summarised in the tables below:

SCHOOL	REGION	SECTOR	NOR	OFSTED	YEAR
Kingsthorpe College	Northampton	Secondary	1222	2	2015
Lumbertubs Primary School	Northampton	Primary	195	4	2014
Spring Lane Primary School	Northampton	Primary	378	3	2014
Manor Court Community Primary School	Somerset	Primary	384	3	2015
Priorswood Primary School	Somerset	Primary	170	3	2015
Wellesley Park Primary School	Somerset	Primary	326	2	2015
Woolavington Village Primary School	Somerset	Primary	148	4	2013
Willowdown Primary Academy	Somerset	Primary	110	N/A	N/A
Willow Brook Primary School and Nursery	Essex	Primary	197	N/A	N/A

5+ A*-C inc English and Maths (EN/Ma)			3 levels inc EN/Ma	
2013	2014	2015	2014	2015
46%	50%	50%	64/68	73/50

Secondary School

Kingsthorpe College

Primary Schools

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

Level 4+ Combined R/Wr/Ma*		
2013	2014	2015
37%	52%	69%
41%	33%	68%
76%	84%	64%
63%	28%	55%
84%	85%	87%
74%	65%	60%
N/A	N/A	N/A
N/A	53%	66%

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

Expected Progress R/Wr/Ma*		
2013	2014	2015
72/84/60	86/71/90	88/92/92
77/78/68	78/82/59	100/100/87
89/94/89	84/100/97	74/93/70
80/100/80	72/100/56	90/95/76
88/96/90	96/100/94	94/96/93
N/A	84/90/84	85/89/85
N/A	N/A	N/A
N/A	75/100/63	89/100/89

* R/Wr/Ma= Reading/Writing/Maths

Analysis

At Key Stage 2 (KS2) all primary schools closed the gap for both attainment and progress with national* figures on every measure except one (which stayed the same).

The KS2 figure for Writing is now above the national 2014* figure.

In KS2 there was a 12% point gain in Maths attainment with schools being only 4% away from the national* progress figure.

Maths is now catching up with Reading and Writing across the Trust.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Analysis continued

Trust wide the average EYFS 'good development' data was above the national 2014* figure.

Trust wide the year 1 Phonics figure was above national 2014* figure.

Lumbertubs Primary School and Spring Lane Primary School (Northants), and Willow Brook Primary School and Nursery (Essex) were above floor target for the first time.

Kingsthorpe College has won the 'School of the Year' Award in Northamptonshire following a 'Good' rating by Ofsted and the positive messages regarding the school from parents, pupils and staff.

Wellesley Park Primary School (Somerset) has had a third year of strong data at KS1 and KS2 and has recently been rated 'Good' by Ofsted.

* Based on 2014 National Statistics - 2015 National Statistics were not available at the time of writing.

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

During the year the Trust added a new build primary school in Bridgwater and its first converter primary school in Essex, both converted on the 1st September 2014.

Income is mostly obtained from the Department for Education (DfE)/Education Funding Agency (EFA) in the form of General Annual Grants (GAG), the use of which is restricted to the Trust's educational objectives. The grants from the DfE/EFA and the associated expenditure can be seen in the restricted funds of the Statement of Financial Activities. All schools continue to receive some funding from their respective local authority for special educational needs, budget adjustments or nursery fees. The total funding received in this way, excluding capital funding, amounted to £16,980,000 (2014:£14,786,000).

The assets and liabilities the Trust acquired in the year of conversion can be seen in note 25.

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 spent an amount allocated last year under the Academies Capital Maintenance Funding to Manor Court Community Primary school to put in place facilities for a child with special needs. The Trust now receives Schools Condition Funding of £293,000 for the year ending 31st March 2016. The Trust have accounted for this grant as income as it has met the income recognition criteria of the SORP. The Trust have started to implement capital projects that have been highlighted by condition surveys.

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 17 of the financial statements. The restricted fixed asset fund has been reduced by the annual depreciation charge.

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

The Statement of Financial Activities shows a surplus of £8,350,000 (2014: £323,000). This includes a surplus of £8,541,000 (2014:£1,268,000) on conversion represented by £28,000 (2014: £124,000) cash balances, £8,943,000 (2014: £1,495,000) land and buildings, fixtures and fittings £20,000 (2014: nil) and a pension deficit of £450,000 (2014: £351,000).

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

- The reserves held in restricted and unrestricted general reserve
- Total payroll as a % of GAG income
- % payroll split between teaching and non-teaching costs
- Cashflow balance

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

FINANCIAL REVIEW (CONTINUED)

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

At the year end total payroll as a percentage of GAG was 85% (2014: 80%) (excluding Trust staff costs), 84% (2014: 88%) of these costs were spent in direct teaching and educational support. The Trust expects schools to spend between 75-80% of GAG in this way, and this is higher than expected due to the interventions in schools to raise standards. The Trust expects 60-65% of payroll costs to be spent on teaching costs.

All schools have a strong cashflow balance and budgets to make the best use of their resources to meet the outcomes they have set. The total cash balance was £2,912,000 (2014: £2,707,000). This is much higher than the balance expected by the Trust which is more in the region of £1,300,000. 2016 budgets set should see this balance fall in 2015/16 as schools use funds to meet lagged funding and to raise standards.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has continually reviewed risks under the following headings:

People & Governance

The Trust is currently reliant on key individuals especially the Chief Executive Officer (also Accounting Officer) and Chief Finance Officer. The Trust has expanded the finance team to reduce the reliance on one individual in finance and is mindful of the risk associated with key staff members should they need a prolonged period of absence.

The Trust has been actively looking to co opt Trustees with the expertise to support certain roles on the board. It has actively sought to appoint a trustee with a strong financial background, and believes it has succeeded in doing this at the start of the new financial year.

Finance

Funding - The Trust are aware of the principal risks and uncertainties relating to pupil numbers and government policy on funding. The Trust carries a pension deficit on its balance sheet in relation to the LGPS pension for non teaching staff. The Trust is mindful of the pressure to reduce GAG funding and the risks this poses to the Trust in meeting its responsibilities. All schools have stable or increasing pupil numbers and the trust keeps up to date with funding changes to put in place the necessary action plans relating to the funding changes.

Compliance, fraud, regularity and propriety - The Trust has in place policies and regulations to minimise the risks. These are supported currently by external audit and internal audit reporting.

Strategy

Growth - The Trust are aware of the tensions regarding growing too quickly and not growing at all. The current schools the Trust hold all need to show that they are moving to 'good' or 'outstanding' to support the Trust expansion strategy of a cluster of schools in Essex as well as to extend the number of schools in Northampton. The Trust were pleased that two out of its nine schools had been judged as 'Good' in their 2015 inspections and are confident that others will follow.

Individual Academies

Further risk to the Trust's success is failure to improve following adverse Ofsted judgements. The Trust has used Babcock International to complete mock inspections on certain schools. The Trust pays for each school to have an independent School Improvement Partner (SIP) that reports regularly to the Chief Executive Officer (CEO) and the Trust also has its own advisers supporting judgements and monitoring progress. Termly 'Team Around The School' Meetings take place to challenge school leaders, progress and the role of the local governing body. The Board has targeted certain schools that need additional reporting and are in regular contact with the CEO on their progress.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

RESERVES POLICY

It is the Trust's view that there should be reserves to support schools to achieve their outcomes for today's children and not hold reserves unnecessarily. The Trust has asked all schools to work towards a reserve of one months staffing cost plus £20,000 for a primary school and £100,000 for a secondary school. This, they believe, will give all schools a working capital buffer and the ability to make decisions that meet the outcomes for their pupils both in the short term and longer term. The total funds of the Trust amounted to £15,303,000 (2014: 6,923,000), with £1,560,000 (2014: £1,452,000) being freely available, the balance being invested in fixed assets, or having restriction, including the deficit on the local pension scheme of £4,505,000 (2014: £4,034,000). Funds notes 15 and 16 set out the carry forward for each school and the analysis between restricted and unrestricted funds. The budgets set by schools should lead to a reduction in reserves next year by £700,000. A large amount of this is to support Kingsthorpe College where pupil numbers had fallen but have now returned to full occupation in year 7. The deficit Head Office fund balance will be recovered from a contribution by all schools. The Trust intend to review its Reserve Policy again in the financial year 2015/16.

Like most Academy Trusts the Board takes the advice of the local LGPS Actuary to meet its obligations in relation to the LGPS deficit it holds.

INVESTMENTS POLICY

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

PLANS FOR FUTURE PERIODS

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

Our schools are not custodian Trustees on behalf of others.

AUDITOR

The auditor, RSM UK Audit LLP (Formerly Baker Tilly 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 11th December 2015 and signed on the boards behalf by:



S. Peck
Chairman

THE COLLABORATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trust Body has formally met 3 times during the year. Attendance during the year at meetings of the trustee body was as follows:

TRUSTEE/DIRECTOR		MEETINGS ATTENDED	OUT OF POSSIBLE
S.Peck		3	3
P.Lincoln	Resigned 06/05/2015	3	3
A.Sigston		2	3
T.Nash		3	3
L.Pitt	Resigned 31/10/2014	0	0
N.Pope	Appointed 30/09/2014	3	3
H.Lay		0	3
M.Riley	Resigned 18/09/2014	0	0
N.Riddiough	Appointed 01/12/2014	2	2
D.Morrison	Appointed 02/12/2014	2	2
Also in attendance			
K.Crossley	CEO	2	3
J.Olley	CFO	3	3

The Board composition is regularly reviewed at meetings. N.Pope was appointed with a legal background and the Board have been actively seeking new Board members with a financial background to strengthen it. The new directors have a range of backgrounds with a wealth of experience outside the education world. These include finance, legal, change management, HR and leadership development. See Reference and Administrative Details page 2-3 for appointments post year end.

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

The Audit Committee met three times during the year. The purpose of this subcommittee is to oversee the Academy Trusts

governance, risk management, internal control and value for money framework. Attendance at the meetings was as follows:

TRUSTEES		MEETINGS ATTENDED	OUT OF POSSIBLE
A.Sigston		3	3
T.Nash		3	3
N.Pope	Appointed 30/09/2014	2	2
Also in attendance			
K.Crossley	CEO	3	3
J.Olley	CFO	3	3

THE COLLABORATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

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

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

- Using personnel resources across more than one school.
- By implementing a more consistent approach across schools, for example Budget Software to support budget approach and monitoring and Target Tracker to support the presentation of pupil data.
- Sharing best practice across schools, including a review of areas where there are common weaknesses and training collaboratively.

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 2015 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 2015 and up to the date of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Local Governing Body and the Trust Board;
- regular reviews by the Local Governing Bodies Staffing and Resource/Finance committees of reports, followed by full reports at Full Governing Body meetings, which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The 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:

- a review of The Collaborative Academies Trust Financial Regulations manual against the Charity Commissions document CC8 'Internal Financial Controls for Charities'
- Testing of payroll systems
- Testing of purchase systems

The reports from Crowe Clarke Whitehill were reviewed by the Audit Committee and the school local governing bodies. A plan of action to meet any recommendations was made at local governing body level. Recommendations for changes to the financial regulation were reviewed by the CFO and a revised financial regulation document issued. This was reviewed and agreed for distribution to schools, its adoption date was 1st September 2015 although earlier adoption was encouraged.

THE COLLABORATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)


REVIEW OF EFFECTIVENESS

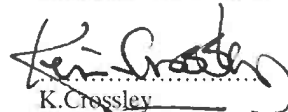
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the Board of Trustees on 11th December 2015 and signed on its behalf by:


.....
S. Peck
Chairman


.....
K. Crossley
Accounting Officer

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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.

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



K. Crossley
Accounting Officer

Date: 11/12/15

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Trustee Board on 11th December 2015 and signed on its behalf by:



.....

S. Peck
Chairman

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

YEAR ENDING ON 31st AUGUST 2015

We have audited the financial statements of The Collaborative Academies Trust for the year ended 31 August 2015 on pages 18 to 52. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the Trustees (who act as Trustees for the charitable company, and are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2015 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 2014 to 2015 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

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

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

YEAR ENDING ON 31st AUGUST 2015

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RSM UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, (Formerly Baker Tilly UK Audit LLP) Statutory Auditor

Marlborough House

Victoria Road South

Chelmsford

Essex

CM1 1LN

15 December 2015

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

For the year ended 31st August 2015

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000	Total 2014 £'000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	1	272	148	444	864	431
Voluntary income - transfer from local authorities on conversion	25	10	(432)	8,963	8,541	1,268
Activities for generating funds	2	143	-	-	143	68
Investment income	3	7	-	-	7	2
Income from charitable activities						
Academy Trust's educational operations	4	-	16,980	-	16,980	14,786
TOTAL INCOMING RESOURCES		432	16,696	9,407	26,535	16,555
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of generating voluntary income	5	212	4	-	216	215
Fundraising trading	5	112	-	-	112	52
Charitable activities:						
Academy Trust's educational operations	5, 6	-	17,125	682	17,807	14,917
Governance costs	5, 7	-	397	-	397	365
TOTAL RESOURCES EXPENDED		324	17,526	682	18,532	15,549
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS						
Gross transfers between funds	15	-	(104)	104	-	-
NET INCOME/(EXPENDITURE) FOR THE PERIOD		108	(934)	8,829	8,003	1,006
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	347	-	347	(683)
NET MOVEMENT IN FUNDS		108	(587)	8,829	8,350	323

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES) (CONTINUED)

For the year ended 31st August 2015

		Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000	Total 2014 £'000
NET MOVEMENT IN FUNDS		108	(587)	8,829	8,350	323
RECONCILIATION OF FUNDS						
Total funds brought forward		1,452	(3,388)	8,889	6,953	6,630
TOTAL FUNDS CARRIED FORWARD	15, 16	1,560	(3,975)	17,718	15,303	6,953

All of the Academy Trust's activities derive from continuing operations during the above two periods.

THE COLLABORATIVE ACADEMIES TRUST

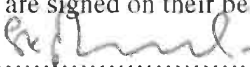
BALANCE SHEET

As at 31st August 2015

Company registration number: 08168307

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
FIXED ASSETS					
Tangible assets	11		17,279		8,783
CURRENT ASSETS					
Stock	12	30		32	
Debtors	13	732		491	
Cash at bank and in hand		2,912		2,707	
		<u>3,674</u>		<u>3,230</u>	
CREDITORS: Amounts falling due within one year	14	<u>(1,145)</u>		<u>(1,026)</u>	
NET CURRENT ASSETS			<u>2,529</u>		<u>2,204</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			19,808		10,987
NET ASSETS EXCLUDING PENSION LIABILITY			19,808		10,987
Pension Scheme Liability	23		<u>(4,505)</u>		<u>(4,034)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>15,303</u>		<u>6,953</u>
THE FUNDS OF THE ACADEMY TRUST:					
RESTRICTED FUNDS					
Fixed asset fund	15		17,718		8,889
General fund	15		530		646
			<u>18,248</u>		<u>9,535</u>
Restricted funds excluding pension reserve			18,248		9,535
Pensions reserve	15		<u>(4,505)</u>		<u>(4,034)</u>
TOTAL RESTRICTED FUNDS			<u>13,743</u>		<u>5,501</u>
TOTAL UNRESTRICTED INCOME FUNDS	15		<u>1,560</u>		<u>1,452</u>
TOTAL FUNDS			<u>15,303</u>		<u>6,953</u>

The financial statements on pages 18 to 52 were approved by the Trustees and authorised for issue on 11th December 2015 and are signed on their behalf by:



S. Peck
Chairman

THE COLLABORATIVE ACADEMIES TRUST

CASH FLOW STATEMENT

For the year ended 31st August 2015

	<i>Notes</i>	2015	2014
		£'000	£'000
NET CASH FLOW FROM OPERATING ACTIVITIES	18	(58)	590
Returns on investments and servicing of financing	19	7	2
Capital expenditure	20	228	27
Cash transferred on conversion to an academy trust	19A	28	124
		<hr/>	<hr/>
INCREASE IN CASH IN THE YEAR	21	205	743
		<hr/> <hr/>	<hr/> <hr/>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		2015	2014
		£'000	£'000
Opening Funds at 1st September 2014		2,707	1,964
Increase in cash in the year		205	743
		<hr/>	<hr/>
NET FUNDS AT 31st AUGUST 2015	21	2,912	2,707
		<hr/> <hr/>	<hr/> <hr/>

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice: 'Accounting and Reporting by Charities' ('SORP 2005'), the Academies: Accounts Direction 2014 to 2015 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, are set out below.

GOING CONCERN

The trustees have assessed that the use of going concern is appropriate. To do this they assess pupil numbers, budgets and cashflows and looked at possible uncertainties in their three years forecast. The Trustees consider that the Trust will remain a going concern for the foreseeable future and therefore the going concern basis is appropriate.

INCOMING RESOURCES

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt 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 restricted funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

The General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

SPONSORSHIP INCOME

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

DONATIONS

Donations are recognised on a receivable basis where there is entitlement, certainty of receipt and the amount can be reliably measured.

OTHER INCOME

Other income is recognised in the period it is receivable and to the extent the goods have been provided or the completion of the service.

INTEREST RECEIVABLE

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

DONATED SERVICES AND GIFTS

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed assets category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES (CONTINUED)

RESOURCES EXPENDED

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

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. 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. 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 such assets is charged to the restricted asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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)
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.

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES (CONTINUED)

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.

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 TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each period.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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

FUNDS ACCOUNTING

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

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

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

THE COLLABORATIVE ACADEMIES TRUST

ACCOUNTING POLICIES (CONTINUED)

CONVERSION TO AN ACADEMY TRUST

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

The assets and liabilities from the below schools have been transferred during the year on conversion to the Academy Trust and have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Collaborative Academies Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in as a gift/as net expenditure in other resources expended in the Statement of Financial Activities and analysed under unrestricted, restricted general and restricted fixed assets funds. Further details of the transaction are set out in note 25.

Schools Converted:

Willowdown Primary Academy

Willow Brook Primary School and Nursery

AGENCY ARRANGEMENTS

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

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st August 2015

1 VOLUNTARY INCOME	Unrestricted	Restricted	Restricted	Total 2015 £'000	Total 2014 £'000
	funds £'000	general funds £'000	fixed asset funds £'000		
Capital Grants	-	-	444	444	116
Other donations	272	148	-	420	315
	272	148	444	864	431

2 ACTIVITIES FOR GENERATING FUNDS	Unrestricted	Restricted	Total 2015 £'000	Total 2014 £'000
	funds £'000	general funds £'000		
Hire of facilities	10	-	10	5
Fundraising	13	-	13	5
Breakfast and after school club	91	-	91	41
Uniform	17	-	17	9
Staff services	12	-	12	8
	143	-	143	68

3 INVESTMENT INCOME	Unrestricted	Restricted	Total 2015 £'000	Total 2014 £'000
	funds £'000	funds £'000		
Short term deposits	7	-	7	2

FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted	Restricted	Restricted	Total 2015 £'000	Total 2014 £'000
	funds £'000	general funds £'000	fixed asset funds £'000		
DfE/EFA REVENUE GRANTS					
General Annual Grant (GAG)	-	15,337	-	15,337	13,456
Start up Grants	-	-	-	-	160
Other DfE/EFA grants	-	342	-	342	50
TOTAL DfE/EFA REVENUE GRANTS	-	15,679	-	15,679	13,666
OTHER GOVERNMENT GRANTS					
Local Authority Grants	-	1,301	-	1,301	1,120
TOTAL OTHER GOVERNMENT GRANTS	-	1,301	-	1,301	1,120
FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS	-	16,980	-	16,980	14,786

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

5 RESOURCES EXPENDED

	Staff costs £'000	Non pay expenditure		Total	Total
		Premises £'000	Other costs £'000	2015 £'000	2014 £'000
Costs of generating voluntary income	56	-	160	216	215
Fund-raising trading	88	-	24	112	52
Academy Trust's education operations					
Direct costs	11,122	-	1,181	12,303	10,590
Allocated support costs	2,006	1,984	1,514	5,504	4,327
	13,272	1,984	2,879	18,135	15,184
Governance costs including allocated support costs	329	-	68	397	365
	13,601	1,984	2,947	18,532	15,549

Net incoming/(outgoing) resources for the period is stated after charging:	2015 £'000	2014 £'000
Operating leases - plant and machinery	42	8
Operating leases - other	620	606
Fees payable for audit and accounting services:		
- audit	35	30
- other services	14	10

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

6 CHARITABLE ACTIVITIES - ACADEMY TRUST'S EDUCATION OPERATIONS

	2015	2014
	£'000	£'000
DIRECT COSTS		
Teaching and educational support staff	11,122	9,427
Technology costs	96	108
Educational supplies	422	330
Examination fees	111	133
Staff development	98	96
Educational consultants	406	438
Other direct costs	48	58
	<hr/>	<hr/>
	12,303	10,590
	<hr/> <hr/>	<hr/> <hr/>
ALLOCATED SUPPORT COSTS		
Support staff costs	1,886	1,355
Depreciation	682	381
Technology costs	255	239
Maintenance of premises and equipment	227	249
Cleaning	32	18
Rent and rates	778	752
Energy costs	265	207
Insurance	138	110
Catering	478	217
Bank interest and charges	7	4
Other support costs	636	678
Other finance cost - pension finance cost	120	117
	<hr/>	<hr/>
	5,504	4,327
	<hr/> <hr/>	<hr/> <hr/>
TOTAL DIRECT AND SUPPORT COSTS	17,807	14,917

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

7 GOVERNANCE COSTS

	2015	2014
	£'000	£'000
Legal and professional fees	9	59
Auditor's remuneration		
Audit of financial statements	35	30
Other services	21	10
Support costs	329	264
Trustees' reimbursed expenses	3	2
	<u>397</u>	<u>365</u>

8 STAFF COSTS

	2015	2014
	£'000	£'000
Staff costs during the period were:		
Wages and salaries	10,526	8,665
Social security costs	717	588
Pension costs	1,912	1,342
	<u>13,155</u>	<u>10,595</u>
Central costs benefits	44	14
Supply teacher costs	325	492
Staff restructuring costs	77	27
	<u>13,601</u>	<u>11,128</u>

Staff Severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £77,200 (2014 £27,500). Individually the payments were: £2,900, £4,400, £9,000, £9,400, £12,500, £19,000 and £20,000.

Staff numbers

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

	2015	2015	2014	2014
	No.	FTE	No.	FTE
Teachers	196	178	170	148
Administration and support	335	205	272	161
Management	10	10	10	9
	<u>541</u>	<u>393</u>	<u>452</u>	<u>318</u>

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

STAFF COSTS (CONTINUED)

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

	2015	2014
£60,001 - £70,000	5	2
£70,001 - £80,000	2	1
£90,001 - £100,000	2	1

Seven (2014: Three) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31st August 2015, pension contributions for these staff amounted to £69,563 (2014:£30,045).

The other members of staff participated in the defined contribution scheme. Pension contributions for that member of staff were £12,190 (2014: £6,960) for the period.

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 principals 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 £90,001-£95,000 (2014: N/A)

Employer's pension contributions £10,001-£15,000

N.Riddiough (Executive Headteacher and Trustee)

Remuneration £60,000-£65,000 (2014: N/A)

Employer's pension contributions £5,000-£10,000

K.Crossley (Chief Executive Officer)

Remuneration £95,001-£100,000 (2014: £95,001-£100,000)

Employer's pension contributions £5,001-£10,000 (2014 : £5001-£10,000)

S.Peck joined the Board of Trustees on the 21st January 2014. He was contracted at the beginning of the financial year to provide governance support and guidance to schools in the Somerset area. During the year S.Peck received £37,370 (2014: £37,900) for his work with schools on a consultancy basis. S.Peck has not been paid for his time as a Trustee.

The board have renewed a contract for the coming year in order that S.Peck can continue his support to the Somerset Schools. The Board consider the fees to be significantly below the suggested day rate of £500 per day for a National Leader of Governance and therefore at cost and best value for the Trust at this time. They will review this on an annual basis. The Board are happy that S.Peck has not had a role in the decision making of the Board to renew his contract for work with the Somerset Schools.

During the year ended 31st August 2015, travel and subsistence expenses totalling £3,373 (2014: £1,638) were reimbursed to 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 £3,943 (2014: £3000) and has been included in the total insurance cost shown in note 6.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

11 TANGIBLE FIXED ASSETS

	Long leasehold land and buildings £'000	Fixtures, fittings, equipment & motor vehicles £'000	Total £'000
COST			
At 1st September 2014	8,829	459	9,288
Transfer on conversion (note 25)	8,943	20	8,963
Additions	-	216	216
At 31st August 2015	<u>17,772</u>	<u>695</u>	<u>18,467</u>
DEPRECIATION			
At 1st September 2014	344	161	505
Charge for the period	493	190	683
At 31st August 2015	<u>837</u>	<u>351</u>	<u>1,188</u>
NET BOOK VALUE			
31st August 2015	<u>16,935</u>	<u>344</u>	<u>17,279</u>
31st August 2014	<u>8,485</u>	<u>298</u>	<u>8,783</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

	2015 £'000	2014 £'000
Resources and Stationery	30	32

13 DEBTORS

	2015 £'000	2014 £'000
Trade debtors	5	53
VAT recoverable	185	207
Other debtors	17	38
Prepayments and accrued income	525	193
	<u>732</u>	<u>491</u>

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

14 CREDITORS: Amounts falling due within one year	2015 £'000	2014 £'000
Trade creditors	410	450
Other taxation and social security	202	156
Other creditors	194	75
Accruals and deferred income	339	345
	<hr/>	<hr/>
	1,145	1,026
	<hr/> <hr/>	<hr/> <hr/>
Deferred income:	2015 £'000	2014 £'000
Deferred Income at 1st September 2014	178	11
Amounts released from previous year	(178)	(11)
Resources deferred in the period	170	178
	<hr/>	<hr/>
Deferred income at 31st August 2015	170	178
	<hr/> <hr/>	<hr/> <hr/>

The deferred income relates to Universal Infant Free School Meals advances of £137,154 (2014: £121,092) from the EFA and £33,000 (2014: Nil) funding from Essex County Council for the GROW project for the period 01.09.2015 to 31.03.2016.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

15 FUNDS	At 1st September 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	At 31st August 2015 £'000
RESTRICTED GENERAL					
General Annual Grant	486	15,355	(15,365)	(104)	372
Pension reserve	(4,034)	(450)	(368)	347	(4,505)
	(3,548)	14,905	(15,733)	243	(4,133)
Other DfE/EFA grants	-	342	(342)	-	-
Local authority grants	-	1,301	(1,301)	-	-
Voluntary income	160	148	(150)	-	158
	(3,388)	16,696	(17,526)	243	(3,975)
RESTRICTED FIXED ASSET FUNDS					
Inherited fixed assets	8,648	8,963	(659)	-	16,952
DfE/EFA capital grants	154	368	(20)	-	502
Capital expenditure from GAG	87	-	(3)	104	188
Local Authority Capital Grant	-	76	-	-	76
	8,889	9,407	(682)	104	17,718
TOTAL RESTRICTED	5,501	26,103	(18,208)	347	13,743
UNRESTRICTED FUNDS					
Unrestricted funds	1,452	432	(324)	-	1,560
TOTAL UNRESTRICTED FUNDS	1,452	432	(324)	-	1,560
TOTAL FUNDS	6,953	26,535	(18,532)	347	15,303

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the academies within the Trust. This has been provided via the EFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academies. Under the individual funding agreements with the Secretary of State for Education, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31st August 2015. A transfer of funds represents the amount of revenue income spent over and above the capital funding received by schools in the purchase of fixed assets.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

15 FUNDS (CONTINUED)

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

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

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

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

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

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

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

Analysis of academies by fund balance:

Fund balances at 31st August were allocated as follows:

	2015	2014
	£'000	£'000
Kingsthorpe College	980	972
Spring Lane Primary School	247	256
Lumbertubs Primary School	118	160
Manor Court Community Primary School	132	90
Priorswood Primary School	213	250
Wellesley Park Primary School	183	229
Woolavington Village Primary School	82	102
Willow Brook Primary School and Nursery	58	-
Willowdown Primary Academy	96	-
Head Office	(19)	39
	<u>2,090</u>	<u>2,098</u>
Restricted fixed asset fund	17,718	8,889
Pension reserve	(4,505)	(4,034)
	<u>13,213</u>	<u>4,855</u>
Total funds	<u>15,303</u>	<u>6,953</u>

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

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	Education al Supplies £'000	Other Costs (Excluding Depeciation) £'000	Total 2015 £'000	Total 2014 £'000
Kingsthorpe College	4,524	721	137	1,361	6,743	6,699
Spring Lane Primary School	1,265	94	80	459	1,898	1,756
Lumbertubs Primary School	889	66	74	314	1,343	1,230
Manor Court Community	1,023	170	21	326	1,540	1,566
Priorswood Primary School	661	119	15	231	1,026	868
Wellesley Park Primary	975	172	29	343	1,519	1,430
Woolavington Primary	598	135	13	146	892	556
Willow Brook Primary	794	198	37	179	1,208	-
Willowdown Primary Academ	390	85	51	137	663	-
Centrally held	28	330	1	291	650	847
LGPS pension finance cost	248	-	-	120	368	216
	11,395	2,090	458	3,907	17,850	15,168

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total 2015 £'000	Total 2014 £'000
Tangible fixed assets	-	-	17,279	17,279	8,783
Current assets	1,560	1,675	439	3,674	3,230
Current liabilities	-	(1,145)	-	(1,145)	(1,026)
Pension scheme liability	-	(4,505)	-	(4,505)	(4,034)
TOTAL NET ASSETS	1,560	(3,975)	17,718	15,303	6,953

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

17 FINANCIAL COMMITMENTS

At 31st August the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £'000	2014 £'000
Land and buildings (including PFI arrangements):		
Expiring within one year	87	-
Expiring in over five years	637	606
	<u>724</u>	<u>606</u>
	2015 £'000	2014 £'000
Other:		
Expiring within one year	2	-
Expiring within two and five years inclusive	49	27
	<u>51</u>	<u>27</u>

18	2015 £'000	2014 £'000
RECONCILIATION OF NET INCOME TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		
Net income	8,003	1,005
Cash impact of transfer on conversion (note 25)	(8,541)	(1,268)
Depreciation (note 11)	683	381
Capital grants from DiE/EFA/LA	(444)	(116)
Interest receivable	(7)	(2)
FRS 17 pension cost less contributions payable (note 23)	248	99
FRS 17 pension finance cost (note 23)	120	117
(Increase)/ Decrease in stocks	2	(4)
(Increase)/Decrease in debtors	(241)	(4)
Increase/(Decrease) in creditors	119	382
	<u>(58)</u>	<u>590</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		

19 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	2015 £'000	2014 £'000
Interest received	7	2
NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE	<u>7</u>	<u>2</u>

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

19A CASH TRANSFERRED ON CONVERSION TO AN ACADEMY	2015 £'000	2014 £'000
Cash balance transferred on conversion (note 25)	28	124

20 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2015 £'000	2014 £'000
Purchase of tangible fixed assets	(216)	(89)
Capital grants from DfE/EFA	368	116
Capital grant from Local Authority	76	-
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	228	27

21 ANALYSIS OF CHANGES IN NET FUNDS

	On 1st September 2014 £'000	Acquisition £'000	Cash flows £'000	At 31st August 2015 £'000
Cash at bank and in hand	2,707	28	177	2,912
	2,707	28	177	2,912

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.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

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 defined-benefit schemes. The Trust also contributes to a joint scheme with EdisonLearning Limited for Trust headquarters staff. This is a defined contribution scheme through Scottish Life.

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

Contributions amounting to £120,009 (2014: £61,934) were payable to the schemes at the 31st August 2015 and are included within creditors.

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

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 employers' contributions, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Services - Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The 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 (currently 14.1%))
- 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%.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Valuation of the Teachers' Pension Scheme (continued)

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

The pension costs paid to TPS in the year amounted to £922,000 (2014: £773,000).

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

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

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 2015 was £806,000 (2014:£596,000), of which employer's contributions totalled £625,000 and employees' contribution totalled £181,000. The agreed rates for future years are 25.6% for employers in Northamptonshire, 12.3% plus additional deficit payments in Essex and 18.1% for employers in Somerset and between 5.5 - 8.5 % for employees.

NORTHAMPTONSHIRE

Principal actuarial assumptions

	2015	2014
Rate of increase in salaries	4.6%	4.5%
Rate of increase for pensions in payment	2.7%	2.7%
Discount rate	3.8%	3.7%
Inflation (CPI)	2.7%	2.7%

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

	2015	2014
	Years	Years
Retiring today:		
Males	22.3	22.3
Females	24.3	24.3
Retiring in 20 years:		
Males	24.0	24.0
Females	26.6	26.6

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

	Expected return at 31 August 2015	Fair value at 31 August 2015 £'000	Expected return at 31 August 2014	Fair value at 31 August 2014 £'000
Equities	3.8%	1,433	6.4%	1,128
Bonds	3.8%	389	2.9%	302
Property	3.8%	184	4.5%	111
Cash	3.8%	41	3.3%	48
TOTAL MARKET VALUE OF ASSETS		<u>2,047</u>		<u>1,589</u>
Present value of scheme liabilities				
- Funded		<u>(4,346)</u>		<u>(3,794)</u>
DEFICIT IN THE SCHEME		<u><u>(2,299)</u></u>		<u><u>(2,205)</u></u>

The actual return on the scheme assets was £59,000 (2014: £147,000).

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (continued)

NORTHAMPTONSHIRE (CONTINUED)

Amounts recognised in the statement of financial activities:	2015	2014
	£'000	£'000
Current service cost	411	305
Total operating charge	411	305
Analysis of pension finance costs	2015	2014
	£'000	£'000
Expected return on pension scheme assets	98	71
Interest on pension liabilities	(149)	(125)
Pension finance income costs	(51)	(54)

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses for Northamptonshire since the adoption of FRS17 is £736,000 (2014: £760,000).

Movements in the present value of defined benefit obligations were as follows:	2015	2014
	£'000	£'000
At 1st September 2014	3,794	2,550
Upon conversion	-	-
Current service cost	411	305
Interest cost	149	125
Employee contributions	89	79
Estimated Benefits Paid	(34)	(28)
Actuarial loss	(63)	763
At 31st August 2015	4,346	3,794
Movements in the fair value of Academy Trust's share of scheme assets:	2015	2014
	£'000	£'000
At 1st September 2014	1,589	1,042
Upon conversion	-	-
Expected return on assets	98	71
Actuarial gain	(39)	122
Employee contributions	89	79
Estimated benefits paid	(34)	(28)
Employer contributions	344	303
At 31st August 2015	2,047	1,589

The estimated value of employer contributions for the year ended 31st August 2016 is £353,000 (2015: £313,000).

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (continued)

NORTHAMPTONSHIRE (CONTINUED)

The five-year history of experience adjustments is as follows:

	2015 £'000	2014 £'000
Present value of defined benefit obligations	(4,346)	(3,794)
Fair value of share of scheme assets	2,047	1,589
	<hr/>	<hr/>
Deficit in the scheme	(2,299)	(2,205)
	<hr/> <hr/>	<hr/> <hr/>
Experience adjustments on share of scheme assets: Amount £'000	(39)	122
	<hr/> <hr/>	<hr/> <hr/>
Experience adjustments on scheme liabilities: Amount £'000	1	(70)
	<hr/> <hr/>	<hr/> <hr/>

SOMERSET

Principal actuarial assumptions

	2015	2014
Rate of increase in salaries	4.5%	4.5%
Rate of increase for pensions in payment	2.7%	2.7%
Discount rate	4.0%	4.0%
Inflation (CPI)	2.7%	2.7%

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

	2015 Years	2014 Years
Retiring today:		
Males	23.7	23.6
Females	26.1	26.0
Retiring in 20 years:		
Males	26.0	25.6
Females	28.4	28.3

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (continued)

SOMERSET (CONTINUED)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rate of return were:

	Expected return at 31 August 2015	Fair value at 31 August 2015 £'000	Expected return at 31 August 2014	Fair value at 31 August 2014 £'000
Equities	5.9%	1,013	6.7%	752
Gilts	5.9%	95	3.0%	69
Other Bonds	5.9%	149	3.6%	125
Property	5.9%	145	5.9%	104
Cash	5.9%	25	2.9%	22
TOTAL MARKET VALUE OF ASSETS		1,427		1,072
Present value of scheme liabilities				
- Funded		(3,148)		(2,764)
DEFICIT IN THE SCHEME		(1,721)		(1,692)

Actual return on scheme assets was £38,000 (2014:£88,000).

The expected return on assets is based on the long-term future expected investment return for each asset class. The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

Amounts recognised in the Statement of Financial Activities:	2015 £'000	2014 £'000
Current service cost	404	253
Total operating charge	404	253
Analysis of pension finance costs:	2015 £'000	2014 £'000
Expected return on pension scheme assets	73	48
Interest on pension liabilities	(124)	(111)
Pension finance cost	(51)	(63)

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses for Somerset since the adoption of FRS17 is £323,000 (2014: £86,000).

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (continued)

SOMERSET (CONTINUED)

Movements in the present value of defined benefit obligations were as follows:

	2015	2014
	£'000	£'000
At 1st September 2014	2,901	1,822
Upon conversion	4	586
Current service cost	404	253
Interest cost	124	111
Employee contributions	75	54
Estimated benefits paid net of transfers	(2)	(7)
Actuarial loss	(358)	82
At 31st August 2015	3,148	2,901

Movements in the fair value of Academy Trust's share of scheme assets:

	2015	2014
	£'000	£'000
At 1st September 2014	1,072	546
Upon conversion	2	235
Expected return on assets	73	48
Actuarial gain	(35)	40
Employee contributions	75	54
Employer contributions	242	156
Benefits Paid	(2)	(7)
At 31st August 2015	1,427	1,072

The estimated value of employer contributions for the year ended 31st August 2016 is £242,000 (2015: £187,000).

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (continued)

SOMERSET (CONTINUED)

The five-year history of experience adjustments is as follows:

	2015	2014
	£'000	£'000
Present value of defined benefit obligations	(3,148)	(2,901)
Fair value of share of scheme assets	1,427	1,072
	<hr/>	<hr/>
Deficit in the scheme	(1,721)	(1,829)
	<hr/> <hr/>	<hr/> <hr/>
Experience adjustments on share of scheme assets: Amount £'000	(35)	40
	<hr/> <hr/>	<hr/> <hr/>
Experience adjustments on scheme liabilities: Amount £'000	-	-
	<hr/> <hr/>	<hr/> <hr/>

ESSEX

Principal actuarial assumptions

	2015	2014
Rate of increase in salaries	4.5%	-
Rate of increase for pensions in payment	2.7%	-
Discount rate	4.0%	-
Inflation (CPI)	2.7%	-

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

	2015	2014
	Years	Years
Retiring today:		
Males	22.8	-
Females	25.2	-
Retiring in 20 years:		
Males	25.1	-
Females	27.6	-

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (continued)

ESSEX (CONTINUED)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rate of return were:

	Expected return at 31 August 2015	Fair value at 31 August 2015 £'000	Expected return at 31 August 2014	Fair value at 31 August 2014 £'000
Equities	5.0%	52	-	-
Gilts	5.0%	3	-	-
Other Bonds	5.0%	8	-	-
Property	5.0%	9	-	-
Cash	5.0%	2	-	-
Alternative Assets	5.0%	6	-	-
TOTAL MARKET VALUE OF ASSETS		80		-
Present value of scheme liabilities				
- Funded		(565)		-
DEFICIT IN THE SCHEME		(485)		-

Actual return on scheme assets was £2,000.

The expected return on assets is based on the long-term future expected investment return for each asset class. The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

Amounts recognised in the Statement of Financial Activities:

	2015 £'000	2014 £'000
Current service cost	79	-
Total operating charge	79	-
Analysis of pension finance costs:		
Expected return on pension scheme assets	2	-
Interest on pension liabilities	(20)	-
Pension finance cost	(18)	-

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses for Essex since the adoption of FRS17 is £nil.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Schemes (continued)

ESSEX (CONTINUED)

Movements in the present value of defined benefit obligations were as follows:	2015 £'000	2014 £'000
At 1st September 2014	-	-
Upon conversion	448	-
Current service cost	79	-
Interest cost	20	-
Employee contributions	18	-
At 31st August 2015	565	-

Movements in the fair value of Academy Trust's share of scheme assets:	2015 £'000	2014 £'000
At 1st September 2014	-	-
Upon conversion	-	-
Expected return on assets	2	-
Actuarial gain	-	-
Employee contributions	18	-
Employer contributions	60	-
Benefits Paid	-	-
At 31st August 2015	80	-

The estimated value of employer contributions for the year ended 31 August 2016 is £61,000.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED) ESSEX (CONTINUED)

The five-year history of experience adjustments is as follows:

	2015 £'000	2014 £'000
Present value of defined benefit obligations	(565)	-
Fair value of share of scheme assets	80	-
Deficit in the scheme	(485)	-
Experience adjustments on share of scheme assets: Amount £'000	-	-
Experience adjustments on scheme liabilities: Amount £'000	-	-

CONSOLIDATED LOCAL GOVERNMENT PENSION SCHEMES

	2015 £'000	2014 £'000
Present value of defined benefit obligations	(8,059)	(6,695)
Fair value of share of scheme assets	3,554	2,661
Deficit in the scheme	(4,505)	(4,034)
Amounts recognised in the Statement of Financial Activities:	2015 £'000	2014 £'000
Current service cost	894	558
Total operating charge	894	558
Analysis of pension finance income/(costs):	2015 £'000	2014 £'000
Expected return on pension scheme assets	173	119
Interest on pension liabilities	(293)	(236)
Pension finance cost	(120)	(117)

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses for Northamptonshire, Essex and Somerset since the adoption of FRS17 is £938,000 (2014: £915,000).

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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 £18,635 (2014: £13,862) and these have been included in the Statement of Financial Activities.

At the 31st August 2015 £nil (2014: £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 regulation 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.

During the period EdisonLearning Ltd provided the Trust with a full time Chief Executive Officer, who is the Accounting Officer, and members of staff, including the Chief Financial Officer. These members of staff became permanently employed by the Trust from 1st April 2015. EdisonLearning continues to recharge costs for benefits in kind that are held jointly between the Trust and Edisonlearning Ltd in order to get best value for money. The expenditure is recharged to the trust at cost and this is set out below:

	2015	2014
	£'000	£'000
Staff Cost	151	209
School Improvement	18	65
Administrative costs	2	3
	<u>171</u>	<u>277</u>

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.

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 Debtors includes a balance of £1,124 (2014 Creditor : £646) owed to EdisonLearning Limited at the year end.

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

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

25 CONVERSION TO AN ACADEMY TRUST

SOMERSET

On 1st September 2014 Willowdown Primary Academy opened as a newly built school. Under the Academies Act 2010 and all the assets and liabilities were transferred to the Collaborative Academies Trust from the Somerset Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

VOLUNTARY INCOME ANALYSIS:

	TOTAL	Unrestricted	Restricted	Restricted
	£'000	funds	general	fixed
	£'000	£'000	fund	asset
			£'000	funds
Tangible fixed assets:				
Leasehold land and buildings	4,817	-	-	4,817
Fixtures and fittings	-	-	-	-
School budget surplus	-	-	-	-
LGPS pension deficit	(2)	-	(2)	-
Net assets/(liabilities)	4,815	-	(2)	4,817

The above net assets include no transfers as cash.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

25 CONVERSION TO AN ACADEMY TRUST

ESSEX

On 1st September 2014 Willow Brook Primary School and Nursery converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Collaborative Academies Trust from the Essex Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

VOLUNTARY INCOME ANALYSIS:

	TOTAL	Unrestricted	Restricted	Restricted
	£'000	funds	general	fixed
	£'000	£'000	fund	asset
			£'000	funds
			£'000	£'000
Tangible fixed assets:				
Leasehold land and buildings	4,126	-	-	4,126
Fixtures and fittings	20	-	-	20
School budget surplus	28	10	18	
LGPS pension deficit	(448)	-	(448)	
Net assets/(liabilities)	3,726	10	(430)	4,146

The above net assets include £28,000 transferred as cash.

26 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. The balance brought forward on 1st September 2014 was a debtor of £2,711. In the period it received £21,186 (2014: £21,304) and disbursed £16,857, (2014: £27,955) with an amount of £1,617 (2014: £2,711 Debtor) included in Other Creditors.

THE COLLABORATIVE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st August 2015

27 CENTRAL SERVICES

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

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

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

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

	2015	2014
	£'000	£'000
Kingsthorpe College	203	212
Lumbertubs Primary School	44	45
Spring Lane Primary School	66	39
Manor Court Community Primary School	54	56
Priorswood Primary School	33	30
Wellesley Park Primary School	52	50
Woolavington Village Primary School	29	18
Willowdown Primary Academy	20	-
Willow Brook Primary School and Nursery	41	-

THE COLLABORATIVE ACADEMIES TRUST

YEAR ENDING ON 31st AUGUST 2015

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

In accordance with the terms of our engagement letter dated 4th July 2013 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31st August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Collaborative Academies Trust and the EFA in accordance with the terms of our engagement letter dated 4th July 2013. Our work has been undertaken so that we might state to The Collaborative Academies Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Collaborative Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Collaborative Academies Trust's funding agreement with the Secretary of State for Education dated 1st November 2012 and the Academies Financial Handbook extant from 1st September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. 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 2014 to 31st August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

THE COLLABORATIVE ACADEMIES TRUST LIMITED

YEAR ENDING ON 31st AUGUST 2015

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 2014 to 31st August 2015 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 (Formerly Baker Tilly UK Audit LLP)

Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
CM1 1LN

15 December 2015
