

COMMUNITY ACADEMIES TRUST

Annual Report and Financial Statements

Year ended 31 August 2020

ONLINE at:

www.communityacademiestrust.org

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COMPANIES HOUSE

(A Company Limited by Guarantee)

Company Registration Number: 07472736 (England and Wales)



Community Academies Trust

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Community Academies Trust

Reference and Administrative Details

CAT Members

Mr. S Atkins
Mr. N Bratt
Mr. S Mason
Ms. E J Gaffney (appointed 11 November 2019)
Ms. V C Higham (appointed 10 December 2019)

CAT Trustees / Directors

Mr. S Atkins (Chair)
Mr. G Brown
Mr. S Mason
Mr. S Sibley
Mrs. S Stewart
Mr. R Vernon
Rev. S Wallis

Company Secretary

Mrs. A Bardsley

Senior Management Team

- | | |
|--|--|
| - Chief Executive Officer and Founding Trustee, Accounting Officer | Mr. P Hamilton |
| - Executive Director (Education) and Founding Trustee | Mr. E May |
| - Executive Director (Finance and Operations) | Mrs. A Bardsley |
| - Head Teacher, The Polesworth School | Mrs. M Favell |
| - Head Teacher, Birchwood Primary School | Mr. N Coleman |
| - Executive Head Teacher, Dordon Primary School & Wood End Primary School | Mrs. M Cross |
| - Head Teacher, Woodloes Primary School | Mr. A Mitchell |
| - Head Teacher, Budbrooke Primary School | Mr. C McKee |
| - Executive Head Teacher, The Telford Langley School & The Telford Park School | Mr. S Carter |
| - Head of School, The Telford Park School | Mrs. H Rigby |
| - Head Teacher, The Telford Priory School | Ms. S Jordan |
| - Head Teacher, Grange Park Primary School | Mr. R Thorpe |
| - Executive Head Teacher, Stratford Primary School & Heathcote Primary School | Mrs. G Humphriss |
| - Head Teacher, The Wilnecote School | Mrs. S Hartle |
| - Head Teacher, Chadsmead Primary Academy | Ms. G Grainger |
| - Head Teacher, Windmill Primary School | Mr. M Gibbons |
| - Head Teacher, Stoneydelph Primary School | Ms. J Wallbank (resigned 31 August 2020) |
| | Ms. E Parsons (appointed 1 September 2020) |
| - Head Teacher, The Woodlands Community Primary School | Mr. J Baker |
| - Head of Teaching School | Ms. A Rickus |

Registered Office

Dordon Road
Dordon
Tamworth
Staffs
B78 1QT

Company registration number

07472736

Community Academies Trust

Reference and Administrative Details (continued)

Auditors

RSM UK Audit LLP
St Philips Point
Temple Row
Birmingham
B2 5AF

Bank

Lloyds
9 Birmingham Road
Sutton Coldfield
B72 1QA

Internal Auditors

RB Chartered Accountant
Meeson House
76 Pinfold Lane
Penkridge
Staffordshire
ST19 5AP

Directory of Academies year ended 31 August 2020

Birchwood Primary School	Birchwood Avenue, Dordon, Tamworth, B78 1QU
Budbrooke Primary School	Styles Close, Hampton Magna, Warwick, CV35 8TP
Chadsmead Primary Academy	Friday Acre, Lichfield, WS13 7HJ
Dordon Community Primary School	Roman Way, Dordon, Tamworth, B78 1PJ
Grange Park Primary School	Grange Avenue, Stirchley, Telford, TF3 1ET
Heathcote Primary School	Vickers Ways, Heathcote, Warwick, Warwickshire, CV34 7AP
The Polesworth School	Dordon Road, Dordon, Tamworth, B78 1QT
Stoneydelph Primary School	Crowden Road, Wilnecote, Tamworth, Staffordshire, B77 4LS
Stratford-upon-Avon Primary School	Broad Street, Stratford-upon-Avon, CV37 6HN
The Telford Langley School	Duce Drive, Dawley, Telford, TF4 3JS
The Telford Park School	Grange Avenue, Stirchley, Telford, TF3 1FA
The Telford Priory School	New Road, Wrockwardine Wood, Telford, TF2 7AB
The Wilnecote School	Tinkers Green Road, Wilnecote, Tamworth, Staffordshire, B77 5LF
Windmill Primary School	Beaconsfield, Brookside, Telford, TF3 1LG
Wood End Primary School	Wood Street, Wood End, Atherstone, CV9 2QL
The Woodlands Community Primary School	Canning Road, Glascote, Tamworth, Staffordshire B77 3JX
Woodloes Primary School	Deansway, Warwick, CV34 5DF

Community Academies Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2020. The annual report serves the purpose of both a trustees' report, and a directors' report under company law. Throughout this report reference has been made to the impact of the coronavirus lockdown on our provision and activity.

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 Community Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Community Academies Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

The trust makes use of the Government's Risk Protection Arrangement for academies and the indemnities therein.

Method of Recruitment and Appointment or Election of Trustees

The members appoint up to 6 trustees in accordance with the provisions in the Articles of Association. Further trustees are appointed by the existing trustees following an interview with a sub-committee of the trustees and their recommendation. Trustees are appointed after taking into account the skills and knowledge they can bring to the trust. The trust has used "Academy Ambassadors" to recruit further trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

Training and induction is provided for new trustees and depends on their existing experience. All trustees are provided with copies of policies, procedures, minutes, budgets, risk register, plans and other documents that they will need to undertake their role. As there are normally only one or two new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

Community Academies Trust's board of trustees govern the work of the academies across the trust. They govern the full range of activity required by the trust. These include specialists in human resources, financial management, estates, education and school improvement.

Most of our academies have a Local Governing Body (LGB) comprising up to 9 governors for a primary school and up to 13 governors for a secondary school. Where a school is in challenging circumstances, it is governed by an Education Advisory Board (EAB) consisting of main trust board representatives, local stakeholders and school improvement experts who drive through rapid change to turn around provision. This EAB is disbanded once the school is settled and a LGB instated.

Each school has a Headteacher with a Strategic Leadership Team (SLT). This SLT and other leaders ensure strong and clear lines of accountability and the easy flow of information about the quality of provision. They are responsible for the delivery of the improvement plans and contribute to their formulation and implementation.

Further information on this work is described later in this report under Objectives, Strategies and Activities.

Community Academies Trust

Trustees' Report (continued)

Arrangements for settling pay and remuneration of key management personnel

A remuneration committee of the trustees is responsible for setting the pay of the executive leaders of the trust. It does this by benchmarking against advertised rates and bearing in mind the skillsets of staff and regional marketplace. Also considered is the requirement to maintain differentials in internal structures and the weight of responsibility attached to the role.

Headteachers and Heads of School have their pay determined under the School Teachers' Pay and Conditions document and related to the Individual Salary Range (ISR) attached to the school, personal performance and the requirements of TUPE.

Trade Union Facility Time

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017 the trust is required to publish the following information relating to trade union officials and facility time.

Table 1

What was the total number of employees who were relevant union officials during the relevant period?	
Number of employees who were relevant union officials during the relevant period	FTE trade union representatives
5	3.7

Table 2

How many CAT employees, who were relevant Trade Union officials, during 01/04/19-31/03/20, spent a) 0% b) 1-50% c) 51-99% d) 100% of their time on facility time?	
Percentage of time	Number of employees
0 %	2
1 – 50%	3
51 – 99%	0
100%	0

Table 3

Provide the figures to determine the percentage of the CAT total pay bill spent on paying employees who were Trade Union officials, during 01/04/19-31/03/20	
The total cost of facility time	£2,386
The total pay bill	£33,554,174
The % of the total pay bill spent on facility time	0.01%

Table 4

As a percentage of total paid facilities time hours, how many were spent by employees who were Trade Union officials, during 01/04/19 -31/03/20 on paid trade union activities?
0%

Community Academies Trust

Trustees' Report (continued)

Engagement with employees (including disabled persons)

The trust has a Trade Union Recognition Agreement (TURA) with all the unions who represent our employees. This consultative body has met on 2 occasions in the year.

The CEO has held staff meetings in every school of the trust over the year to describe the strategic direction of the trust and to invite questions from employees on matters of concern to them. The CEO has also written to every employee personally to thank them for their contribution in continuing to provide education over the period of the coronavirus outbreak.

Trustees decided that, during the period of the coronavirus lockdown, no employee would be furloughed.

All employees have been consulted with in respect of risk assessments for the safest possible further opening of schools in line with government guidance.

As the trust employs over 250 persons, it is required to have a policy in respect of applications for employment for disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled persons. This policy can be accessed on the trust website, www.communityacademiestrust.org.

The mechanism for the trust to consult with employees on matters affecting them is the Hub governance system. During the year a number of policies have been adopted following consultation.

Engagement with suppliers, customers and others in a business relationship with the trust

The trust has regard to the need to foster a business relationship with suppliers and others, including Local Authorities in the area in which the trust operates.

Over the last year the trust has met its obligations in paying suppliers within 31 days, as evidenced by the submitted Payment Practices Reports and despite difficulties caused by finance team working remotely, at short notice, due to the coronavirus outbreak.

The trust also considered its responsibilities to suppliers under Procurement Practices Note 02/20 and 04/20 – supplier relief due to coronavirus. Payments were made to support suppliers during the period of lockdown, notably to secure the viability of catering and cleaning services.

The trust has a good relationship with the Local Authorities in the area in which it operates and works with them across a range of initiatives, particularly to do with school improvement and finance.

Objectives and Activities



The academy trust's objectives are specifically restricted to the advancing for the public benefit education in the UK, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum and to promote for the benefit of the inhabitants of the United Kingdom the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives and Aims

In accordance with the articles of association, the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education. The Scheme of Governance specifies, amongst other things, the basis for admitting students to the Academies, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

Everything we do is orientated around ensuring excellent community education for children and young adults aged 3 to 18.

Our approach is based on a fundamental belief that all young people have talent and the potential to achieve more than they ever thought possible.

Achievement is in three main areas:

- **Academic:** Excellent standards and outstanding progress are a prerequisite for success in life equipping young people with the skills and knowledge they will need to be successful, happy and productive citizens.
- **Social:** Excellent relationships for learning are a prerequisite for all other achievements. Relationships that engender mutual respect between young people, and all other members of our academies' communities will ensure learning can be fun in a disciplined and caring environment where the highest expectations are the norm.
- **Personal:** All young people achieve things they can be proud of every day in addition to academic success and outside our school's planned curriculum. We have a vital role in ensuring individuals develop their own talents and interests and have a responsibility to instill in them a sense of pride in who they are and what they achieve.

Community Academies Trust

Trustees' Report (continued)

Our Community

We serve a diverse range of communities in Warwickshire including Polesworth, Warwick, Leamington Spa, Stratford upon Avon and nearby Warwickshire villages. We also serve communities in Telford, Tamworth and Lichfield. Our Academies in the year under review, in order of size by pupil numbers:

The Polesworth School (11-18), The Telford Priory School (11-16), The Telford Langley School (11-16), The Wilnecote School (11-16), The Telford Park School (11-18), Grange Park Primary School (3-11), Birchwood Primary School (4-11), Woodloes Primary School (3-11), Windmill Primary School (3-11), The Woodlands Community Primary School (4-11), Stoneydelph Primary School (4-11), Chadsmead Primary Academy (3-11), Budbrooke Primary School (4-11), Stratford upon Avon Primary School (4-11), Dordon Community Primary School (4-11), Heathcote Primary School (4-11) and Wood End Primary School (3-11).

Objectives, Strategies and Activities



We are a well established and growing academy trust, rated highly by the DfE for our successful work in school improvement.

There have been no inspections in any of our schools this academic year.

Our trust now has a national profile and we continue to respond to DfE approaches requesting support for other organisations.

- Membership of national and regional roundtables
- Our CEO sits on the Warwickshire and Telford & Wrekin strategic educational boards and is active in local and national CEO networks and collaborations. Our CEO also supports and mentors new and more experienced trusts, and is a National Leader of Education who contributes to the wider national school improvement offer.
- Our Executive Director (Education) is a National Leader of Education who contributes to the wider national school improvement offer
- Our Chair is an Academy Ambassador
- Our Executive Director (Finance and Operations) has supported other trusts and is an elected member of Warwickshire Schools Forum
- Our trust has two national teaching schools, and through them works with a broad alliance of schools beyond our trust boundaries.

Our trust is financially secure and well placed to continue to fulfill the trust's objectives of school improvement in the interests of excellent community education.

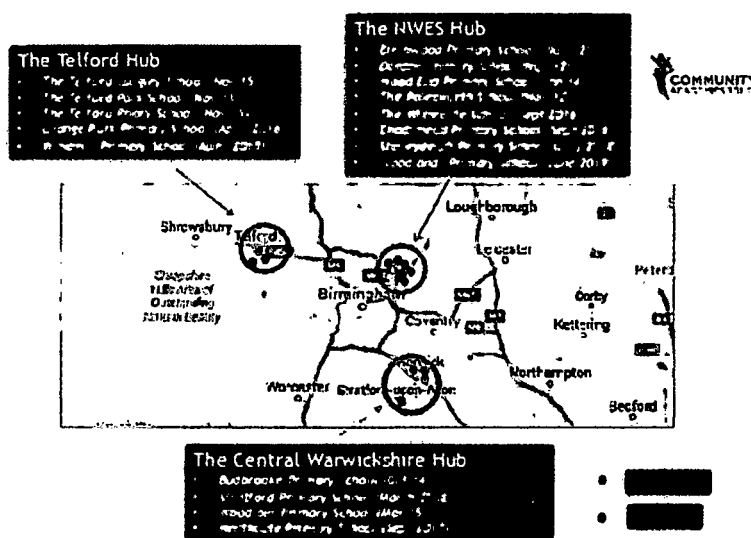
Community Academies Trust Trustees' Report (continued)

With this in mind, the activities planned this coming year include:

- Further growth – including the sponsorship of a primary school with a DfE Directive Academy Order (DAO)
- Significant cross trust innovation in the areas of education, and staff performance management including investments in:
 - Remote learning
 - Curriculum development
 - School improvement models
 - Removal of performance related pay and new approaches to staff appraisal based on coaching and supervision.
 - Building new purposeful relationships with Local Authorities and public health authorities in the interests as we normalise keeping our communities safe from COVID 19.

Organisational Structure

Our vision is that our academies are led, managed and governed in groups that we call hubs. The following picture describes the schools in the Trust.



Our ethos is to ensure the best local leaders lead local education provision (refer to www.communityacademiestrust.org). On this basis we have evolved our governance structure to put it as close to provision as possible.

Each academy is a member of a School Improvement Hub that is governed by a Hub Governing Body (HGB) that comprises the Headteacher from each academy as well as the Chair of the Local Governing Body from each academy. Up to three members of the main trust board also sit on this HGB and provide direct governance of LGB effectiveness and school improvement.

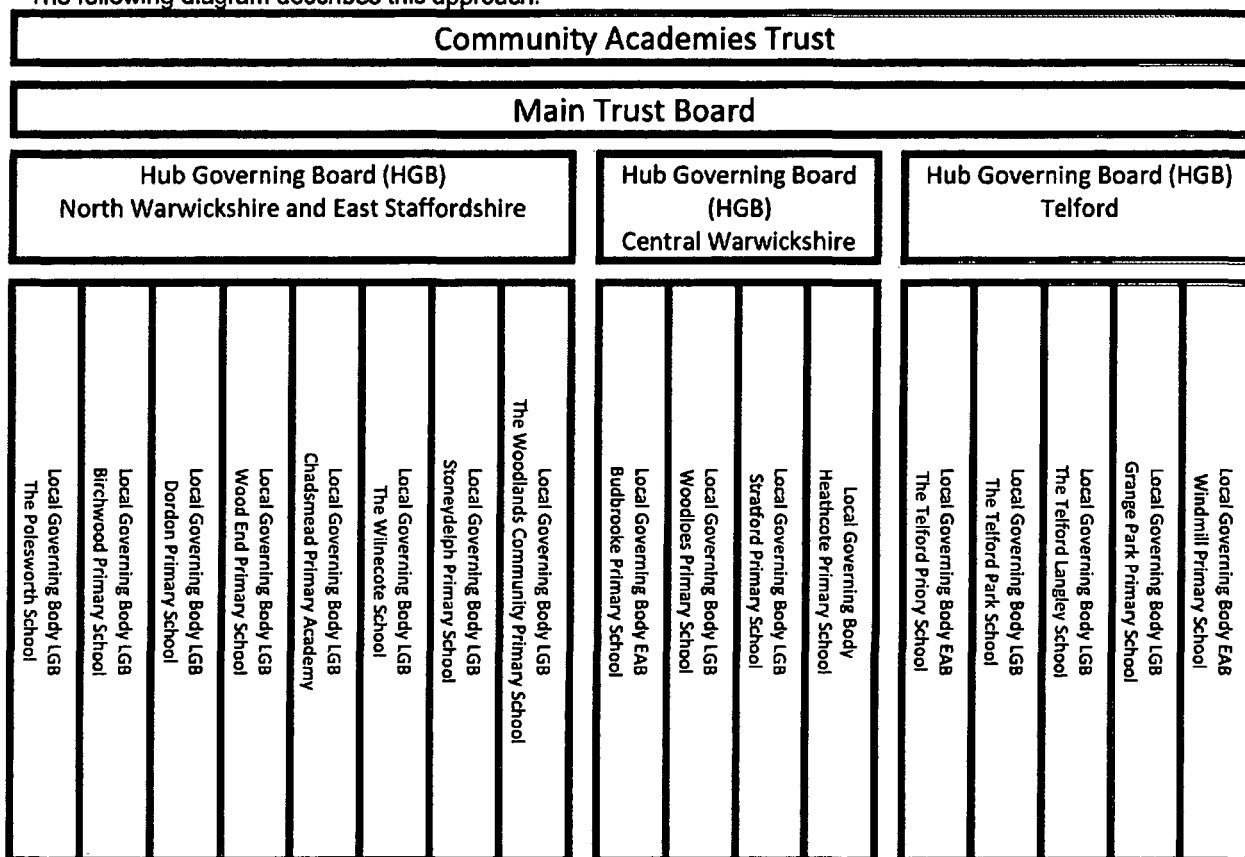
The governance arrangements ensure small local governing bodies are monitored for effectiveness through the Hub Governing Body (HGB). This HGB is tasked with the roles of; monitoring the performance of the academies and their governing bodies; enabling consultation and dialogue with the main trust board and other academies in the hub and ensuring schools in the hub support each other or seek wider support from the trust to ensure continuous school improvement.

Governors in our schools are different from traditional governors in that we consider them 'Guardians of Standards'. Our trust enables them to be free to focus entirely on holding the academies to account for the standards they achieve in teaching, behaviour, leadership and academic results, as well as ensuring that the hubs fulfill their goals as engines of school improvement.

Community Academies Trust

Trustees' Report (continued)

The following diagram describes this approach:



Academies in our trust sign up to some core principles. They are academies that are:

- Focused on achieving outstanding academic, personal and social outcomes for the children in their care and this is the main priority.
- Committed to the moral imperative of community school improvement and shared system leadership.
- Mutually supportive, not in competition with each other and are fiercely loyal to each other.
- Equal partners with all other schools irrespective of their phase, size or successes. Size does not matter, no one school is more important than another, and resources are shared for the common good of the group.
- Multi academy trust minded – our schools celebrate the success of others as well as themselves and we feel a shared accountability and understand where ultimate responsibilities rest.
- Financially disciplined and committed to our agreed financial principles.
- Committed to fulfilling their delegated responsibilities to the best of their abilities.

Community Academies Trust

Trustees' Report (continued)

Strategic Report

School buildings in our trust were partially closed from March 2020 following the UK government's decision to implement a national lockdown in response to the coronavirus outbreak. This had the following organisational consequences:

- Only vulnerable and disadvantaged pupils alongside the children of key workers were allowed to enter the school buildings
- A small number of staff were deployed in the schools to manage the provision and to employ every means possible to encourage those pupils to attend school.
- All other staff were asked to work from home and all other pupils were asked to learn from home
- Our schools rapidly deployed and then over the months of the lockdown developed a model for remote learning that suited their cohorts, and parents were asked to provide an environment conducive to study online and in some cases via paper based work packs.
- Rapid changes to HR, Health and Safety, governance and strategic planning, policy and practice were made in response to government guidance which Trustees decided to follow in detail and to the letter.
- Secondary school staff were asked to estimate GCSE and A Level grades for their Y11, and 13 pupils following the cancellation of the GCSE exams – so called Centre Assessed Grades (CAGs)
- Primary school SATs and other tests were cancelled.

Impact of the national lockdown:

For the year as a whole:

- Attendance fell to well below the national averages seen in previous years
- Exclusions data improved significantly to well below the numbers seen in 2018/19
- CAGs became the actual outcomes for young people who would normally have taken examinations.

The profile of standards was up on last year. However, no pupil sat an examination. These results will not be published in the national performance tables and they are not to be used for any other accountability purpose. (eg by OFSTED)

The vast majority of learners were able to progress to their chosen destinations and the number of appeals and re-sits in autumn are very low indeed. Current estimate at the time of writing is that number is less than 20 out of a cohort of over 800.

The lockdown required a different approach to monitoring the engagement of the pupils.
During the height of the lockdown:

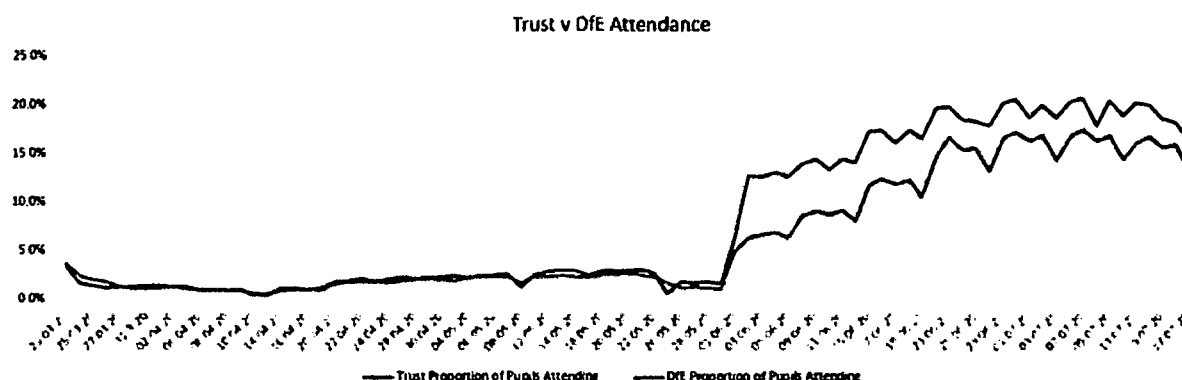
- Our average term time, holiday and Bank Holiday attendance rate was at least in line with national average
- Some children of Key Workers' attended our schools every day during lockdown, including over the holidays and Bank Holidays.
- Attendance was considerably higher in primary schools than secondary schools
- In primary schools Headteachers estimated that 95% of pupils engaged with home learning and 79% engaged meaningfully so that they make some progress. This compares favourably with national research from that time.
- In secondary schools Headteachers estimated that 83% of pupils engaged in home learning, and 60% having done so meaningfully so that they make progress. This also compares favourably with the research.



Community Academies Trust

Trustees' Report (continued)

The following graphs shows attendance as the lockdown eased and pupils began to return to school in years R,1,6,10 and 12.



The attendance of pupils tracked the national picture closely until June, when our attendance rates increased more rapidly.

Throughout the lockdown and then as our schools opened more widely, detailed and robust risk assessment ensured all schools implemented government guidance in detail. Trustees signed off all risk assessments before further pupils were allowed to return. Parents have reported positively on the wider opening from June 2020.

Agile leadership and governance ensured that all schools in the trust opened to more pupils on 1st June in line with government guidance. There were no delays and all government timescales and expectations were met in full.

Public Benefit

In the context described above, the trustees of Community Academies Trust have complied with their duty to provide high quality education. Trustees have made reference to the Charity Commission guidance.

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 in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the company

In accordance with s.172 of the Companies Act 2006 the duty to promote the success of the trust was complied with by our board of trustees through developing the trust Strategic Plan and in the following ways:

- All our community schools remained open during the period of lockdown due to the coronavirus outbreak, including during public and school holidays, to support our key workers by having childcare available so they could continue with their vital work.
- Trust schools provided education to pupils that were not able to be in school, using remote learning, for the period of lockdown and beyond.
- All our Primary schools successfully re-opened in the week commencing 1 June in line with government guidance to be open for pupils in Reception, years 1 and 6 until the end of the summer term. Later in the summer term our secondary schools also opened for pupils in year 10 and 12 to the extent allowed for in government guidance.
- All our schools have ensured that families entitled to free school meals in our communities have been provided with either a meal or supermarket vouchers, either by ourselves directly or as a facilitator of the national free school meals voucher scheme.

Community Academies Trust

Trustees' Report (continued)

- All of the above activity is in pursuit of our charitable purpose and trustees are profoundly grateful to our employees for their dedication to our pupils and communities over this difficult time.
- Trustees have reviewed and agreed the risk assessments of further re-opening and full re-opening for every school in our trust in line with the substantial guidance provided by the DfE to ensure the Health and Safety of our employees, pupils and wider community
- The trust supports the professional development of all employees through our Developing People Programme, led by our Teaching Schools.
- The trust has committed to environmental sustainability through our Estate Strategy and has continued with building improvements throughout lockdown with the goal of keeping our estate safe, warm and dry. The trust has undertaken a programme of installing energy efficient lighting across the estate, reducing our carbon footprint as well as leading to financial savings and a better working environment.
- How the trust has engaged with suppliers during this difficult year is discussed on page 5 of this report.
- The trust's long-term objective is the provision of free education in our communities. Our board of trustees ensure this is at the heart of their governance of trust decisions.

.Financial Review

Most of the trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The trust also receives grants for tangible fixed assets and fixed asset donations. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants or donations are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2020, total expenditure of £50.1 million (2019: £46.8 million) was covered by recurrent grant funding from the ESFA together with other incoming resources resulting in total incoming resources of £47.6 million (2019: £46.8 million). Excluding transactions involving fixed assets and pension liabilities the excess of income over expenditure for the year was £1.1m surplus (2019: £0.3m surplus). This included reserves inherited from schools joining the Trust of nil (2019: £0.3m).

At 31 August 2020 the net book value of tangible fixed assets was £90.7 million (2019: £92.5 million) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used for providing education and the associated support services to the pupils of the academy trust and for the provision of leisure facilities to the community in accordance with the trust's Articles of Association.

At 31 August 2020 the LGPS pension liability was £28.6m (2019: £25.0m). This change was mainly due to an operating charge of £2.1m (net of employer contributions) and to £1.5m loss due to changes in actuarial assumptions. Full details are shown in note 28. Trustees intend to continue to follow the actuaries' advice as regards future contributions in order that the scheme is in a position to pay pensions as they become due.

Financial and Risk Management Objectives and Policies

The trustees have assessed the major risks to which the academy trust is exposed, in particular those relating to the teaching, provision of facilities and other operational areas of the academy trust, and its finances. The trustees have implemented a number of systems to assess risks that the trust faces, especially in the operational areas (e.g. in relation to teaching and learning and health and safety). They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Community Academies Trust

Trustees' Report (continued)

Reserves Policy

The trustees review the reserve levels of the trust termly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Reserves are also held to support the trust's growth. Trustees currently target that the level of general reserves held should be sufficient to cover both 1 month's salary costs plus any known commitments. Current reserves are slightly above this target and investments of £3.75m are held to cover this (note 14). Note 18 analyses the reserves of the trust between the constituent academies and the central services.

At 31 August 2020, reserves held by the trust were as follows:

Restricted Fixed Assets	£91.6 m
Restricted general excluding Pensions	£4.0 m
Restricted pension	(£28.6 m) (deficit)
Unrestricted	£1.1 m
Total	£68.1 m

Reserves Policy (continued)

The balance held on restricted fixed assets included £0.8m of School Condition Allocation and other capital grants received, earmarked for specific projects, the majority of which it is expected will be spent within the next financial year. The remainder of the restricted fixed assets fund (£90.8m) can only be realised by disposing of tangible fixed assets.

Restricted general funds (excluding pensions) includes £0.3m of grants received earmarked for school improvement work, opening of the free school and unresolved single status claims, which it is anticipated will be spent within the next 24 months. The rest of the balance on both restricted general funds and unrestricted funds will be used for educational purposes in accordance with the objects of the trust and the reserves policy approved by trustees.

As with many members of the LGPS, the pension schemes are in deficit. Trustees intend to continue to follow the actuaries' advice as regards future contributions in order that the scheme is in a position to pay pensions as they become due. It is anticipated that employer contributions into the fund will rise in future years.

Investment Policy

Trustees believe that low risk bank deposit accounts are the most appropriate place to invest surplus cashflow. Advice is taken from the trust's bankers and funds invested as follows:

Working capital is invested in a bank current account or equivalent. It is recognised that a small amount of interest is payable on this balance but our bankers offer academies free banking which results in this lower interest rate.

Surplus cash is invested in a mixture of notice accounts with a UK based banking provider to earn higher interest rates than on the current account but to stagger easy access to funds over the year to meet cashflow requirements.

Any interest earned is paid into the trust central budget to benefit all schools within our trust.

Balances invested are reported to trustees on a termly basis.

Trustees do not intend to invest reserves in stocks and shares or other volatile investments as they do not feel these represent an acceptable level of risk to the trust.

Community Academies Trust

Trustees' Report (continued)

Principal Risks and Uncertainties

To achieve our vision we need to be aware of the principal risks that affect our work. The trustees have assessed the major risks to which the trust is exposed by reviewing and interrogating a risk register. The risks we face in a rapidly changing education landscape continue to evolve over time, but we summarise them under 10 strategic risks:

- The risk that we do not meet our governance obligations
- The risk we cannot use our school premises to deliver education
- The risk that our school premises are not safe
- The risk that we are not a good employer
- The risk that we are financially unsustainable
- The risk that we do not comply with financial requirements
- The risk that growth is not in line with trust objectives
- The risk that schools do not obtain excellent outcomes for learners
- The risk a child in our care is not safe
- The risk that our reputation prevents us from achieving our goals

The board of trustees reviews the risk register annually. The audit committee of the trust has the monitoring and mitigation of risk at the centre of its remit and carries out an in depth review of selected strategic risks on a cyclical basis. The executive leadership of the trust also review all risks annually and mitigation of risk is incorporated into the trust's strategic plan and the performance objectives of individual staff members.

At present areas which the board consider to be high risk include:

- Pupil and staff well-being in the context of the coronavirus outbreak.
- Pupil achievement in the context of the coronavirus outbreak
- Education funding nationally, including implementation of the National Funding Formula and the extreme pressure on the high needs budget in each Local Authority.
- Future unfunded cost pressures
- The relationship between equal pay and TUPE when accepting schools into the trust from previous organisations which operated on a number of different pay and grading schemes.

Over the year numerous actions have been taken to mitigate risk and improve consistency including:

- A standardised risk assessment process for all schools returning to full opening in line with DfE guidance
- Installation of a single payroll system for the trust
- Planned series of internal audit and other checking procedures including annual safeguarding reviews, safer recruitment, financial probity, school census completion, health & safety and consistent school condition reports.

Fundraising

The academy trust carries out a limited amount of fundraising at a local level, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Senior Leadership Team level in each school in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the trust's complaints procedure.

Due to the coronavirus outbreak, fundraising has been curtailed as people are unable to gather for normal school fundraising activities.

Community Academies Trust Trustees' Report (continued)

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption use to calculate emissions (kWh)	12,761,869
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	1792.99
Owned transport – mini-buses	2.21
Total scope 1	1795.20
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	688.30
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	19.21
Total gross emissions in metric tonnes CO2e	2502.71
Intensity ratio Tonnes CO2e per pupil	0.311

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for Company Reporting.

Measures taken to improve energy efficiency

Over the past 2 years we have converted lighting in all our schools to low energy where practical. We also continue in a program to increase insulation and modernise boilers to improve efficiency in the heating of our schools. In the latter half of the year, the coronavirus outbreak increased the use of video conferencing and reduced the need for travel between sites.

Plans for Future Periods

The trust's growth model is based around the governance of school improvement hubs as described earlier in this report. We have decided that an optimum size for a hub is 6 academies and therefore the hub in North Warwickshire is over capacity and it is likely that a further hub will be formed in the future. The two other hubs do have space for further academies to join them if they are in the same geographical vicinity. The hub model can also be replicated and growth decisions going forward will be based on groups of academies forming new hubs rather than growth via isolated single academies.

The trustees have also identified this growth as a further means of developing capacity and would envisage any new hub joining our organisation would bring with it sufficient capacity to fulfill the expectation of a self-improving group of academies. By growing in this way within a single multi-academy trust, the trust feels that it will be better placed to meet the challenges posed by changes to school funding arrangements, levels of income and changes likely to affect our fixed costs, which continue to rise in line with pay rises, incremental drift in staff salaries and inflation.

Community Academies Trust

Trustees' Report (continued)

At the end of the year the trust is in the midst of significant building programmes at a number of schools. The Polesworth School is acquiring a new science block, replacing outdated facilities funded by the DfE under the PSBP2 program. Heathcote Primary School is expanding in size from a 210 place school to 420, funded by Warwickshire County Council utilising their growth funding to deliver places for additional pupils in the community needed because of housebuilding. The Telford Langley school is also receiving a new teaching block, funded by Telford and Wrekin Council to deliver additional places for pupils from the community. Trustees are grateful to all our partners in their collaboration on these important projects in line with the trust's charitable objectives.

The coronavirus outbreak will continue to have significant implications for the coming year. Income from the provision of leisure facilities and childcare looks unlikely to recover in the near future. Trustees recognise that the provision of education to pupils who are both in school and at home utilising staff who may also need to work at home while self isolating will be a continued challenge. The financial impact of this new way of working cannot yet be quantified, but it is anticipated that the trust reserves will be needed to provide additional employee cover over the difficult times ahead.

Funds Held as Custodian Trustee on behalf of others

The Trust holds funds on behalf of the Telford & Wrekin Primary School PE Association. This organisation exists to improve educational provision in its community and so is aligned with the objectives of the trust. The trust also distributes 16-19 bursary funds to students as an agent for the ESFA. Financial information is provided in note 30 to the accounts.

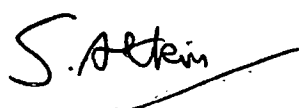
Auditor

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are 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.

The Trustees' Annual Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 9 December 2020 and signed on its behalf by:



Mr. S Atkins

Chair of Trustees

9 December 2020

Community Academies Trust

Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Community 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency framework for governance.

The board of trustees has 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 Community Academies Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the board of trustees 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 main board of trustees met 6 times during the year. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr. S Atkins (Chair)	6	6
Mr. G Brown	6	6
Mr. S Mason	5	6
Mr. S Sibley	6	6
Mrs. S Stewart	6	6
Mr. R Vernon	6	6
Rev. S Wallis	6	6

Governance reviews

The governance of the trust was reviewed throughout the year, but in particular during the annual trustees' conference in October 2019. The trustees considered the impact of the change of the Ofsted framework on how the trust assesses quality of education. Trustees also considered priorities and the strategic plan for the trust over the mid-term horizon.

New members have also been actively sought, using Academy Ambassadors, and additional members were appointed by the existing members on 11 November 2019 and 10 December 2019.

In March 2020, when the lockdown in relation to the coronavirus outbreak struck, trustees de-delegated a range of responsibilities from the local governing bodies to ensure the trust made a consistent and agile response to the emergency situation. This situation was in place until the end of the year. From October 2020 the governing bodies, now called school standards committees, have been re-formed with a focus solely on the quality of education provision. During the period of de-delegation, trustees took over all responsibilities that would normally be delegated to their committees. This continues to be the case since October 2020, on a temporary basis, in matters to do with Health & Safety, Finance and all other decisions outside the remit of educational provision.

All meetings since March have been carried out virtually and trustees, governors and senior leaders across the trust have mastered previously unfamiliar technology to enable this to happen successfully.

Audit Committee

The audit committee is a sub committee of the main board of trustees. The purpose of the audit committee is to advise the board on matters relating to the trust's audit arrangements, risk and systems of internal control and to aid the board's responsibility to ensure sound management of the trust's finances and resources. Attendance at meetings during the year was as follows:

Community Academies Trust

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
Mr G Brown (Chair)	3	3
Mr. S Atkins	3	3
Mr. S Mason	2	3
Mr. S Sibley	3	3

Remuneration Committee

The remuneration committee is a sub committee of the main board of trustees. The purpose of the remuneration committee is to advise the board on matters relating to executive pay. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr. S Mason (chair)	1	1
Mr. S Atkins	1	1
Mr R Vernon	1	1

Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the 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 the taxpayer resources received.

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

- Substantial building works to improve roofing have been carried out at our older schools, funded by the School Condition Allocation. This has led to demonstrable reductions in energy consumption as well as a more pleasant working and learning environment.
- Implementation of a single payroll system to ensure data is held in a consistent way and processed efficiently to ensure our employees continue to be paid accurately and on time.

The coronavirus outbreak has also impacted adversely on value for money in the areas of the provision of leisure activities and childcare, leading to a loss of income estimated at £170,000 during the lockdown between March and August. During this time all employees in these areas were retained on full pay and re-deployed to other duties where possible.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Community Academies Trust for the year to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risks that has been in place for the year to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees. The Audit Committee considers risk at every meeting.

Community Academies Trust Governance Statement (continued)

Trustees are aware of their responsibilities and have directed a number of reviews to carry out regular scrutiny of financial and other data. The system of internal control aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the board of trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance including the comparison of key performance indicators;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint RB Chartered Accountant to act as internal auditor as directed by the audit committee. The appointment of RB Chartered Accountant is in line with the FRC Ethical Standard for auditors as the internal auditor remains independent of the external auditor.

The internal auditor performed a range of checks on the academy trust's financial systems. A sample of schools has been visited over the course of the year and a targeted review undertaken of controls in the schools. The audit committee received a number of reports on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year September 2019 to August 2020, themed financial risk reviews were carried out by RB Chartered Accountants concerning the following:

- Testing of purchase systems
- Testing of school census returns
- Testing of control accounts/ bank reconciliations
- Testing of payroll systems.

On a termly basis the internal auditor reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year of year progress.

The schedule of work as planned by the audit committee has been delivered in part. The impact of the lockdown due to the coronavirus outbreak has meant that a number of internal audit visits to schools have had to be postponed since March 2020. Work was carried out on the central systems remotely and it is hoped that further remote internal audits can be delivered in 2020/21. Any control issues highlighted have been or are being resolved.

Community 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 this has been informed by:


- The work of the themed risk reviews
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the Executive Director (Finance and Operations) and finance team 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 their review of the system of internal control by the Trustees and a plan to address weaknesses if relevant and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 9 December 2020 and signed on its behalf by:



Mr. S Atkins
Chair of Trustees



Mr. P Hamilton
Accounting Officer

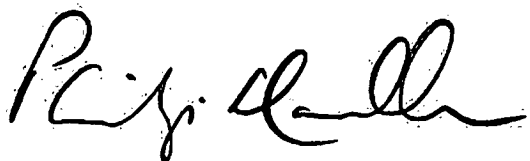
Community Academies Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Community Academies Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Community Academies Trust board of trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the trust's funding agreement and the Academies Financial Handbook 2019.

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



Mr. P Hamilton
Accounting Officer

9 December 2020

Community Academies Trust

Statement of Trustees' Responsibilities

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

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

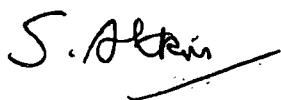
- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFADfE 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 board of trustees on 9 December 2020 and signed on its behalf by:



Mr. S Atkins

Chair of Trustees

Community Academies Trust

Independent Auditor's Report to the Members of Community Academies Trust

Year Ending 31 August 2020

Opinion

We have audited the financial statements of Community Academies Trust (the "charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Community Academies Trust

Independent Auditor's Report to the Members of Community Academies Trust

Year Ending 31 August 2020 (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 22, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

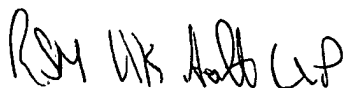
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Community Academies Trust

Independent Auditor's Report to the Members of Community Academies Trust Year Ending 31 August 2020 (continued)

Use of our report

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



Philip Coleman (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

17 December 2020

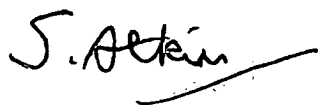
Community Academies Trust
Statement of Financial Activities for the Year Ended 31 August 2020
(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
Income and endowments from:						
Donations and capital grants	2	10	32	1,827	1,869	1,721
Transfer from local authority on conversion		-	-	-	-	2,704
Charitable activities						
Funding for the Academy Trust's educational operations	3	1,015	43,792	-	44,807	41,091
Teaching School	31	-	260	-	260	439
Other trading activities	4	451	159	-	610	767
Investments	5	48	-	-	48	39
Total		1,524	44,243	1,827	47,594	46,761
Expenditure on:						
Raising funds	6	(469)	-	-	(469)	(769)
Charitable activities:						
Academy Trust educational operations	7	(1,105)	(44,647)	(3,802)	(49,554)	(45,646)
Teaching School	31	-	(260)	-	(260)	(374)
Total		(1,574)	(44,907)	(3,802)	(50,283)	(46,789)
Net income / (expenditure)		(50)	(664)	(1,975)	(2,689)	(28)
Transfers between funds	18	-	(269)	269	-	-
Other recognised gains / (losses)						
Re-measurement of net defined benefit obligation	28	-	(1,470)	-	(1,470)	(8,028)
Net movement in funds		(50)	(2,403)	(1,706)	(4,159)	(8,056)
Reconciliation of funds						
Total funds brought forward	18	1,143	(22,199)	93,323	72,267	80,323
Total funds carried forward		1,093	(24,602)	91,617	68,108	72,267

Community Academies Trust
Company Number 07472736
Balance Sheet as at 31 August 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Intangible assets	12	75	37
Tangible assets	13	90,673	92,511
Other Investments	14	3,750	4,500
Current assets			
Debtors	15	2,097	1,944
Cash at bank and in hand	25	4,062	2,288
		<u>6,159</u>	<u>4,232</u>
Current liabilities			
Creditors: Amounts falling due within one year	16	<u>(3,661)</u>	<u>(3,843)</u>
Net current assets		<u>2,498</u>	<u>389</u>
Total assets less current liabilities		<u>96,996</u>	<u>97,437</u>
Creditors: Amounts falling due after more than one year	17	<u>(274)</u>	<u>(106)</u>
Net assets excluding pension liability		<u>96,722</u>	<u>97,331</u>
Defined benefit pension scheme liability	28	<u>(28,614)</u>	<u>(25,064)</u>
Total net assets		<u>68,108</u>	<u>72,267</u>
Funds of the Academy Trust:			
Restricted income funds			
Fixed asset fund	18	91,617	93,323
General fund	18	4,012	2,865
Pension reserve	18	<u>(28,614)</u>	<u>(25,064)</u>
Total restricted funds		<u>67,015</u>	<u>71,124</u>
Unrestricted income funds			
General fund	18	<u>1,093</u>	<u>1,143</u>
Total unrestricted funds		<u>1,093</u>	<u>1,143</u>
Total funds		<u>68,108</u>	<u>72,267</u>

The financial statements on pages 26 to 54 were approved by the trustees, and authorised for issue on 9 December 2020 and are signed on their behalf by:



Mr. S Atkins
Chair of Trustees

Community Academies Trust
Statement of Cash Flows for the Year Ended 31 August 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	954	540
Cash flows from investing activities	23	608	(1,883)
Cash flows from financing activities	24	212	42
Change in cash and cash equivalents in the reporting period		1,774	(1,301)
Cash and cash equivalents at 1 September		2,288	3,589
Cash and cash equivalents at 31 August	25	4,062	2,288

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

Community Academies Trust is a charitable company incorporated in the UK. The address of its principal place of business is given on page 1 and the nature of its operations is set out in the Trustees' Report.

1. Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

Basis of accounting

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £'000, except where otherwise stated.

Going Concern

The trustees assess whether the use of going concern is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

▪ Grants

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

General Annual Grant is recognised in the Statement of Financial Activities in full in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Any unspent amount is reflected as a balance in the restricted general fund.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1. Statement of Accounting Policies (continued)

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

The academy trust is benefiting from the ESFA's Priority Schools Building Programme. The funding for the programme is not recognised as a capital grant until there is an unconditional entitlement from costs being incurred, and the development occurring on a site where the academy trust controls (through lease) the site where the development is occurring. The expenditure is capitalised once the assets are under the control of the trust.

▪ Donations

Donations are recognised on a receivable basis (where there are no performance related conditions) where the receipt is probable and the amount can be reliably measured.

▪ Other Income

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

▪ Transfers into the Trust

The transfer of schools into the academy trust, involves the transfer of identifiable assets and liabilities and the operation of the schools for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The net assets transferred to the academy trust are valued at their fair values. The fair values are derived based on that of equivalent items. The amounts are recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

▪ Donated fixed assets

Fixed assets donated to the trust are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

▪ Interest

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

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1. Statement of Accounting Policies (continued)

Expenditure

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

▪ Expenditure on Raising Funds

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

▪ Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	20% (5 years)
-----------------------------	---------------

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold buildings	2% (50 years)
Long leasehold buildings	2% (50 years)
Building improvements	7% (15 years)
Furniture and equipment	10-15% (6-10 years)
Computer equipment	33.3% (3 years)
Motor Vehicles	25% (4 years)

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1. Statement of Accounting Policies (continued)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Fixed Asset Investments

Cash held in deposit accounts with a notice period greater than one year are classified as fixed asset investments. They are measured at cost less impairment.

Liabilities

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

Provisions

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

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

Leased Assets

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

Taxation

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

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

Pensions Benefits

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

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1. Statement of Accounting Policies (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately as other comprehensive income.

Fund Accounting

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

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

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

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation toward its own administration costs and this is recognised in the statement of financial activities. The funds received are paid and any balances held are disclosed in note 30.

The trust holds funds on behalf of the Telford & Wrekin Primary School PE Association. This organisation exists to improve educational provision in its community and so is aligned with the objectives of the trust. Financial information is provided in note 30 to the accounts. No fee is taken for administration costs.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1. Statement of Accounting Policies (continued)

Short-term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the academy trust. The cost of any unused holiday entitlement the academy trust expects to pay in future periods is recognised in the period the employees' services are rendered where material.

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Impairment of assets

Where indicators of impairment are identified, management will carry out an impairment review at the period end, to establish whether the carrying value of the affected asset or asset group remains appropriate. This involves the exercise of judgement by management. During the period ended 31 August 2020, ongoing capital projects led to management making the decision to demolish certain buildings. This led to a review of the carrying value of the associated assets and, as a consequence, an impairment of properties was recognised. This is set out further in note 13.

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

2. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Capital grants	-	1,732	1,732	1,572
Donated fixed assets	-	95	95	90
Other donations	10	32	42	59
Total 2020	10	1,859	1,869	
Total 2019	24	1,697		1,721

3. Funding for the academy trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	38,236	38,236	34,103
Other DfE/ESFA grants	-	4,203	4,203	3,979
	-	42,439	42,439	38,082
Other Government grants				
Local Authority grants	-	1,135	1,135	1,454
	-	1,135	1,135	1,454
Other income from the academy trust's educational operations				
School trips	337	-	337	512
Catering income	288	-	288	433
Other income	390	139	529	610
	1,015	139	1,154	1,555
Exceptional government funding				
Coronavirus exceptional support	-	79	79	-
				-
Total 2020	1,015	43,792	44,807	
Total 2019	1,406	39,685		41,091

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exception support covers £79,000 of costs, mainly to provide free school meals where the national voucher scheme was not appropriate and limited additional premises costs. These costs are included in notes 6 and 7 below as appropriate.

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Hire of facilities	157	-	157	272
Catering income	8	-	8	11
Other income	286	159	445	484
Total 2020	451	159	610	
Total 2019	604	163		767

5. Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Short term deposits	48	-	48	39
Total 2020	48	-	48	
Total 2019	39	-		39

6. Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 2020 £000	Total 2019 £000
Expenditure on raising funds	192	30	247	469	769
Academy Trust educational operations					
▪ Direct costs	31,587	3,817	4,300	39,704	36,109
▪ Allocated support costs	5,777	1,307	2,766	9,850	9,537
Teaching School	146	-	114	260	374
Total 2020	37,702	5,154	7,427	50,283	
Total 2019	35,112	4,266	7,411		46,789

The expenditure on raising funds, teaching school and educational operations was £50,283,000 (2019: £46,789,000) of which £1,574,000 was unrestricted (2019: £2,154,000), £44,907,000 restricted (2019: £41,934,000) and £3,802,000 restricted fixed assets (2019: £2,704,000).

Net Income/(expenditure) for the period includes:

	2020 £000	2019 £000
Operating lease rentals	99	149
Depreciation	2,638	2,704
Impairment	1,164	-
Amortisation of intangible fixed assets	15	-
Net interest on defined benefit pension liability	462	408
Fees payable to auditor for		
- Statutory audit	39	38
- other assurance services	3	4

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7. Charitable activities – academy trust educational operations

	Total 2020 £000	Total 2019 £000
Direct costs – educational operations	39,704	36,109
Support costs – educational operations	9,850	9,537
	49,554	45,646
Analysis of support costs	Total 2020 £000	Total 2019 £000
Support staff costs	4,478	4,525
Technology costs	82	70
Premises costs	1,307	1,442
Legal costs-conversion	-	9
Legal costs-other	90	56
Other support costs	3,674	3,139
Governance costs	219	296
	9,850	9,537

Direct costs now include educational support staff. These were previously analysed in support costs. The 2019 figures have been revised to reflect this change in analysis.

8. Staff numbers and costs

a. Staff costs

	2020 £000	2019 £000
Wages and salaries	26,497	25,208
Social security costs	2,458	2,307
Operating costs of defined benefit pension schemes	7,896	6,436
Apprenticeship Levy	119	111
Total Staff costs	36,970	34,062
Other Costs		
Supply teacher costs	697	828
Staff restructuring costs	35	222
Total	37,702	35,112
Staff restructuring costs comprise:		
Redundancy payments	-	210
Severance payments	35	12
	35	222

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

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/ non-contractual severance payments totalling £17,844 (2019: £11,728). Individually the payments were £114, £746, £998, £3,500 and £12,486.

c. Staff numbers

The average number of persons employed by the Academy Trust during the period expressed by headcount was as follows:

	2020 Number	2019 Number
Teachers	442	437
Administration and support	749	733
Management	33	33
	1,224	1,203

The average number of persons employed by the Academy Trust during the period expressed as full-time equivalents was as follows:

	2020 Number	2019 Number
Teachers	392	390
Administration and support	406	389
Management	33	33
	831	812

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 Number	2019 Number
£60,001 - £70,000	13	7
£70,001 - £80,000	11	11
£80,001 - £90,000	4	3
£90,001 - £100,000	1	3
£100,001 - £110,000	3	-
£120,001 - £130,000	1	1
£160,001 - £170,000	1	1
	34	26

One of the above employees participates in the Local Government Pension Scheme and all of the other above employees participate in the Teachers' Pension Scheme. Both schemes are defined benefit schemes.

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

e. Key management personnel

The key management personnel of the Academy Trust comprise the Chief Executive Officer, Executive Director (Education), Executive Director (Finance and Operations) and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer NI) received by key management personnel for their services to the Academy Trust was £2,253,264 (2019: £2,017,141).

9. Related Party Transactions – Trustees’ Remuneration & Expenses

During the prior year, three trustees were paid remuneration or received other benefits from an employment with the academy trust. The Chief Executive Officer, Executive Director (Education) and Executive Director (Finance and Operations) only receive remuneration in respect of services they provide undertaking their roles as a staff member under their contracts of employment during the period over which they served as trustees.

	2020 £	2019 £
Remuneration		
Mr. P Hamilton (Chief Executive Officer)	-	38,225
Mr. E May (Executive Director (Education))	-	29,395
Mrs. A Bardsley (Executive Director (Finance and Operations))	-	8,009
Employer’s pension contribution		
Mr. P Hamilton (Chief Executive Officer)	-	6,300
Mr. E May (Executive Director (Education))	-	4,844
Mrs. A Bardsley (Executive Director (Finance and Operations))	-	1,834

During the year ended 31 August 2020, travel and subsistence expenses totalling £1,136 (2019: £4,080) were reimbursed to 5 trustees (2019: 8 trustees). This expense predominately relates to mileage claims.

Other related party transactions involving trustees are set out in note 29.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

10. Central services

The academy trust has carried the following central services during the year on behalf of all its schools:

- School improvement
- Financial services (including finance and budget management software)
- Payroll management (including payroll software)
- Human Resources
- Trade union facilities time
- Asset management
- Health & Safety (including compliance software)
- Staff development
- Risk management
- Treasury management
- Statutory reporting

The trust delegates 96% of GAG, sixth form and nursery funding received to the school for which it is allocated by the ESFA/ Local Authority. The remaining 4% is retained by the trust to provide the central services as listed above.

The actual amounts retained by the trust during the year were as follows:

	2020 £000	2019 £000
Birchwood Primary School	60	59
Budbrooke Primary School	35	36
Chadsmead Primary Academy	43	49
Dordon Primary School	34	35
Grange Park Primary School	76	71
Heathcote Primary School	25	17
The Polesworth School	286	288
Stoneydelph Primary School	52	45
Stratford-upon-Avon Primary School	30	29
The Telford Langley School	176	143
The Telford Park School	123	105
The Telford Priory School	197	185
Wilnecote High School	142	143
Windmill Primary School	70	68
Wood End Primary School	23	24
The Woodlands Community Primary School	44	11
Woodloes Primary School	61	61
	1,477	1,369

11. Trustees and officers' Insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

12. Intangible Fixed Assets

	Computer Software £000	Total 2019/20 £000
Cost		
At 1 September 2019	37	37
Additions	53	53
At 31 August 2020	90	90
Amortisation		
At 1 September 2019	-	-
Charged in period	15	15
At 31 August 2020	15	15
Carrying amount		
At 31 August 2019	37	37
At 31 August 2020	75	75

13. Tangible Fixed Assets

	Freehold Land & Buildings £000	Long Leasehold Buildings £000	Leasehold Improvements £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost							
At 1 September 2019	60,090	33,533	5,441	2,814	2,513	13	104,404
Additions	-	-	1,753	22	189	-	1,964
At 31 August 2020	60,090	33,533	7,194	2,836	2,702	13	106,368
Depreciation							
At 1 September 2019	3,540	3,390	973	1,902	2,075	13	11,893
Charged in period	999	635	403	375	226	-	2,638
Impairment	-	1,164	-	-	-	-	1,164
At 31 August 2020	4,539	5,189	1,376	2,277	2,301	13	15,695
Net book values							
At 31 August 2020	55,551	28,344	5,818	559	401	-	90,673
At 31 August 2019	56,550	30,143	4,468	912	438	-	92,511

The trust's transactions relating to land and buildings included:

Impairment of leasehold buildings at The Polesworth School. A PSBP2 block replacement project is in place at the school and the impairment writes down the value of the areas of the school that will be demolished in summer 2021 and replaced by the new teaching block.

14. Other Investments

	2020 £000	2019 £000
One year deposits with Lloyds bank	3,750	4,500
	3,750	4,500

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

15. Debtors

	2020	2019
	£000	£000
Trade debtors	139	37
VAT recoverable	236	275
Prepayments and accrued income	1,722	1,632
	<u>2,097</u>	<u>1,944</u>

16. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	598	1,110
Taxation and social security	599	569
Loans	60	16
Other creditors	794	428
Accruals and deferred income	1,610	1,720
	<u>3,661</u>	<u>3,843</u>

	2020	2019
	£000	£000
Deferred income		
Deferred income at 1 September	644	783
Released from previous year	(644)	(767)
Resources deferred in the year	624	628
Deferred income at 31 August	<u>624</u>	<u>644</u>

At the balance sheet date the academy trust was holding funds received in advance for grants and upfront payments made for trips that took place after the year end.

17. Creditors: Amounts falling due after more than one year

	2020	2019
	£000	£000
Loans	274	106
	<u>274</u>	<u>106</u>

The trust holds "Salix" and "SEEF" loans from the Government. The total amount owed as at 31 August 2020 is £334k of which £60k is repayable in the next financial year, and £274k payable up to December 2027. These loans are provided to support energy efficient capital investment, are unsecured and no interest is charged.

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18. Funds

	At 1 September 2019	Incoming Resources	Resources Expended	Gains, Losses and Transfers	At 31 August 2020
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	1,594	38,236	(36,552)	(269)	3,009
Pupil Premium	-	2,511	(2,511)	-	-
Pension reserve	(25,064)	-	(2,080)	(1,470)	(28,614)
Other grants	1,271	3,496	(3,764)	-	1,003
	(22,199)	44,243	(44,907)	(1,739)	(24,602)
Restricted fixed asset funds					
DfE/ESFA capital grants	5,569	1,732	(157)	-	7,144
Transfer on conversion	30,119	-	(2,015)	-	28,104
Transfer on business combination	49,696	-	(1,405)	-	48,291
Asset donations	6,903	95	(195)	-	6,803
Capital Expenditure from GAG	1,009	-	(29)	269	1,249
Private capital sponsorship	27	-	(1)	-	26
	93,323	1,827	(3,802)	269	91,617
Total restricted funds	71,124	46,070	(48,709)	(1,470)	67,015
Total unrestricted funds	1,143	1,524	(1,574)	-	1,093
Total funds	72,267	47,594	(50,283)	(1,470)	68,108

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

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

Restricted general funds

The balance of £4,012,000 on the restricted general funds (excluding pension reserve) includes £259,000 of grants which are earmarked for specific ongoing expenditure. These, along with the remaining balance on this fund will be used for educational purposes in accordance with the restrictions attached to the funding, as will the balance of £1,093,000 held on unrestricted funds.

The pension reserve of (£28,614,000) (overdrawn) represents the academy trust's share of the deficits in the LGPS funds in Warwickshire, Staffordshire & Shropshire. The liability has increased by £2,080,000 (net of employer contributions) due to operating charges in the year. There has also been an actuarial loss of £1,470,000 in the year as detailed in note 28.

Restricted fixed asset funds

The restricted fixed assets funds relate predominantly to the assets acquired when schools join the academy trust on conversion or by business combination or by donation. These are disclosed further in note 13. A School Condition Allocation grant of £1,550,000 was received in the year and £894,000 of the fixed assets fund relates to unspent School Condition Allocation grant which it is planned to spend in the new financial year. £228,000 of the fixed asset fund relates to unspent Devolved Formula Capital grant which it is planned to spend in the new financial year. £37,000 of the fixed asset fund relates to a sinking fund for the replacement of leisure facilities. The transfer of £269,000 from GAG funds to the fixed asset reserve represents the use of GAG income on fixed assets.

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18. Funds (continued)

Comparative information in respect of the previous period is as follows:

	At 1 September 2018 £000	Assets/ (liabilities) acquired on conversion or business combination £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	At 31 August 2019 £000
Restricted general funds						
General Annual Grant (GAG)	1,132	-	34,103	(33,187)	(454)	1,594
Pupil Premium	-	-	2,387	(2,387)	-	-
Pension reserve	(14,545)	(368)	-	(2,123)	(8,028)	(25,064)
Other grants	1,673	-	3,832	(4,234)	-	1,271
	(11,740)	(368)	40,322	(41,931)	(8,482)	(22,199)
Restricted fixed asset funds						
DfE/ESFA capital grants	4,119	-	1,572	(122)	-	5,569
Transfer on conversion	28,214	2,742	-	(837)	-	30,119
Transfer on business combination	51,215	-	-	(1,519)	-	49,696
Asset donations	7,021	-	90	(208)	-	6,903
Capital Expenditure from GAG	572	-	-	(17)	454	1,009
Private capital sponsorship	28	-	-	(1)	-	27
	91,169	2,742	1,662	(2,704)	454	93,323
Total restricted funds	79,429	2,374	41,984	(44,635)	(8,028)	71,124
Total unrestricted funds	894	346	2,057	(2,154)	-	1,143
Total funds	80,323	2,720	44,041	(46,789)	(8,028)	72,267

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18. Funds (continued)

Total funds analysis by school

Fund balances at 31 August 2020 were allocated as follows:

	Total 2020 £000	Total 2019 £000
Birchwood Primary School	258	219
Budbrooke Primary School	125	99
Chadsmead Primary Academy	401	366
Dordon Primary School	463	428
Grange Park Primary School	128	64
Heathcote Primary School	221	179
Stoneydelph Primary School	103	42
Stratford-upon-Avon Primary School	120	101
The Telford Langley School	185	(198)
The Telford Park School	140	(69)
The Telford Priory School	544	404
The Polesworth School	1,280	1,041
The Wilnecote School	(319)	(170)
Windmill Primary School	186	106
Wood End Primary School	132	127
The Woodlands Community Primary School	372	341
Woodloes Primary School	179	186
CAT Teaching School	231	231
Community Academies Trust (Central Services)	356	511
Total before fixed assets and pension reserve	5,105	4,008
Restricted fixed asset fund	91,617	93,323
Pension reserve	(28,614)	(25,064)
Total	68,108	72,267

The Wilnecote School was in deficit at 31 August 2020 as shown above. This is a planned position as a result of lagged funding in respect of pupil growth, supported by the reserves of the trust overall. The school has prepared a recovery plan and this has been approved by the board of trustees. Governors anticipate that it will take until August 2024 for the school to be out of deficit and progress against this plan is being formally monitored on a termly basis.

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18. Funds (continued)

Total cost analysis by Academy

Expenditure incurred by each Academy during the year was as follows:

	Teaching and Educational support staff costs £000	Other Support staff costs £000	Educational supplies £000	Other costs (excl. Dep) £000	Total 2020 £000	Total 2019 £000
Birchwood Primary School	1,198	165	138	220	1,721	1,665
Budbrooke Primary School	710	126	76	153	1,065	1,082
Chadsmead Primary Academy	825	135	120	224	1,304	1,388
Dordon Primary School	695	64	92	145	996	941
Grange Park Primary School	1,417	391	157	377	2,342	2,204
Heathcote Primary School	555	83	42	160	840	609
Stoneydelph Primary School	998	118	196	193	1,505	1,369
Stratford-upon-Avon Primary	632	120	81	76	909	875
The Telford Langley School	3,294	483	267	634	4,678	4,280
The Telford Park School	2,383	403	248	399	3,433	3,231
The Telford Priory School	3,911	581	680	634	5,806	5,639
The Polesworth School	5,563	863	222	1,179	7,827	7,649
The Wilnecote School	2,870	512	198	607	4,187	4,243
Windmill Primary School	1,156	459	65	422	2,102	2,005
Wood End Primary School	490	57	60	121	728	699
The Woodlands Community Primary School	942	83	95	153	1,273	314
Woodloes Primary School	1,349	170	153	193	1,865	1,844
CAT Teaching School	94	52	8	106	260	374
Community Academies Trust (Central Services)	524	725	1	310	1,560	1,551
Pension FRS102 adjustment	-	-	-	2,080	2,080	2,123
	29,606	5,590	2,899	8,386	46,481	44,085

Total expenditure, excluding depreciation, in 2020 is £46,481,000 (2019:£44,085,000) of which £29,606,000 is for teaching and educational support staff costs (2019:£26,629,000), £5,590,000 for other support staff costs (2019:£5,719,000), £2,899,000 for educational supplies (2019:£2,854,000) and £8,386,000 for other costs (2019:£8,883,000).

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

19. Analysis of Net Assets between Funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2020 £000
Intangible fixed assets	-	-	75	75
Tangible fixed assets	-	-	90,673	90,673
Other investments	-	3,750	-	3,750
Current assets	1,093	4,197	869	6,159
Current liabilities	-	(3,661)	-	(3,661)
Non-current liabilities	-	(274)	-	(274)
Pension scheme liability	-	(28,614)	-	(28,614)
Total net assets at 31 August 2020	1,093	(24,602)	91,617	68,108

Comparative information in respect of the previous period is as follows:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2019 £000
Intangible fixed assets	37	-	-	37
Tangible fixed assets	-	-	92,511	92,511
Other investments	-	4,500	-	4,500
Current assets	1,106	2,314	812	4,232
Current liabilities	-	(3,843)	-	(3,843)
Non-current liabilities	-	(106)	-	(106)
Pension scheme liability	-	(25,064)	-	(25,064)
Total net assets at 31 August 2020	1,143	(22,199)	93,323	72,267

20. Capital Commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	122	1,186

Commitments at the year end represent projects committed to for a DfE funded building replacement project as well as normal school capital projects.

21. Commitments under operating leases

Operating Leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non- cancellable operating leases was:

	2020 £000	2019 £000
Amounts due within one year	81	109
Amounts due between one and five years	124	133
	205	242

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

22. Reconciliation of net income to net cash flow from operating activities

	2020 £000	2019 £000
Net (expenditure)/income for the reporting period	(2,689)	5,651
Adjusted for:		
Amortisation	15	-
Depreciation (note 13)	2,638	2,704
Impairment (note 13)	1,164	-
Capital grants from DfE and other capital income	(1,732)	(1,572)
Capital donations from DfE	(95)	-
Capital donations from Local Authority	-	(90)
Interest receivable (note 5)	(48)	(39)
Defined benefit pension scheme cost less contributions payable (note 28)	1,618	1,715
Defined benefit pension scheme finance cost (note 28)	462	408
(Increase) in debtors	(153)	(237)
(Decrease)/increase in creditors	(226)	383
Transfer from local authority	-	(2,703)
Net cash provided by operating activities	<u>954</u>	<u>540</u>

23. Cash flows from investing activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	48	39
Purchase of intangible fixed assets	(53)	(37)
Purchase of tangible fixed assets	(1,869)	(1,957)
Capital Grants from DfE/ ESFA/ LA	1,732	1,572
Capital funding from others	-	-
Cash invested in year	750	(1,500)
Net cash provided by investing activities	<u>608</u>	<u>(1,883)</u>

24. Cash flows from financing activities

	2020 £000	2019 £000
Repayments of borrowing	(14)	(8)
Cash inflows from new borrowings	226	50
Net cash provided by financing activities	<u>212</u>	<u>42</u>

25. Analysis of cash and cash equivalents

	At 31 August 2020 £000	At 31 August 2019 £000
Cash in hand and at bank	3,312	2,288
Notice deposits (less than 3 months)	750	-
Total cash and cash equivalents	<u>4,062</u>	<u>2,288</u>

26. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2020 £000
Cash	2,288	1,774	-	4,062
Loans falling due with one year	(16)	(44)	-	(60)
Loans falling due after more than one year	(106)	(168)	-	(274)
Total	<u>2,166</u>	<u>1,562</u>	<u>-</u>	<u>3,728</u>

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

27. 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.

28. 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 Warwickshire County Council, Staffordshire County Council or Shropshire County Council depending on the location of the school. All are multi-employer defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £638,000 (2019: £375,000) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published on 5 March 2019. The key results of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28. Pension and Similar Obligations (continued)

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards. DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019/20 and 2020/21 academic year.

The employer's pension costs paid to TPS in the period amounted to £4,064,000 (2019: £2,643,000).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2020 was £2,178,000 (2019: £2,122,000), of which employer's contributions totalled £1,732,000 (2019: £1,672,000) and employees' contributions totalled £446,000 (2019: £450,000). The agreed contribution rates for future years are:

	Employer's	Employee's
Warwickshire	22.8%	Between 5.5% and 12.5%
Shropshire	16.7%	Between 5.5% and 12.5%
Staffordshire	24.2%	Between 5.5% and 12.5%

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

The Shropshire Pension Fund is in deficit and additional contributions are being made of £242,100 p.a. over 21 years increasing by 3.9%pa. The Warwickshire and Staffordshire Pension Funds are also in deficit which is currently being recovered through higher contribution rates.

Principal actuarial assumptions

	Rate of increase for pensions in payment/ CPI inflation	Rate of increase in salaries	Discount rate for scheme liabilities
2020 assumptions			
Warwickshire Pension Fund	2.2%	3.0%	1.7%
Shropshire Pension Fund	2.5%	3.7%	1.8%
Staffordshire Pension Fund	2.2%	2.6%	1.7%
2019 assumptions			
Warwickshire Pension Fund	2.3%	2.9%	1.9%
Shropshire Pension Fund	2.2%	3.6%	1.8%
Staffordshire Pension Fund	2.3%	2.7%	1.9%

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28. Pension and Similar Obligations (continued)

Sensitivity analysis

Change in assumptions at 31 August 2020 Approximate % increase to employer liability	0.5% decrease in Real Discount Rate	0.5% increase in the Salary Increase Rate	0.5% increase in the Pension Increase Rate
Warwickshire Pension Fund	13%	1%	11%
Shropshire Pension Fund	11%	2%	10%
Staffordshire Pension Fund	13%	2%	11%
Approximate monetary amount (£'000)			
Warwickshire Pension Fund	2,674	279	2,347
Shropshire Pension Fund	2,370	345	2,320
Staffordshire Pension Fund	1,271	163	1,084

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

	Retiring today		Retiring in 20 years	
	Males	Females	Males	Females
2020 assumptions				
Warwickshire Pension Fund	21.6	23.8	22.5	25.4
Shropshire Pension Fund	22.9	25.0	24.2	26.6
Staffordshire Pension Fund	21.2	23.6	22.1	25.0
2019 assumptions				
Warwickshire Pension Fund	21.4	23.6	22.4	25.0
Shropshire Pension Fund	23.2	26.4	25.4	28.7
Staffordshire Pension Fund	22.1	24.4	24.1	26.4

Community Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28. Pension and Similar Obligations (continued)

The trust's share of the assets and liabilities in each of the pension fund schemes was:

	Warwickshire		Shropshire		Staffordshire	
	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	6,884	6,120	3,922	3,651	3,116	2,969
Bonds	2,868	2,609	1,795	1,515	916	961
Property	1,491	1,204	343	342	366	349
Cash	229	100	139	131	183	87
Other	-	-	1,958	1,647	-	-
Total fair value of assets	11,472	10,033	8,157	7,286	4,581	4,366
Present value of scheme liabilities - funded	(20,923)	(16,983)	(22,436)	(20,275)	(9,465)	(9,491)
Deficit in the scheme	(9,451)	(6,950)	(14,279)	(12,989)	(4,884)	(5,125)

The actual return on scheme assets in each fund was:

	2020 £'000	2019 £'000
Warwickshire Pension Fund	704	562
Shropshire Pension Fund	88	244
Staffordshire Pension Fund	(101)	250

Combined LGPS Pension Funds

Amounts recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost (net of employer contributions)	1,590	854
Past service cost	28	861
Net interest cost	462	408
Total operating charge	2,080	2,123

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

	2020 £000	2019 £000
At 1 September	46,749	32,826
Upon conversion	-	744
Current service cost	3,322	2,526
Interest cost	884	950
Employee contributions	446	450
Actuarial loss/ (gain)	1,720	8,522
Benefits paid	(325)	(130)
Past service cost	28	861
At 31 August	52,824	46,749

Community Academies Trust
Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

28. Pension and Similar Obligations (continued)

Changes in the fair value of the trust's share of scheme assets:

	2020	2019
	£000	£000
At 1 September	21,684	18,280
Upon conversion	-	376
Interest income	422	542
Return on plan assets (excluding net interest on the net defined pension liability)	250	494
Employer contributions	1,732	1,672
Employee contributions	446	450
Benefits paid	(325)	(130)
At 31 August	24,209	21,684

29. Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from the local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the Academies Financial Handbook and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the financial period:

Miss H Mason, daughter of Mr S Mason, a trustee, is employed by the academy trust as a teacher. Miss H Mason's appointment was made in open competition and Mr S Mason was not involved in the decision making process regarding appointment. Miss H Mason is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

Mrs S Atkins, spouse of Mr S Atkins, a trustee, is employed by the academy trust as a casual exam invigilator. Mrs S Atkins' appointment was made in open competition and Mr S Atkins was not involved in the decision making process regarding appointment. Mrs S Atkins is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

30. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2020 the trust received £22,972, (2019 £26,905) and disbursed £19,893, (2019 £25,908) from the fund. An amount of £11,336, (2019 £8,257) is carried forward to be disbursed in 2020/21 and is included in other creditors.

The academy trust distributes funds as an agent for Telford & Wrekin Primary Schools PE Association. In the accounting period ending 31 August 2020 the trust received £2,202 (2019 £5,107) from contributing schools and disbursed £2,597 (2019 £2,967). An amount of £11,129 (2019: £11,524) is carried forward to be disbursed in 2020/21 and is included in other creditors.

Community Academies Trust**Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)****31. Teaching School trading account**

		2020		2019
		£000		£000
Direct Income				
Other Government Grants	226		339	
Other Income				
Trading Income	<u>34</u>		<u>100</u>	
Total Income		260		439
Direct Costs				
Direct staff costs	94		93	
Other direct costs	<u>100</u>		<u>177</u>	
Total direct costs		(194)		(270)
Other Costs				
Support staff costs	52		50	
Advertising & recruitment	-		2	
Technology	8		-	
Other support costs	5		48	
Audit	<u>1</u>		<u>4</u>	
Total other costs		<u>(66)</u>		<u>(104)</u>
Total expenditure		(260)		(374)
Surplus from all sources		-		65
Teaching School balance at 1 September		<u>231</u>		<u>166</u>
Teaching school balance at 31 August		<u>231</u>		<u>231</u>

Community Academies Trust

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 29 August 2019 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2019 to 2020, to obtain limited assurance about whether the expenditure disbursed and income received by Community Academies Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2019 to 2020 Annex B: Regularity Reporting. We are independent of Community Academies Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Community Academies Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Community Academies Trust's funding agreement with the Secretary of State for Education dated 10 December 2013 and the Academies Financial Handbook extant from 1 September 2019, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Community Academies Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 2019 to 2020.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Community Academies Trust

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

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 the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2019 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2019 to 2020.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Community Academies Trust and the ESFA in accordance with the terms of our engagement letter dated 29 August 2019. Our work has been undertaken so that we might state to the Community Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Community Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



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17 December 2020