

Company Registration No. 08359889 (England and Wales)

**COMMUNITY FIRST ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Haines Watts**  
Chartered Accountants & Registered Auditors  
Bridge House  
157A Ashley Road  
Hale  
Altrincham  
Cheshire  
WA14 2UT



# COMMUNITY FIRST ACADEMY TRUST

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# COMMUNITY FIRST ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

Mr N Bailey  
 Ms S Darbyshire (Accounting officer)  
 Mrs M Frost (Resigned 30 September 2016)  
 Mr J Pugh (Chair of trustees)  
 Mr M Rowlands  
 Mr D Sherrington (Resigned 31 December 2016)  
 Cllr C Sweeney  
 Mrs V Lewis (Resigned 31 March 2017)  
 Mr G Ashton  
 Ms D J Wood  
 Mr P Harmer  
 Mrs B C Szwandt (Appointed 25 September 2017)  
 Mr A Healey (Appointed 1 September 2017)  
 Mrs K Y Ardley (Appointed 25 September 2017)

### Members

Mr J Pugh  
 Mr N Bailey  
 Mrs K Y Ardley (Appointed 25 September 2017)  
 Mrs B C Szwandt (Appointed 25 September 2017)

### Senior management team

- Executive headteacher	Mrs S Darbyshire
- Deputy headteacher - Platt Bridge Community Primary School	Mrs A Howard
- Deputy headteacher - Platt Bridge Community Primary School	Mr M Haskayne
- Finance director	Mrs M Frost
- HR director	Mr C Holden
- Headteacher - Rose Bridge Academy	Mrs D Wood
- School business manager of Rose Bridge Academy	Mrs J Jones

### Company registration number

08359889 (England and Wales)

### Registered office

Rivington Avenue, Platt Bridge, Wigan, WN2 5NG

### Academies operated

Platt Bridge Community School  
 Rose Bridge Academy  
 (Kingsbridge SCITT)

### Location

Wigan  
 Wigan

### Principal

S Darbyshire  
 D Wood

### Independent auditor

Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT

### Bankers

Lloyds TSB, Market Street, Wigan, Lancashire

### Solicitors

Eversheds LLP, Eversheds House, 70 Great Bridgewater Street  
 Manchester, M1 5ES

# COMMUNITY FIRST ACADEMY TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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The trustees present their report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The charitable company was incorporated on 14 January 2013 and commenced trade as an academy trust on 1 February 2013. The academy trust as at 31 August 2017 consists of 1 primary academy, 1 secondary academy and 1 SCITT (School Centred Initial Teacher Training Provider) in Wigan.

#### Structure, governance and management

##### Constitution

Community First Academy Trust is a company limited by guarantee (company number: 08359889) 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 First Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the reference and administration details on page 1 together with details of the company's registered office address.

##### 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 he/she ceases to be a member.

##### Trustees' indemnities

In accordance with normal commercial practice the academy trust has purchased professional indemnity and directors' and officers' insurance to protect the trustees and officers from claims arising from negligence, errors or omissions occurring whilst on academy trust business. Further details are disclosed at note 11.

##### Method of recruitment and appointment or election of trustees

The number of trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The total number of trustees who are employees of the company shall not exceed one third of the total number of trustees. Subject to articles 48-49 and 53, the academy trust shall have the following trustees:

- up to 7 trustees, appointed under Article 50;
- the chief executive officer;
- up to 3 representatives from the academies within the academy trust as appointed by the members;
- a minimum of 2 parent trustees elected or appointed under articles 53-56 in the event that no local academy boards are established under article 100a or if no provision is made for at least 2 parent local trustees on each established local governing body pursuant to article 101A and
- the academy trust may also have any co-opted trustee appointed under article 58.

##### Policies and procedures adopted for the induction and training of trustees

Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the academy trust, attend a briefing and receive an induction pack on the role and responsibilities of trustees. The academy trust will also perform an annual skills audit of trustees. Should any gaps be identified training courses are offered to address these issues.

##### Organisational structure

The governance of the trust is defined in the memorandum and articles of association together with the funding agreements with the Department for Education.

Community First Academy Trust as at 31 August 2017 contained the following:

- Platt Bridge Community School (lead/sponsor)
- Rose Bridge Academy (converted 1 April 2015)
- Kingsbridge SCITT (migrated 28 September 2015)

# COMMUNITY FIRST ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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The management structure consists of 6 levels; the members, the board of trustees, the chief executive, the head of school/headteacher of each academy, the local academy board of each academy and the senior leadership team within each academy.

All trustees are members of the full board of trustees. In addition some trustees are members of committees known as the local academy board or headteacher board which report to the full board of trustees. The chief executive is the accounting officer of the trust.

A scheme of delegation has been agreed in order to devolve responsibility and encourage decision making at all levels.

The board of trustees meets once each term to receive reports from its local academy boards or headteacher board and manage its strategic objectives. The local academy boards and headteacher board meet at least once per term to discuss and deal with the following matters subject to their delegations:

- Finance & personnel – academy trust's budgets and financial performance, staffing matters (including absence) and remuneration;
- Audit - internal controls, the responsible officer's reports and risk management;
- Standards - curricular issues, policies, pupils and welfare, and academic performance against targets; and
- Building and facilities management - premises requirements, risk management and health and safety matters

#### Arrangements for setting pay and remuneration of key management personnel

Community First Academy Trust has followed the LA agreed pay policy which has been endorsed annually by the members with regards to the setting of key management personnel pay.

Following performance management meetings comprising of performance management governors, independent performance management reviewers and key management personnel, pay recommendations are sent to the members along with evidence of targets met.

#### Related parties and other connected charities and organisations

Platt Bridge Community School's building is also home to Platt Bridge Community Library, Platt Bridge Community Childcare and Platt Bridge Start Well Centre. A contribution towards facilities management is sought from all stakeholders. The CEO/executive headteacher is also head of centre for Platt Bridge Start Well Centre. Kingsbridge Education Improvement Partnership officially migrated into Community First Academy Trust on 15 September 2015. Platt Bridge Community School was designated as a teaching school in April 2014 in partnership with Westfield Community School and is known as Westbridge Teaching School Alliance.

Rose Bridge Academy is also home to Kingsbridge Education Improvement Partnership (SCITT) and an annual contribution towards facilities management has been agreed.

Platt Bridge Community School is the sponsor for Rose Bridge Academy (converted 1 April 2015) and is responsible for:

- appointing/monitoring the performance of the leadership team;
- monitoring the academy's performance and taking action where necessary;
- reporting to DfE about the academy's performance;
- involving parents and the wider community in the academy's work through events, mentoring and business links;
- making sure the academy spends its funding effectively; and
- working with the academy trust, board of trustees, headteacher and senior leadership team.

#### **Objectives and activities**

##### Objectives and aims

In accordance with the articles of association, the charitable company has entered into a funding agreement with the Secretary of State. The funding agreement specifies, amongst other things, the basis for admitting students to the academy trust and that each of its academies is at the heart of its community, promoting community cohesion and sharing facilities with other schools and/or other educational institutions and the wider community. It also states that the academy trust must ensure that the curriculum provided in each academy to pupils up to the age of 16 is balanced and broadly based.

# COMMUNITY FIRST ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The academy trust's principal object is to advance for the public benefit education for children by establishing, maintaining, managing and developing academies that offer a broad and balanced curriculum. The articles were revised in September 2015 to reflect the inclusion of Kingsbridge SCITT in the trust and its responsibility for tutoring, mentoring and training of trainee teachers.

The trustees' vision is to provide innovative opportunities at the heart of the community, to make a difference by raising aspirations and improving life chances for pupils within a welcoming environment.

### Objectives, strategies and activities

Community First Academy Trust consists of like-minded individuals and educational establishments who want the best for all pupils, staff, families and communities that we serve. Delivering excellence is our overriding focus. Our family of academies – working together will strategically deliver long term sustainability through efficiencies and savings that release resources to improve the rate of progress for all students. This will enable us to deliver the excellence in education that our communities deserve, through the sharing of best practice and the delivery of continuous and sustained improvement. Our mission is to ensure that every pupil develops as a confident and competent person with the highest aspirations to be the best they possibly can be. The progress of every pupil is tracked rigorously across the trust and is reported at all levels to ensure consistency, challenge and accountability. All academies within the trust have established an academy improvement and development plan, which is reviewed and updated on an ongoing basis and monitored by the directors.

### Public benefit

The trustees have complied with their duty as specified in Section 4 of the Charities Act 2006, to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

The academy trust and its academies directly serve the local community, providing free education to all students in the local catchment area. The academy trust operates a co-located library, private childcare, start well centre, and teacher training centre. The academies' facilities are extremely well used for daytime, evening and weekend activities by the community.

The academy trust provides a service to the local authority for pupils who are being assessed for additional needs. There are five resourced places which are over and above the substantive number. Pupils on an observation and assessment place stay for a maximum of three terms before returning to their substantive school or appropriate placement.

### **Strategic report**

#### Achievements and performance

Both academies are part of the local authority's school improvement consortia model, which includes schools across the borough. Support is given to other schools requiring improvement. Platt Bridge Community School is a designated National Teaching School in partnership with Westfield Community School, which is known as Westbridge Teaching School Alliance. The executive headteacher/CEO is a national leader of education and Platt Bridge Community School is a national support school.

Ofsted ratings of academies in the academy trust:

Platt Bridge Community School - Outstanding June 2013

Rose Bridge Academy - Good November 2011

Kingsbridge SCITT (Secondary) – Outstanding 2015

Kingsbridge SCITT (Primary) – Outstanding 2015

# COMMUNITY FIRST ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### Platt Bridge Community School end of Key Stage 2 Results

No of pupils: 48	Platt Bridge Community School end of Key Stage 2 (2017)				
	RWM	Reading	Writing	SPAG	Maths
% of pupils working at expected standard or above	65	75	79	79	83
% of pupils working at greater depth	8	25	8	29	21
Average scaled score		104.2		106.4	103.9
Expected progress		2.3	1.2		1.9

No of pupils: 47	Platt Bridge Community School end of Key Stage 2 (2016)				
	RWM	Reading	Writing	SPAG	Maths
% of pupils working at expected standard or above	51	77	57	64	74
% of pupils working at greater depth	4	19	11	19	13
Average scaled score	103.7(R&M)	104.0		102.8	103.5
% of pupils who achieved an average scaled score		51			53
Expected progress		1.9	-3.8		0.8

By the time the children leave Platt Bridge Community School, their achievement is outstanding because they make significantly good progress across the academy leading to significantly high levels of attainment.

Platt Bridge Community School attendance data				
	2013/2014	2014/2015	2015/2016	2016/2017
% Attendance	94.9%	95.3%	96.6%	96.5%

# COMMUNITY FIRST ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### Rose Bridge Academy

Summary of GCSE results				
	2013/2014	2014/2015	2015/2016	2016/2017* New measures
5+ A* to C in English and Maths	34%	32%	39.2%	
A* to C in English and Maths	34%	40%	39%	4-9 in English and Maths 39%
3 levels of progress in English	46%	50%	56%	N/A
3 levels of progress in Maths	42%	50%	55%	N/A
5+ A* to G	89%	95%	98%	
1+ A* to G	100%	100%	100%	1+ A* to G / 1-9 100%
Value Added		944.6	1001.7	N/A

### New Measures from 2016

	2015/2016	2016/2017* New measures
Progress 8	-0.20	-0.38
Attainment 8	43.8	37.7

SEN Students		Progress 8 (Overall Wigan schools)	Progress 8 (Overall RBA)
SEN Group	SEN Support	-1.03	-0.40
	EHC Plan	-1.12	-0.68

Disadvantaged students		Progress 8 (Overall Wigan schools)		Progress 8 (Overall RBA)	
All pupils Wigan schools		FSM6 Wigan		FSM6 RBA	Gap from others
Summary	All Pupils	-0.69		-0.4	-0.03
Gender	Male	-0.96		-0.78	-0.4
	Female	0.39		-0.07	0.27
Prior Attainment	Higher attainers	0.59		-0.72	-0.27
	Middle attainers	-0.71		-0.55	-0.25
	Lower attainers	-0.71		-0.16	0.22
SEN Group	SEN Support	-1.56		-0.33	0.19
	EHC Plan	-1.24		*	*
	No SEN	-0.46		-0.41	-0.11
Ethnic Group	White	-0.74		-0.45	-0.08
	Not White	0.18		*	*

# COMMUNITY FIRST ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

Rose Bridge Academy Attendance Data				
	2013/2014	2014/2015	2015/2016	2016/2017
% Attendance	93.8%	94.4%	95.2%	95.57%

Wigan schools exclusions	No of pupils excluded	Number of exclusions
Rose Bridge Academy	17	27
Wigan schools average	41	85

We are pleased to report that attendance to the academies continues to improve and is above national average.

The gap (difference) between disadvantaged students and others at the school is decreasing and is well above the average for the local authority for Progress 8 and Attainment 8.

### Key performance indicators

The Education and Skills Funding Agency (ESFA) monitors the academy trust via a number of statistical returns. The board of trustees monitors percentage spends and emphasis is placed on monitoring staffing and educational resources spending percentages. Benchmarking against similar establishments is performed annually and a benchmarking report is presented to trustees.

As funding is based on pupil numbers, this is a key financial performance indicator. Pupil numbers for 2016/2017 were 970, a decrease of 8 over 2015/2016. However it is anticipated that pupil numbers will rise over the next 3 years.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2015/16 this was 66% and is 73% for 2016/2017, which is in line with the trustees' expectations.

Cash balances at the end of 2016/2017 are higher than anticipated due to growth fund awards from the local authority and DfE mid-year, in addition to salary savings.

The overall result for 2016/2017 is a surplus of £57,000 compared to a deficit of £1,159,000 in 2015/16. This is due to the actuarial gain on the pension totalling £482,000, compared to an actuarial loss of £1,255,000 in 2015/2016.

### 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.

### **Financial review**

#### Financial and risk management objectives and policies

The vast majority of the academy trust's income is obtained from the DfE via the ESFA in the form of recurrent grants to the academy trust's academies (revenue and capital), the use of which is restricted to particular educational purposes. The grants received from the DfE during the period ended 31 August 2017 and the associated expenditure are shown within the restricted funds in the statement of financial activities.

The academy trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice (SORP 2005) such grants 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.

# COMMUNITY FIRST ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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The academy trust's financial position for the year to 31 August 2017 demonstrates total income of £8,029,000 with a deficit at 31 August 2017 of £425,000 before the actuarial gain on defined benefit pension scheme. The deficit has been allocated to reserves. The reserves will be utilised for continuing improvements and for projects for the repair and replacement of educational equipment and materials. Resources will also be allocated to the repair, replacement and updating of the academy trust's buildings, its plant, equipment and contents.

Key financial policies adopted or reviewed during the period cover scheme of delegations, financial handbook, investment, whistle blowing and business continuity.

#### Reserves policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The academy trust's current level of free reserves (total funds less the amount held in fixed assets restricted fund but excluding pension reserve) is £1,645,000. The trustees consider that these reserves need to be maintained at a level equivalent to at least one month's expenditure, currently approximately £681,000 (2016: £644,000).

The academy trust is committed towards maintaining its buildings and regularly reviews its capital maintenance programme to ensure a long useful life for the academy trust's assets

Total funds as at 31 August 2017 were £7,150,000 (2016: £7,093,000) made up of restricted funds (£2,091,000), restricted fixed asset funds (£8,267,000) and unrestricted funds (£974,000).

#### Investment policy

The trustees have adopted an investment policy which allows for surplus funds to be invested in low risk short term bonds with high street banks.

#### Principal risk and uncertainties

The trustees have assessed the major risks to which the academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of its academies. Procedures have been established to mitigate those risks. The risk register is reviewed regularly and mitigating actions are agreed as required.

Neither of the current academies face any financial risk associated with falling rolls. Both academies predict a rise in pupil numbers over the next 12 months. The academy trust anticipates that expansion of pupil numbers is an opportunity to strengthen the finances of its academies. Nevertheless at the same time the uncertainties relating to the next stage of budget reforms, school funding arrangements and increasing employment and premises costs are all contributing to cost pressure in future periods which increases the importance of maintaining robust levels of revenue reserves.

The academy trust recognises exposure to credit risk, as the risk that revenues (self generated) cannot be collected, and the exposure to banks where the academy trust's own cash is deposited. The credit risk is low for the academy trust due to all cash and investments being with banks that have assigned high credit ratings. The academy trust does not hold client cash balances or assets and so is not exposed to client credit risk.

Prudent liquidity risk management includes maintaining sufficient cash and interest-bearing deposits. To minimise this risk a high percentage of asset funds are held within flexible accounts. The academy trust recognises that the defined benefit schemes deficits (Local Government Pension Schemes) as a significant liability which is set out in the financial statements. However as the trustees consider that the academy trust is able to meet its known deficit contribution commitments for the foreseeable future, the risk from this liability is minimised and is manageable.

#### Plans for future periods

Community First Academy Trust continues to work closely with the local authority, offering support to other schools and working groups, both through the Consortia directly or with the Heads of Service. Support and training will also continue to be provided through the Teaching School.

Staff have also been commissioned to support schools across the north of England and internationally. The academy trust has deployed its NLE and SLE's to schools requiring support.

# COMMUNITY FIRST ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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Platt Bridge has also been approved by the DfE as a 'Sponsor' academy. The trust continues to invest resources into building capacity within the trust in preparation for growth and demand. By centralising services, economies of scale and maximising efficiency will be achieved.

Platt Bridge and Rose Bridge are both lead schools for the Kingsbridge Education Improvement Partnership and staff from both academies will continue to play a key role in the delivery of the School Centred Initial Teacher Training Programme. Kingsbridge can accept 60 trainees per school year in a range of disciplines and trainees who successfully complete their training are recommended for qualified teacher status (QTS). Kingsbridge's most recent Ofsted report in 2015 judged the provider to be outstanding in all key areas including the outcome for trainees, quality of training and quality of leadership. International partnerships with Cairo and China have been developed during the year and contracts have been signed.

The priorities for Rose Bridge Academy are to raise attainment in all areas by:

- Continuing to raise the standards of achievement for all groups in particular boys, disadvantaged and the most able.
- Continuing to improve the quality of teaching and learning, by embedding the PiXL principles alongside differentiation and challenge in every lesson.
- Ensuring that the teaching of literacy and numeracy is everyone's responsibility.
- Further developing partnership work across the academy trust

Targets: Targets for students are set in September based on a flight path from their individual starting points from end of key stage 2 data. Subject GCSE targets are based on Fisher Family Trust target setting system. These are adjusted throughout the year. Attendance target 95.8% which is way above national average for secondary schools (95%).

The priorities for Platt Bridge Community School are:

- To improve the attainment of disadvantage pupils.
- To increase the percentage of children reaching greater depth in writing across the school.
- To improve the boys' progress in English so that attainment of boys rises across the school.
- To improve attainment in spelling across the school.
- To improve children's fluency and agility with times tables.

Targets: Pupils' targets are set in September. Targets are set in the 5<sup>th</sup> percentile using the Fischer Family Trust target setting system. They are adjusted based on pupil's current attainment and knowledge of the child to ensure that they are specific to the individual.

- Attendance target for 2017/18 is 96.5% in line with the national target.

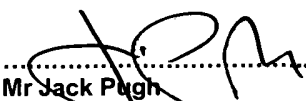
#### Auditors

In so far as the trustees are aware:

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

The audit business Haines Watts has been appointed as the company's auditor. The audit report has therefore been issued by Haines Watts, Chartered Accountants.

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13/12/17 and signed on the board's behalf by:

.....  
  
Mr Jack Pugh  
Chair of trustees

# COMMUNITY FIRST ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the executive headteacher/CEO for ensuring financial controls conform to 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 First Academy Trust and the Secretary of State for Education. They are 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 board of trustees has formally met 4 times during the year. Attendance at board meetings during the period to 31 August 2017 was as follows:-

Trustee	Meetings attended	Out of possible
Mr Jack Pugh	5	5
Mr Neil Bailey	4	5
Mrs Sue Darbyshire	5	5
Cllr Carl Sweeney	3	5
Mr Mark Rowlands	3	5
Mrs Val Lewis	4	5
Mrs Debra Wood	5	5
Mr Peter Harmer	4	5
Mr Geoffrey Ashton	4	5

A Governance and Accountability Handbook is in operation.

The Board of Directors appointed a National Leader of Governance and experienced clerk to undertake clerking duties across the trust during 2016/17. The clerk also delivered support and training to directors and governors to enable them to meet the challenges ahead in an ever changing educational landscape.

### Review of value for money

As accounting officer of Community First Academy Trust the CEO/executive headteacher is accountable for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer is aware of the guide to academy value for money statements published by the Education and Skills Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers resources received.

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

Being committed to:

#### 1. Raising student attainment:

The academy trust has developed and fully embedded tracking systems that ensure each individual child's progress is monitored rigorously throughout the year. These systems are reviewed regularly and revised when appropriate.

Pupil attainment remains a priority across the academy trust and is a focus within each academy's development plan.

# **COMMUNITY FIRST ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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Effective use of Pupil Premium ensures pupils of differing needs achieve just as well as others. Members of the pastoral and ethos team work closely with children to establish their needs. A Pupil Premium Champion has been appointed at Platt Bridge to ensure the best use of pupil premium funding and resources. Rigorous tracking across the trust takes place to measure the impact of the use of pupil premium funding. The local academy boards receive termly updates on the use of pupil premium funding. Rose Bridge Academy was selected as winners of the National Pupil Premium Award for their commitment to improve the performance of their disadvantaged children.

The academy trust will facilitate the collaboration and sharing of good practice amongst its academies for the benefit of teachers, staff and pupils.

#### **2. Robust governance and oversight of academy trust's finances:**

The academy trust has appointed Michael Prior as responsible officer who provides advice to the trustees and local academy boards and performs a range of checks on the academy trust's financial systems on a termly basis. A report of his findings is presented to the local academy board and trustees.

The board of trustees approve the budget each year and is mindful of the need to balance expenditure against income to ensure that the academy trust remains a 'going concern'.

The board of trustees also receive and approve the statutory accounts and the external auditor's management report.

The local academy boards receive termly budget monitoring reports produced by the business manager/finance director. Governors are given the opportunity at these meetings to question, challenge and discuss spending proposals in order to achieve value for money.

A system of internal control, based on a framework of regular management information and administration procedures, has been approved by the board of trustees to ensure appropriate segregation of duties and accountability.

All trustees, governors and members of the senior leadership team are required to complete a register of pecuniary interests form annually. The opportunity to declare any pecuniary interests is provided at all trustees' and governors meetings.

#### **3. Ensuring value for money is achieved and resources are used efficiently and effectively:**

The academy trust takes a prudent approach to expenditure. Staffing structures are reviewed annually to ensure that they are fit for purpose and can adapt and respond to support the successful attainment of the objectives within the School Improvement Plan.

Teachers' performance management and support staff appraisal systems are in place to ensure that staff are working to clear objectives and targets. Capability issues are addressed through the use of appropriate policies. Staff absence is carefully monitored and staff are supported through the use of occupational health and application of the Sickness Management Policy to maintain good attendance levels. The academy trust acknowledges that employing NQT's can have a beneficial impact, not only in salary costs, but also in their ability to bring fresh ideas and innovative approaches to the teaching team. The trust is also committed to developing an Apprenticeship Programme and is in the process of making an application to become a provider of apprenticeships.

Individual budget holders are held accountable for the use of their budgets and are helped by experienced finance officers in sourcing best value.

The academy trust's payroll is maintained by APS Global and detailed monthly reconciliations of payroll are undertaken by the finance director, HR director and academy business managers to ensure that payments to staff are correct.

Contracts are regularly reviewed to ensure they remain competitive and within the limits agreed by the local academy boards and board of trustees.

Comparable quotes are obtained for expenditure over £10,000 but below the tender limit.

# COMMUNITY FIRST ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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The academy trust and each academy regularly benchmarks financial performance against similar academies locally and nationally to demonstrate that the trust provides good value for money.

The trust is working towards centralised core services that will benefit the schools and provide best value. These include HR, finance and IT.

4. Maximising income generation:

The academy trust explores every opportunity to generate income through the hiring of facilities and pursuing funding bids. The trust was successful in obtaining a Regional Growth Fund Grant in 2017.

Throughout the year members of the teaching staff have been deployed to support and share good practice with other educational providers in order to drive up standards.

A contract has been agreed between Kingsbridge SCITT and Wellington College China and MES Cairo for teacher training and induction.

5. Reviewing controls and managing risks:

The business manager and finance director provide termly budget monitoring reports to the local academy boards and finance committee. Significant variances are explained and remedial action is taken if necessary.

The trust has invested in budgeting software to assist with the budget setting process.

Insurance levels are reviewed annually and used cost-effectively to manage risks. The trust buys back into the government's RPA scheme.

A Risk Register has been approved by the local academy boards and is reviewed on a regular basis. A Trust Risk Register is also in place and reviewed termly by the trustees.

Each academy also has a Business Continuity Plan, Anti- Fraud and Corruption Policy.

6. Reviewing operation to maximise use of resources:

The senior leadership teams and trustees review expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum development and each Academy Development Plan. The trustees review the level of reserves annually and have invested in higher interest accounts to ensure maximum returns on surplus balances.

#### **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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust's 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 First Academy Trust for the period 1 September 2016 to 31 August 2017 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 academy trust is exposed together with the operation, 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 of identifying, evaluating and managing the academy trust's significant risks that have been in place for the period 1 September 2016 to 31 August 2017 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 risk and control framework**

The academy trust's system of internal 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 system with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purpose committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

# COMMUNITY FIRST ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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- setting targets to measure financial and other performance;
- clearly defining purchasing (assets purchase or capital investment) guidelines;
- delegation of authority and segregations of duties;
- identification and management of risks;
- a Trust Risk Register is reviewed and updated regularly; and
- a comprehensive Governance Review was conducted in the Summer Term 2016.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Michael Prior, as responsible officer (RO). The RO role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The responsible officer completed his most recent review in October 2017 and reported that there were no material control issues.

### Review of effectiveness

As accounting officer, the CEO/executive headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the local board of trustees/finance committee;
- the work of the responsible officer; and
- the work of the external auditors.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 13/12/17 and signed on its behalf by:

  
Mr Jack Pugh  
Chair of trustees

  
Mrs Sue Darbyshire  
Accounting officer

# COMMUNITY FIRST ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2017**

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As accounting officer of Community First Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



**Mrs Sue Darbyshire**  
**Accounting officer**

Dated: 13/12/17

# COMMUNITY FIRST ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The trustees (who also act as governors for Community First Academy Trust and are also the directors of Community First Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 13/12/17 ..... and signed on its behalf by:



**Mr Jack Pugh**  
**Chair of trustees**

# COMMUNITY FIRST ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FIRST ACADEMY TRUST

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Opinion

We have audited the accounts of Community First Academy Trust for the year ended 31 August 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

### 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust'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 accounts are authorised for issue.

### Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 FIRST ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FIRST ACADEMY TRUST (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust'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 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 accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts 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.

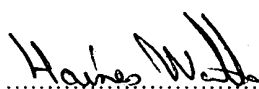
# COMMUNITY FIRST ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMUNITY FIRST ACADEMY TRUST (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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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. 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 auditors' 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



**John Whittick BSc FCA (Senior Statutory Auditor)**

**for and on behalf of Haines Watts**

**Chartered Accountants**

**Statutory Auditor**

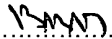
Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: 

# **COMMUNITY FIRST ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO COMMUNITY FIRST ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2017***

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In accordance with the terms of our engagement letter dated 15 April 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Community First Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Community First Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Community First Academy Trust and 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 First Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Community First Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Community First Academy Trust's funding agreement with the Secretary of State for Education dated 25 May 2012 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

# COMMUNITY FIRST ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO COMMUNITY FIRST ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

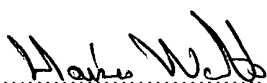
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The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Haines Watts**  
**Reporting Accountant**

Dated: 13/11/17

# COMMUNITY FIRST ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2017 £(000)	Total 2016 £(000)
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	1	23	24	42
Charitable activities:						
- Funding for educational operations	4	-	7,665	-	7,665	7,511
Other trading activities	5	259	78	-	337	550
Investments	6	3	-	-	3	5
<b>Total income and endowments</b>		<u>262</u>	<u>7,744</u>	<u>23</u>	<u>8,029</u>	<u>8,108</u>
<b>Expenditure on:</b>						
Raising funds	7	79	-	-	79	99
Charitable activities:						
- Educational operations	8	125	7,966	284	8,375	7,913
<b>Total expenditure</b>	7	<u>204</u>	<u>7,966</u>	<u>284</u>	<u>8,454</u>	<u>8,012</u>
<b>Net income/(expenditure)</b>		58	(222)	(261)	(425)	96
Transfers between funds		-	(36)	36	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	482	-	482	(1,255)
<b>Net movement in funds</b>		58	224	(225)	57	(1,159)
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>916</u>	<u>(2,315)</u>	<u>8,492</u>	<u>7,093</u>	<u>8,252</u>
Total funds carried forward		<u>974</u>	<u>(2,091)</u>	<u>8,267</u>	<u>7,150</u>	<u>7,093</u>

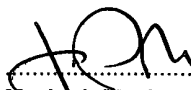
# COMMUNITY FIRST ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2017

		2017	2016
	Notes	£(000)	£(000)
<b>Fixed assets</b>			
Intangible assets	12	4	8
Tangible assets	13	8,254	8,484
		8,258	8,492
<b>Current assets</b>			
Debtors	14	243	272
Cash at bank and in hand		1,673	1,426
		1,916	1,698
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(262)	(192)
<b>Net current assets</b>		1,654	1,506
<b>Net assets excluding pension liability</b>		9,912	9,998
Defined benefit pension liability	18	(2,762)	(2,905)
<b>Net assets</b>		7,150	7,093
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		8,267	8,492
- Restricted income funds		671	590
- Pension reserve		(2,762)	(2,905)
<b>Total restricted funds</b>		6,176	6,177
<b>Unrestricted income funds</b>	17	974	916
<b>Total funds</b>		7,150	7,093

The accounts were approved by the board of trustees and authorised for issue on 13/12/17 and are signed on its behalf by:

  
Mr Jack Pugh  
Chair of trustees

Company Number 08359889

**COMMUNITY FIRST ACADEMY TRUST**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £(000)	2016 £(000)
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20	271	373
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		3	5
Capital grants from DfE and ESFA		23	42
Payments to acquire intangible fixed assets		-	(11)
Payments to acquire tangible fixed assets		(50)	(81)
		(24)	(45)
<b>Change in cash and cash equivalents in the reporting period</b>		247	328
Cash and cash equivalents at 1 September 2016		1,426	1,098
<b>Cash and cash equivalents at 31 August 2017</b>		<b>1,673</b>	<b>1,426</b>

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

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

#### 1.1 Basis of preparation

The accounts 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Community First Academy Trust meets the definition of a public benefit entity under FRS 102.

#### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

#### 1.3 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 receivable

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 full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants 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.

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### 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.

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

##### 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.

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

Where the donated good is a fixed asset it is 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.

#### 1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### 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.

#### 1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 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 3 years

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **1 Accounting policies**

#### **1.6 Tangible fixed assets and depreciation**

Assets costing £1,000 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, as follows:

Long leasehold land and buildings	50 years for buildings, land is not depreciated
Computer equipment	3 years
Fixtures, fittings & equipment	5 years
Motor vehicles	5 years

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

#### **1.7 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.

#### **1.8 Leasing and hire purchase commitments**

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

#### **1.9 Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **1 Accounting policies**

#### **1.10 Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **1.11 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, 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 are 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 in other recognised gains and losses.

#### **1.12 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.

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 3 Donations and capital grants

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2017 £(000)	Total 2016 £(000)
Capital grants	-	23	23	42
Other donations	-	1	1	-
	<u>-</u>	<u>24</u>	<u>24</u>	<u>42</u>

The income from donations and capital grants was £24,000 (2016: £42,000) of which £1,000 was restricted (2016: £nil) and £23,000 was restricted fixed assets (2016: £42,000).

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2017 £(000)	Total 2016 £(000)
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	5,589	5,589	5,807
Other DfE / ESFA grants	-	1,034	1,034	922
	-	6,623	6,623	6,729
<b>Other government grants</b>				
Local authority grants	-	704	704	607
Student Loan Company	-	338	338	175
	-	1,042	1,042	782
<b>Total funding</b>	-	7,665	7,665	7,511

The income from funding for educational operations was £7,665,000 (2016: £7,511,000) of which £7,665,000 was restricted (2016: £7,511,000).

The academy trust received £704,000 from the local authority in the year being £20,000 pupil premium, £139,000 Early Years funding, £30,000 resource place funding, £111,000 SEN funding, £97,000 supplementary funding and £307,000 for the Children's Centre at Platt Bridge Community School.

Funding was provided to Platt Bridge Community School for the Start Well Centre. Conditions attaching to this funding were that if any was unspent at the year end that it would be paid back to the local authority. There is a £17,000 creditor at the year end relating to the monies owing back to the local authority relating to the surplus income received for the Start Well Centre. There were no other unfulfilled conditions or other contingencies relating to the grants received in the year.

### 5 Other trading activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2017 £(000)	Total 2016 £(000)
Hire of facilities	18	-	18	21
Catering income	-	35	35	43
Maternity payments	-	43	43	-
Other income	241	-	241	486
	259	78	337	550

The income from other trading activities was £337,000 (2016: £550,000) of which £259,000 was unrestricted (2016: £363,000) and £78,000 was restricted (2016: £187,000).

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 6 Investment income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2017 £(000)	Total 2016 £(000)
Short term deposits	3	-	3	5

The income from funding for investment income was £3,000 (2016: £5,000) of which £3,000 was unrestricted (2016: £5,000).

### 7 Expenditure

	Staff costs £(000)	Premises & equipment £(000)	Other costs £(000)	Total 2017 £(000)	Total 2016 £(000)
<b>Academy's educational operations</b>					
- Direct costs	4,540	256	1,209	6,005	5,677
- Allocated support costs	1,338	202	830	2,370	2,236
	<u>5,878</u>	<u>458</u>	<u>2,039</u>	<u>8,375</u>	<u>7,913</u>
<b>Other expenditure</b>					
Raising funds	-	-	79	79	99
	<u>-</u>	<u>-</u>	<u>79</u>	<u>79</u>	<u>99</u>
<b>Total expenditure</b>	<u>5,878</u>	<u>458</u>	<u>2,118</u>	<u>8,454</u>	<u>8,012</u>

The expenditure on raising funds was £79,000 (2016: £99,000) of which £79,000 was unrestricted (2016: £99,000).

### Net income/(expenditure) for the year includes:

	2017 £(000)	2016 £(000)
Fees payable to auditor for:		
- Audit	13	14
- Other services	1	2
Operating lease rentals	22	13
Depreciation of tangible fixed assets	<u>284</u>	<u>280</u>

### Central services

The academy trust has provided the following central services to its academies during the year:

- financial services
- educational support services
- others as arising

The academy trust charges for these services on the following basis:

- flat percentage of income (5% of GAG)

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Expenditure

The amounts charged during the year were as follows:

	2017 £(000)	2016 £(000)
Platt Bridge Community School	29	-
Rose Bridge Academy	71	132
	<u>100</u>	<u>132</u>

### 8 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2017 £(000)	Total 2016 £(000)
Direct costs - educational operations	125	5,880	6,005	5,677
Support costs - educational operations	-	2,370	2,370	2,236
	<u>125</u>	<u>8,250</u>	<u>8,375</u>	<u>7,913</u>

The expenditure on educational operations was £8,375,000 (2016: £7,913,000) of which £125,000 was unrestricted (2016: £nil), £7,966,000 was restricted (2016: £7,633,000) and £284,000 was restricted fixed assets (2016: £280,000).

#### Analysis of costs

	2017 £(000)	2016 £(000)
<b>Direct costs</b>		
Teaching and educational support staff costs	4,470	4,272
Staff development	70	99
Depreciation and amortisation	256	252
Technology costs	66	75
Educational supplies and services	552	574
Examination fees	55	46
Other direct costs	536	359
	<u>6,005</u>	<u>5,677</u>

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 8 Charitable activities

Support costs	2017 £(000)	2016 £(000)
Support staff costs	1,338	984
Depreciation and amortisation	28	28
Technology costs	35	20
Maintenance of premises and equipment	174	355
Cleaning	119	131
Energy costs	84	100
Rent and rates	54	101
Insurance	59	73
Security and transport	32	10
Catering	172	191
Interest on pension deficit	64	59
Other support costs	118	128
Governance costs	93	56
	<u>2,370</u>	<u>2,236</u>

### 9 Staff costs

	2017 £(000)	2016 £(000)
Wages and salaries	4,298	3,998
Social security costs	408	324
Operating costs of defined benefit pension schemes	1,016	779
Apprenticeship levy	3	-
	<u>5,725</u>	<u>5,101</u>
Staff costs	5,725	5,101
Supply staff costs	69	142
Staff restructuring costs	17	13
Staff development and other staff costs	67	99
	<u>5,878</u>	<u>5,355</u>

#### Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2017 Number	2016 Number
Teachers	61	66
Administration and support	109	108
Management	8	7
	<u>178</u>	<u>181</u>

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Staff costs

#### Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £17,000 (2016: £13,000). Individually, the payments were: £10,000 and £7,000.

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £533,868 (2016: £517,000).

### 10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

S Darbyshire (Principal and trustee)

Remuneration: £110,001 - £115,000 (2016: £100,001 - £105,000)

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

M Frost (Staff trustee - resigned 30 September 2016)

Remuneration: £nil - £5,000 (2016: £50,001 - £55,000)

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

D Wood (Principal and trustee)

Remuneration: £90,001 - £95,000 (2016: £85,001 - £90,000)

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

During the year, travel and subsistence payments totalling £857 (2016: £nil) were reimbursed to 2 trustees.

Other related party transactions involving the trustees are set out within the related parties note.

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 11 Trustees and officers insurance

The academy trust has opted into the Department for 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 trust 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.

#### 12 Intangible fixed assets

	Software £(000)
<b>Cost</b>	
At 1 September 2016 and at 31 August 2017	11
<b>Amortisation</b>	
At 1 September 2016	3
Charge for year	4
At 31 August 2017	7
<b>Net book value</b>	
At 31 August 2017	4
At 31 August 2016	8

#### 13 Tangible fixed assets

	Long leasehold land and buildings £(000)	Computer equipment £(000)	Fixtures, fittings & equipment £(000)	Motor vehicles £(000)	Total £(000)
<b>Cost</b>					
At 1 September 2016	8,634	361	164	12	9,171
Additions	-	13	37	-	50
At 31 August 2017	8,634	374	201	12	9,221
<b>Depreciation</b>					
At 1 September 2016	404	224	54	5	687
Charge for the year	154	87	37	2	280
At 31 August 2017	558	311	91	7	967
<b>Net book value</b>					
At 31 August 2017	8,076	63	110	5	8,254
At 31 August 2016	8,230	137	110	7	8,484

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 13 Tangible fixed assets

The net book value of land and buildings comprises:

	2017 £(000)	2016 £(000)
Long leaseholds (over 50 years)	8,076	8,230

Buildings to the value of £4,312,500 for Platt Bridge Community School are included in fixed assets at depreciated replacement cost, estimated by the trustees as at 14 January 2013. The total land value included in their valuation is £262,000.

The total net book value of leasehold land and buildings as at the balance sheet date consists of £7,314,000 in respect of buildings and £916,000 in respect of non-depreciable land.

The property is held on a 125 year lease with Wigan Metropolitan Borough Council. Wigan Metropolitan Borough Council obtain the rights to the freehold.

### 14 Debtors

	2017 £(000)	2016 £(000)
Trade debtors	8	22
VAT recoverable	29	54
Prepayments and accrued income	206	196
	243	272

### 15 Creditors: amounts falling due within one year

	2017 £(000)	2016 £(000)
Other creditors	22	22
Accruals and deferred income	240	170
	262	192

### 16 Deferred income

	2017 £(000)	2016 £(000)
Deferred income is included within:		
Creditors due within one year	187	110
Deferred income at 1 September 2016	110	140
Released from previous years	(110)	(140)
Amounts deferred in the year	187	110
<b>Deferred income at 31 August 2017</b>	<b>187</b>	<b>110</b>

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 16 Deferred income

At the balance sheet date, the academy trust was holding funds received in advance for the following purposes:

- Trips income taken in advance - £2,000
  - SEN grant income received in advance - £52,000
  - Universal Infant Free School Meals grant income received in advance - £47,000
  - Supplementary funding received in advance - £56,000
  - Other LA grant income received in advance - £30,000

### 17 Funds

	Balance at 1 September 2016 £(000)	Income £(000)	Expenditure £(000)	Gains, losses and transfers £(000)	Balance at 31 August 2017 £(000)
<b>Restricted general funds</b>					
General Annual Grant	308	5,589	(5,535)	(36)	326
Other DfE / ESFA grants	110	1,034	(1,030)	-	114
Other government grants	56	1,042	(1,015)	-	83
Other restricted funds	116	79	(47)	-	148
	<u>590</u>	<u>7,744</u>	<u>(7,627)</u>	<u>(36)</u>	<u>671</u>
Funds excluding pensions					
Pension reserve	(2,905)	-	(339)	482	(2,762)
	<u>(2,315)</u>	<u>7,744</u>	<u>(7,966)</u>	<u>446</u>	<u>(2,091)</u>
<b>Restricted fixed asset funds</b>					
Inherited funds	8,321	-	(221)	-	8,100
DfE / ESFA capital grants	38	23	(14)	-	47
Capital expenditure from GAG	111	-	(38)	36	109
Expenditure from unrestricted funds	22	-	(11)	-	11
	<u>8,492</u>	<u>23</u>	<u>(284)</u>	<u>36</u>	<u>8,267</u>
<b>Total restricted funds</b>	<u>6,177</u>	<u>7,767</u>	<u>(8,250)</u>	<u>482</u>	<u>6,176</u>
<b>Unrestricted funds</b>					
General funds	916	262	(204)	-	974
<b>Total funds</b>	<u>7,093</u>	<u>8,029</u>	<u>(8,454)</u>	<u>482</u>	<u>7,150</u>

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 17 Funds

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

The transfer from General Annual Grant restricted general fund to restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year.

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 2017.

#### Total funds analysis by academy

	<b>Total £(000)</b>
Fund balances at 31 August 2017 were allocated as follows:	
Platt Bridge Community School	1,072
Rose Bridge Academy	411
Central services	162
	<hr/>
Total before fixed assets fund and pension reserve	1,645
Restricted fixed asset fund	8,267
Pension reserve	(2,762)
	<hr/>
Total funds	7,150
	<hr/>

#### Total cost analysis by academy

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

	<b>Teaching and educational support staff costs £(000)</b>	<b>Other support staff costs £(000)</b>	<b>Educational supplies £(000)</b>	<b>Other costs excluding depreciation £(000)</b>	<b>Total £(000)</b>
Platt Bridge Community School	1,693	839	940	573	4,045
Rose Bridge Academy	2,777	567	252	484	4,080
Central services	-	2	16	27	45
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,470	1,408	1,208	1,084	8,170
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 18 Pensions 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 Tameside Metropolitan Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £437,000 (2016: £415,000).

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

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 18 Pensions and similar obligations

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The contribution rates for future years are yet to be determined. The estimated value of employer contributions for the forthcoming year is £300,000.

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

Total contributions made	2017 £(000)	2016 £(000)
Employer's contributions	300	273
Employees' contributions	93	82
Total contributions	<u>393</u>	<u>355</u>
 Principal actuarial assumptions	 2017 %	 2016 %
Rate of increases in salaries	3.2	3.35
Rate of increase for pensions in payment	2.4	2.1
Discount rate	<u>2.5</u>	<u>2.1</u>

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

	2017 Years	2016 Years
Retiring today		
- Males	21.5	21.4
- Females	24.1	24.0
Retiring in 20 years		
- Males	23.7	24.0
- Females	<u>26.2</u>	<u>26.6</u>

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Pensions and similar obligations

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

#### Sensitivity analysis

Changes in assumptions at 31 August 2017	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	14%	910
0.5% increase in the Salary Increase Rate	4%	238
0.5% increase in the Pension Increase Rate	10%	650

The academy trust's share of the assets in the scheme	2017 Fair value £(000)	2016 Fair value £(000)
Equities	2,864	2,387
Bonds	628	564
Property	235	199
Other assets	196	166
Total market value of assets	3,923	3,316
Actual return on scheme assets - gain/(loss)	261	524
Amounts recognised in the statement of financial activities	2017 £(000)	2016 £(000)
Current service cost	575	364
Interest income	(73)	(99)
Interest cost	137	158
Total operating charge	639	423
Changes in the present value of defined benefit obligations	2017 £(000)	2016 £(000)
Obligations at 1 September 2016	6,221	3,937
Current service cost	575	364
Interest cost	137	158
Employee contributions	93	82
Actuarial (gain)/loss	(294)	1,680
Benefits paid	(47)	-
At 31 August 2017	6,685	6,221

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Pensions and similar obligations

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

	2017 £(000)	2016 £(000)
Assets at 1 September 2016	3,316	2,437
Interest income	73	99
Actuarial gain	188	425
Employer contributions	300	273
Employee contributions	93	82
Benefits paid	(47)	-
At 31 August 2017	3,923	3,316

### 19 Analysis of net assets between funds

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2017 £(000)
<b>Fund balances at 31 August 2017 are represented by:</b>				
Intangible fixed assets	-	-	4	4
Tangible fixed assets	-	-	8,254	8,254
Current assets	974	933	9	1,916
Creditors falling due within one year	-	(262)	-	(262)
Defined benefit pension liability	-	(2,762)	-	(2,762)
	974	(2,091)	8,267	7,150

### 20 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2017 £(000)	2016 £(000)
Net (expenditure)/income for the reporting period	(425)	96
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(23)	(42)
Investment income receivable	(3)	(5)
Defined benefit pension costs less contributions payable	275	91
Defined benefit pension net finance cost	64	59
Depreciation of tangible fixed assets	284	280
Decrease in debtors	29	60
Increase/(decrease) in creditors	70	(166)
<b>Net cash provided by operating activities</b>	<b>271</b>	<b>373</b>

# COMMUNITY FIRST ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **21 Related party transactions**

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

The academy trust holds an under lease for a period of 125 years with Wigan Borough Council for the lease of rooms for Platt Bridge Community Childcare, a company of which Mrs M Frost (a trustee during the year) is a director. Income of £15,281 (2016: £16,285) was received in respect of the following during the year:

Leasehold rent	£15,008 (2016: £14,994)
General utility costs recharged	£273 (2016: £1,291)

As at 31 August 2017, £nil (2016: £2,501) was owed to the academy trust by Platt Bridge Community Childcare. Mrs M Frost resigned as a trustee of Community First Academy Trust on 30 September 2016.

During the year, purchases were made totalling £2,702 (2016: £1,672) from Platt Bridge Community Centre (Wigan) Limited, a company of which Mr C Sweeney (a trustee) is a director. No balances were outstanding as at the year end.

During the year, payments of £12,625 (2016: £26,769) were made to Mrs V Lewis (a trustee during the year) who was employed on a self employed basis as the academy trust's Teaching Schools Alliance director. No balances were outstanding at the year end. Mrs V Lewis resigned as a trustee on 31 March 2017.

During the year, purchases were made totalling £17,228 (2016: £nil) from Geoff Ashton Consulting Limited, a company of which Mr J Ashton (a trustee) is a director. No balances were outstanding at the year end.

During the year, purchases were made totalling £300 (2016: £nil) from Freedom and Autonomy For Schools - National Association, a company of which Mrs S Darbyshire (a trustee) is a director. No balances were outstanding at the year end.

In entering into these transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2016.

### **22 Members' liability**

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