

THE CO-OPERATIVE ACADEMIES TRUST
(A Company Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

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Company Limited by Guarantee
Registration number: 7747126 (England and Wales)

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REFERENCE AND ADMINISTRATIVE DETAILS

The Co-operative Academies Trust is a multi-academy trust. As at 31st August 2013 it was made up of The Co-operative Academy of Leeds (CAL) and The Co-operative Primary Academy of Leeds (CPAL) which comprised Brownhill Primary, Woodlands Primary and CPAL Trust

The Governors of CAL

John Briddon	(Chair)
Eileen McCarthy	(Principal and Accounting Officer)
Azmina Ali	
Neil Braithwaite *	
Nancy Elwell	(Staff Governor)
Mohammad Feroz	
Alan Gill	(resigned 6 th August 2013)
Julian Gorton	
Cllr Ronald Grahame *	(resigned 15 th October 2013)
Alan Kinson	(appointed 4 th October 2013)
Rachel Lee	(Staff Governor) (resigned 8 th November 2013)
Cath Lennon	
Chris Pilkington	
Jane Pither	(appointed 21st March 2013)
Hafizur Rahman	
Jane Taylor	(resigned 31 st December 2012)
Diane Walker	(appointed 15 th October 2013)
Margaret Ward	(resigned 24 th July 2013)
Dawn Marshall	(appointed 5 th November 2013)

* Governors of CAL and CPAL

The Governors of CPAL

Lorinda Robinson	(Chair)
Stephen McMullan	
Phil Barr	
Andy Charlwood	
Sarah Trussler	(resigned 14 th June 2013)
Alison Lesurf	(appointed 14 th June 2013)
Ann Nicholl	(appointed 14 th June 2013)
Mike Smith	(appointed 17 th September 2013)
Nicola Singleton	(appointed 10 th October 2013)
Pam Murphy	(appointed 10 th October 2013)

Company Secretary:	Clare Blackwood	(resigned 1 st October 2012)
	Jennifer McKenna	(appointed 1 st October 2012)

Directors of the Co-operative Academies Trust:

John Briddon
Moirra Lees
Margaret Bradbury

Senior management team:

Principal of The Co-operative Academy of Leeds
Chief Executive of The Co-operative Primary Academy of Leeds
Head Teacher of Brownhill Primary School
Head Teacher of Woodlands Primary School

Eileen McCarthy
Stephen McMullan
Georgina Winterburn
Chris Walton

THE CO-OPERATIVE ACADEMIES TRUST

Registered Office: c/o Membership Department
1 Angel Square
Manchester
M60 0AG

Company Registration Number: 7747126 (England & Wales)

Independent Auditor: Baker Tilly UK Audit LLP
3 Hardman Street
Manchester
M3 3HF

Bankers: The Co-operative Bank

4 Vicar Lane
Leeds
LS1 1DS

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2013

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013

Structure, Governance and Management

Constitution

The Trust is a charitable company limited by guarantee with no share capital. The charitable company's memorandum and articles of association are the primary governing documents. There were no amendments to these documents during the year. The Governors act as the trustees for the charitable activities of The Co-operative Academies Trust and are also the directors of the charitable company for the purposes of company law. The articles of association require the members of the charitable company to appoint at least three Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy. Details of the Governors who served throughout the year are included in the Reference and Administrative Details.

Members' Liability

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

Governors' Indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £500,000 on any one claim.

Principal Activity

The Trust's object is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing but establishing, maintaining, carrying on, managing and developing schools (Academies) offering a broad and balanced curriculum.

It is intended that the curriculum and ethos of the Academies will place an emphasis on, and include a commitment to students learning about the Co-operative values of self-help, self-responsibility, democracy, equality, equity, solidarity, honesty, openness, social responsibility and caring for others with the aim of encouraging the students to become better citizens, not only while they are students of the Academies but during their adult lives.

Method of Recruitment and Appointment or Election of Governors

The members may appoint up to 8 Governors. The members may appoint staff Governors through such process as they may determine provided that the total number of Governors including the Principal who are employees of the company does not exceed one third of the total number of governors.

Under the articles, there are up to 2 positions for parent Governors. The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to a maximum. The Governing Body shall make all necessary arrangements for and determine all other matters relating to an election of parent governors. The Principal shall be a Governor as long as in office as such.

**REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Policies and Procedures Adopted for the Induction and Training of Governors

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will be provided with training on charity, educational, legal and financial matters. All new Governors are given a tour of the relevant academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors, as well as having a meeting with the Principal of CAL or the Chief Executive Officer of CPAL and the Chair before accepting the appointment.

Organisational Structure

The Multi Academy Trust, MAT, currently has 2 main components, that is The Co-operative Academy of Leeds (CAL) which is the secondary school and The Co-operative Primary Academy of Leeds (CPAL). The latter currently consists of 2 primary schools, Woodlands and Brownhill. The Finance Committee of the Multi Academy Trust is composed of the members of the Finance Committees of both CAL and CPAL. They are responsible for the overall management of accounts on a day to day basis the finances of CAL and CPAL are managed separately and accountable to the Governing Bodies of CAL and CPAL.

For each Academy the Governors have established a Scheme of Delegation detailing those matters that are reserved for approval by the Governors and those that have been delegated to the Principal, as Accounting Officer. The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academies by the use of targets and budgets and making major decisions about the direction of the academies, capital expenditure and senior staff appointments.

The Accounting Officer of the Trust is the Principal of CAL. In order to ensure that the Accounting Officer is in a position to act upon behalf of the whole MAT, a formal meeting has been held to give the Accounting Officer assurance from the Chief Executive Officer of CPAL.

Risk Management

The Governors have established a policy for assessing the risks which the Trust faces and have reviewed the process of assessing and managing these major risks which was carried out by the senior managers at various times during the year. The risks of the Trust are assessed by category type and a detailed risk register is maintained. The risk register is reviewed by the senior leadership teams, before being presented to the Resources Committee and Governors. Steps are taken to mitigate risks. Some significant financial risks are covered by insurance. Other risks are minimised through the design of systems and procedures as preventative measures.

Connected Organisations, including Related Party Relationships

The Trust works closely with its sponsors The Co-operative Group and Leeds City College. Details of related party transactions are shown in note 27.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the 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.

**REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Public Benefit

The trustees have had due regard to the guidance from the charity commission on public benefit when undertaking their duties

Employees and Disabled Persons

- The trust has a single equality policy We strive to ensure that the recruitment, retention and ongoing development of staff is undertaken in a fair and equitable manner to support the Trust's vision and values We see all members of the Trust and wider community of equal value Whether or not they are disabled
- Whatever their ethnicity, culture, religious affiliation, national origin or socio-economic circumstances
- Whichever their gender and sexual orientation
- Whatever their age

The Co-operative Academies Trust : Objectives & Activities.

The Co-operative Group (the Sponsor) has existing experience in the secondary sector, with academies in Manchester and Stoke-on-Trent With a further conversion in the form of a new secondary school in Inner City east Leeds, the option to create a cluster of feeder primaries became available

Comprising The Co-operative Academy of Leeds (CAL) and The Co-operative Primary Academy of Leeds (CPAL), the Trust is tasked with meeting the educational needs of children in the inner city east area of Leeds The Academies within the Trust work together, with notable areas of collaboration being

- Secondary Lead Practitioners visiting the primaries to support and enhance learning in science and mathematics
- Transition visits for staff, pupils and parents in preparation for the transition of Year 6 pupils
- The sharing of professional, business and community contacts to promote and enhance the educational offer of the Trust
- Strategies to attract new Governors from a variety of social, cultural and professional backgrounds
- The development of consistent policies and practices in areas such as admissions and attendance
- The sharing of resources such as mini-buses

Further collaborative ventures are planned such as,

- Joint staff training
- The identification of common needs and strengths
- The further development of cross-phase expertise
- The continuing development of transition arrangements

The High School Academy opened in September 2012 with the sole activity of the Academy being to provide education for the students of different abilities between the ages of 11 and 19 with an emphasis on Enterprise and Communication The two primary Academies, Brownhill and Woodlands converted in December 2012, with the conversion of Oakwood being delayed until September 2013 as a result of legal complications as it had been built under a PFI contract

**REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

The Co-operative Academy of Leeds (CAL): Objectives

The main objectives of CAL are summarised below

- To develop outstanding governance, management and leadership
- To raise the key aspects of attainment within the first two years of the Academy's life
- To transform learning and teaching across the Academy and in each learning zone
- To provide outstanding practice, which inspires our students
- To provide the highest quality standards of welfare to meet the diverse needs of each individual student
- To raise the levels of involvement and engagement across a range of communities, both within the Academy, and more widely
- To embed the Academy's co-operative ethos and values in all areas of its work

The Co-operative Primary Academy of Leeds (CPAL) : Objectives

The Co-operative Primary Academy of Leeds (CPAL) has a Governing Board, responsible for strategic decision making, with each school having a Head teacher and its own Governing Body which oversees the running of the school, holding staff to account and taking responsibility for implementing CPAL policy. In January 2013, a Chief Executive (CEO) was employed by the Board to undertake operational duties, with a Finance Manager recruited the following August.

To meet the increasing need for primary places in the area, a competitive tender process for a brand new school took place in 2012 and a fourth primary school was added to the portfolio – Nightingale Primary Academy. This school was due to open to children, in temporary accommodation, in September 2013 but this has been delayed until September 2014, with the opening of a brand new building planned for September 2015.

Achievement and Performance: The Co-operative Academies Trust

The governors for both CPAL and CAL monitor the performance of the Academies through a balanced scorecard. This takes into account four main areas: students, staff, stakeholders, and process. Targets were set and progress monitored at each Governing Body meeting.

Achievement and Performance: The Co-operative Academy of Leeds

For the High School the key targets are outlined below

In terms of student progress, key indicators are

- 5 A* to C GCSE results including English and maths, 34% achieved (28% 2012)
- % A* to C, 75% achieved (64% 2012)
- 3 levels of progress: Maths achieved 56% (55% 2012), English achieved 50% (44% 2012)
- Attendance, 91.3% (87.9% 2012)

In terms of staffing

- Quality of teaching and learning 70% good or better (42% 2012)

In terms of stakeholders

- Attendance at parental events: Meet the Coach 100%, Y11 47%, Y10 77%, Y9 71%, Y8 44%, Y7 61%
- Year 7 intake 180 (full)

In terms of process

Staff cost against income: a target was set of 72% + or – 2%. The actual was 71%.

Accuracy of tracking a target was set of +/- 5%. Actual achieved 1%.

**REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Achievement and Performance : The Co-operative Primary Academy of Leeds
For the Primaries the key targets are outlined below

Key Stage 2 – Year 6	Brownhill			Woodlands		
	2011	2012	2013	2011	2012	2013
L4+Combined English & Mathematics	42%	53%	49%	41%	45%	44%
Progression 2 levels Reading	-	71%	90%	-	63%	90%
Progression 2 levels Writing	-	83%	95%	-	85%	95%
Progression 2 levels Maths	-	90%	81%	-	73%	79%
Attendance	-	-	93%	-	-	92%

Plans for Future Periods

The Co-operative Academies Trust: Plans for future periods

The budget for the Trust for the 2013/14 financial year has been set and agreed by the Governors

The Co-operative Academy of Leeds: Plans for future periods

The Transformation Plan for the High School outlines the key objectives, strategies and activities

The priorities for 2013/14

- To meet the Academy improvement targets for student attainment to reach national levels of progress and the floor standard
- To raise standards of literacy and numeracy
- To improve the quality of teaching and learning to 75% by the end of HT1 and 80% by the end of HT5
- To develop a high quality workforce of teachers, leaders and support staff
- To embed expectations for quality marking and feedback and setting of homework
- To reduce lost learning time
- To increase levels of student engagement across the academy
- To respond to the needs of high tariff students
- To embed a culture based on co-operative values, including the development of the pastoral curriculum
- To develop the leadership skills of staff and students
- To ensure that the Academy is value for money through economy, efficiency and effectiveness

**REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Key strategies and activities that have been put into place:

- Strengthened assessment structures across the Academy
- Systems developed to allow all staff to engage and act upon student data
- Developing Pupil Incentive Project for Year 11
- Whole academy systems to improve exam technique and learner resilience
- Embedding Accelerated Reading, Lexia and 3 Fs to raise literacy
- Use of IRIS to share good practice
- Development of high class induction and professional development programme
- Embedding systems for quality marking and homework
- Re-organisation of the provision for learning and behaviour support internally and at off site unit
- Appointment of extra AIO
- Opportunities created for increased student engagement
- Refining systems to ensure clarity re minimum standards
- Creation of long-term plan for pastoral curriculum
- Embedding programmes and system to further develop distributed leadership
- Rigorous appraisal process

The Co-operative Primary Academy of Leeds: Plans for future periods

The budget for the Academy for the 2013/14 financial year has been set and agreed by the CPAL Board

Key priorities for CPAL over the next three years are seen as,

- Raising standards of attainment and achievement in all of our schools
- Exceeding floor standards consistently, year-on-year
- Developing and implementing a curriculum offer that maximises the potentials for CPAL pupils, including effective and consistent systems for learning and assessment
- Introducing, embedding and evidencing co-operative values and principles in our schools
- Raising the reputation of CPAL and its schools within the community
- Successfully opening Nightingale Primary Academy in September 2014 in temporary accommodation
- Successfully opening Nightingale Primary Academy in new, purpose-built accommodation in September 2015
- Ensuring financial security, compliance and economies of scale for CPAL and its schools
- Developing and embedding high quality governance to support leadership and management across CPAL
- Ensuring that Ofsted judgements on each of the schools, and CPAL, are 'good or better'

In addition, each school has its own Development Plan which outlines the steps required to improve performance

**REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

Key strategies and activities that have been put in place

- Recruitment of CEO
- Recruitment of Finance Manager
- Creation of CPAL Strategic Plan 2013-16
- Creation of The CPAL Offer
- Reconstitution of Academy Governing Bodies
- Initiation of CPAL Board and committees
- Shared governor training
- The development and implementation of common shared policies on areas such as admissions, attendance and uniform
- Adoption of common uniform and other sources of 'brand' identity such as signage
- Movement towards common contracts and service level agreements in search of consistency of service and economies of scale
- Sharing of practice to improve key indicators of performance such as attendance

The Co-operative Academies Trust: Financial Review

During the year the assets of three schools were transferred to the Trust from Leeds City Council at nil consideration. The cash balances on conversion are reflected in Voluntary Income and unrestricted funds in the statement of financial activities. The majority of the Trust income is derived from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA and associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (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. The net book value of fixed assets at the year-end was £4,993k. Movements in tangible fixed assets are detailed in note 13. The balance as the bank was £1,862k (2012 £130K). The net movement is detailed in the Cashflow statement on page 22.

CAL is situated in a Private Finance Initiative (PFI) building which is owned by Carillion plc and operated by MITIE plc. Payments made under the PFI contract this financial year totalled £1,159k, this includes associated costs for catering, cleaning, utilities and other ancillary services.

Principle Risks and Uncertainties

The Trust maintains a risk register, which is reviewed by the respective Governors' Resources Committee on a regular basis.

The main risks facing CAL are a fall in 6th form numbers which would impact on finances and receiving a category in the impending Ofsted inspection, which could lead to adverse publicity.

Countermeasures and contingency plans have been put in place to mitigate against risk. These include

- Cost analysis & curriculum review of current 6th form provision
- Monthly tracking of standards & reporting to Sponsor
- Changes to weekly Raising Achievement Meetings
- Creation of graduation year for Year 11, including residential for Y11 target group
- Use of external inspectors and Director of Education to help prepare leaders and teachers for Ofsted
- Detailed preparation plan in place for Ofsted, including Ofsted passport for Governors & staff
- Maintaining pro-active positive profile in local media

The main risks facing the CPAL are similar with potential reputational damage should any of the schools fail Ofsted inspections, which are expected during the next year, and the continuing impact of pupil mobility which would be further affected by poor performance on the part of the schools.

**REPORT OF THE GOVERNORS (continued)
FOR THE YEAR ENDED 31 AUGUST 2013**

To mitigate against these risks, the primary academy has taken measures including,

- Strengthening leadership and particularly governance
- Raising and maintaining the standards of teaching and learning
- Fostering improved links with the community
- Strengthening teams and practices, such as attendance and inclusion, within each school
- Providing training on the renewed Ofsted framework for inspection
- Maintaining close professional links with the Local Authority and other intelligence-rich organisations

Reserves Policy

The Governors will review the level of reserves annually. This review will consider the nature of income and expenditure streams, the need to match income with commitments and the need to set aside funds for future replacement programmes.

The appropriate level of free reserves will be equivalent to four weeks expenditure, this should provide sufficient working capital to cover delays between spending and receipt of grants from EFA. The Governors have approved a budget in which expenditure exceeds income in each year in order to utilise the inherited reserves balance to raise academic standards to help bridge the gap to national standards.

Investment Policy

The Trust's current investment policy is to maximise income from a low risk strategy. All monies are currently invested with the Co-operative Bank where social, environmental and ethical considerations are taken into account.

Auditors

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

In so far as the Governors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware, and
- The Governors have taken all steps that 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.

Approved by order of the members of the Governing Body on 16th January 2014 and signed on its behalf by



Mr J Briddon

Chairman

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, 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 the Co-operative Academies Trust and the Secretary of State for Education. The Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The Co-operative Academy of Leeds: Governance

Governance

During the year the Governing Body met on 5 occasions, each of the sub-committees met 5 times, with the exception of the Resources Committee which met 6 times.

Governing Body		Meetings Attended	Out of Possible
John Briddon	(Chair)	5	5
Eileen McCarthy	(Principal and Accounting Officer)	5	5
Azmina Ali		3	5
Neil Braithwaite		4	5
Nancy Elwell	(Staff Governor)	5	5
Mohammad Feroz		3	5
Alan Gill	(resigned 6 th August 2013)	5	5
Julian Gorton		4	5
Cllr Ronald Grahame	(resigned 15 th October 2013)	2	5
Rachel Lee	(Staff Governor)	5	5
	(resigned 8 th November 2013)		
Cath Lennon		3	5
Chris Pilkington		5	5
Jane Pither	(appointed 21 st March 2013)	0	2
Hafizur Rahman		1	5
Jane Taylor	(resigned 31 st December 2013)	2	2
Margaret Ward	(resigned 24 th July 2013)	3	5

The **Resources Committee** is a sub-committee of the main governing body. Its purpose is to deal in detail with the financial regulation of the Academy and to make recommendations to the full governing body. Attendance at meetings during the year was as follows:

Resources Committee		Meetings Attended	Out of Possible
Mr Neil Braithwaite	(Chair)	5	6
Eileen McCarthy	(Principal and Accounting Officer)	6	6
John Briddon		4	6
Alan Gill	(resigned 6 th August 2013)	5	6
Chris Pilkington		6	6
Margaret Ward	(resigned 24 th July 2013)	4	6

THE CO-OPERATIVE ACADEMIES TRUST

The **Nominations Committee** was a sub-committee of the Resources Committee constituted to oversee the Managed Staff Reduction process (MSR) The committee met twice

Nominations Committee		Meetings Attended	Out of Possible
Neil Braithwaite		2	2
Alan Gill	(resigned 6 th August 2013)	2	2
Margaret Ward	(resigned 24th July 2013)	1	2
Eileen McCarthy	(Principal and Accounting Officer)	2	2

The **Standards Committee** is a sub-committee of the main governing body Its purpose is to deal in detail with academic standards at the Academy and to make recommendations to the full governing body Attendance at meetings during the year was as follows

Standards Committee		Meetings Attended	Out of Possible
Alan Gill (Chair)	(resigned 6 th August 2013)	4	5
Eileen McCarthy	(Principal and Accounting Officer)	5	5
Julian Gorton		4	5
Rachel Lee	(resigned 8 th November 2013)	4	5
Cath Lennon	(appointed to 1 st November 2012)	1	4
Jane Pither	(appointed 21 st March 2013)	0	2
Jane Taylor	(resigned 31 st December 2012)	2	2
Margaret Ward	(resigned 24 th July 2013)	5	5

The **Community Committee** is a sub-committee of the main governing body Its purpose is to deal with the community issues at the Academy and to make recommendations to the full governing body Attendance at meetings during the year was as follows

Community Committee		Meetings Attended	Out of Possible
Hafizur Rahman	(Chair)	4	5
Eileen McCarthy	(Principal and Accounting Officer)	5	5
Azmina Ali		5	5
Nancy Elwell		4	5
Mohammad Feroz		2	5
Cllr Ronald Grahame		1	5
Chris Pilkington		4	5

The Co-operative Primary Academy of Leeds: Governance

During the year the CPAL Governing Body met on 4 occasions

Governing Body		Meetings Attended	Out of Possible
Lorinda Robinson	(Chair)	4	4
Stephen McMullan		4	4
Phil Barr		3	4
Neil Braithwaite		4	4
Cllr Roger Harrington		4	4
Andy Charlwood		3	4
Sarah Trussler	(resigned 14 th June 2013)	1	2
Alison Lesurf	(appointed 14 th June 2013)	1	2
Ann Nicholl	(appointed 14 th June 2013)	1	2
Mike Smith	(appointed 1 ^{7th} September 2013)	0	0
Nicola Singleton	(appointed 10 th October 2013)	0	0
Pam Murphy	(appointed 10 th October 2013)	0	0

CPAL had no sub-committees constituted at this time

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing bodies have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing bodies are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing bodies.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks

The governing bodies have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the governors have appointed Stephen Cooper, Finance Director at The Co-operative Academy of Manchester, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a regular basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Review of Effectiveness

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

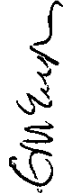
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academies who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the results of their reviews of the system of internal control and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 16th January 2014 and signed on its behalf by



Mr V Briddon
Chairman



Mrs E McCarthy
Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2013**

As accounting officer of The Co-operative Academies Trust I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Mrs E McCarthy

Accounting Officer

**STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2013**

The Governors (who act as trustees for charitable activities of The Co-operative Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

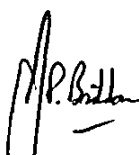
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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

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

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academies' websites. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 16th January 2014 and signed on its behalf by



Mr J Briddon
Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CO-OPERATIVE ACADEMIES TRUST
FOR THE YEAR ENDED 31 AUGUST 2013**

We have audited the financial statements of The Co-operative Academies Trust for the year ended 31 August 2013 on pages 20 to 44 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2012/13 issued by the Education Funding Agency

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 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, including the Annual Accounts Direction 2012/13 issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006

THE CO-OPERATIVE ACADEMIES TRUST

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- 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 financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Baker Tilly UK Audit LLP

Keith Ward (Senior Statutory Auditor)

For and on behalf of

Baker Tilly Audit LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

20/1/14

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2013

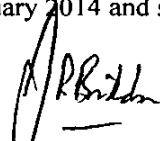
		Unrestricted	Restricted	Restricted		
		Funds	General	Fixed	Total	Total
			Funds	Asset	2013	2012
	Note	£	£	Funds	£	£
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	3	920,502	6,310	4,740,210	5,667,022	-
Activities for generating funds	4	38,206	-	-	38,206	-
Investment income	5	7,815	-	-	7,815	-
<i>Incoming resources from charitable activities</i>						
Funding for the Trust's educational operations	6	-	11,135,694	355,995	11,491,689	393,000
Total incoming resources		966,523	11,142,004	5,096,205	17,204,732	393,000
Resources expended						
Costs of generating Voluntary Income	7	-	1,111,000	-	1,111,000	-
Costs of Activities for generating funds	7	108,521	-	-	108,521	-
Trust's educational operations	8	5,897	10,593,023	114,529	10,713,449	243,356
Governance costs	9	-	140,298	-	140,298	62,000
Total resources expended	7	114,418	11,844,321	114,529	12,073,268	305,356
Net incoming/ (outgoing) resources before transfers		852,105	(702,317)	4,981,676	5,131,464	87,644
Transfers						
Gross transfers between funds	16	-	(11,930)	11,930	-	-
Net incoming/ (outgoing) resources before other recognised gains and losses		852,105	(714,247)	4,993,606	5,131,464	87,644
Other recognised gains and losses						
Actuarial (losses) on defined benefit pension schemes	16, 26	-	(264,000)	-	(264,000)	-
Net movement in funds		852,105	(978,247)	4,993,606	4,867,464	87,644
Reconciliation of funds						
Total funds brought forward at 1 September 2012		1,000	86,644	-	87,644	-
Total funds carried forward at 31 August 2013		853,105	(891,603)	4,993,606	4,955,108	87,644

All of the Trust's activities derive from continuing operations during the above two financial periods
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

BALANCE SHEET**AT 31 AUGUST 2013****Company Registration Number: 7747126**

	Notes	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	13		4,993,606		-
Current assets					
Debtors	14	901,705		-	
Cash at bank and in hand		1,861,884		130,891	
Total current assets		2,763,589		130,891	
Liabilities:					
Creditors: Amounts falling due within one year	15	(1,312,087)		(43,247)	
Net current assets			1,451,502		87,644
Net assets excluding pension liability			6,445,108		87,644
Pension scheme liability	26		(1,490,000)		-
Net assets including pension liability			4,955,108		87,644
Funds of the academy:					
Restricted funds					
Fixed asset fund	16		4,993,606		-
General fund	16		598,397		86,644
Pension reserve	16		(1,490,000)		-
Total restricted funds			4,102,003		86,644
Total unrestricted funds	16		853,105		1,000
Total Funds			4,955,108		87,644

The financial statements on pages 20 to 44 were approved by the Governors, and authorised for issue on 16th January 2014 and signed on their behalf by



Mr J Briddon
Chairman

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

		2013	2012
Net cashflow from operating activities	20	814,606	130,891
Cash transfers on conversion	28	920,502	
Returns on investments and servicing of finance	21	7,815	-
Capital expenditure	22	(11,930)	-
Increase in cash in the year	23	<u>1,730,993</u>	<u>130,891</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September		130,891	-
Net funds at 31 August		<u>1,861,884</u>	<u>130,891</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion

The conversion from state maintained school to academy involved the transfer of identifiable assets and liabilities and the operation of each school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from each predecessor school to the Trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. The fair value is in accordance with the accounting policies set out for The Co-operative Academies Trust. The amounts have been recognised under the appropriate balance sheet categories with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in the note 28.

Going Concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. Cash and Revenue forecasts for this period have been produced on a conservative basis and show that the Trust will continue to trade as a going concern.

Incoming Resources

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

Grants receivable

Fixed asset 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. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Donations

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

Other income

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

THE CO-OPERATIVE ACADEMIES TRUST

Interest Receivable

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

Resources Expended

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

Costs of generating funds

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

Charitable activities

These are costs incurred on the Trust's educational operations.

Governance Costs

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

Agency Arrangements

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

Tangible Fixed Assets

Assets costing £500 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

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 lives, as follows:

Long leasehold buildings	50 years
Leasehold Land	Over life of lease
Short-term additions to leasehold buildings	8 years
Fixtures, fittings and equipment	8 years
Equipment acquired on conversion	3 years
ICT equipment	4 years
Motor Vehicles	5 years

Leased Assets

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

THE CO-OPERATIVE ACADEMIES TRUST

Taxation

The 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.

VAT Accounting

The Finance Act 2011 put in place a special scheme whereby Academies are able to reclaim input VAT on their non-business activities directly from HMRC. Expenditure was accounted for net of input VAT in the year to 31st August 2013.

Pensions Benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the EFA, Department for Education, sponsor, or other funders, where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received and include grants from the EFA & Department for Education.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Trust was subject to limits at 31st August 2013 on the amount of GAG that could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes

The Trust has not exceeded these limits during the year ended 31 August 2013

3 Voluntary Income	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Assets £	2013 Total £	2012 Total £
Capital Donations from LA on conversion	4,740,210	-	-	4,740,210	-
Transfers from Local Authority on conversion	920,502	-	-	920,502	-
Other Donations	-	6,310	-	6,310	-
	5,660,712	6,310	-	5,667,022	-

4 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Assets £	2013 Total £	2012 Total £
Lettings/Extended services	1,477	-	-	1,477	-
Trip Income	13,284	-	-	13,284	-
Catering Income	23,445	-	-	23,445	-
	38,206	-	-	38,206	-

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Assets £	2013 Total £	2012 Total £
Interest received	7,815	-	-	7,815	-
	7,815	-	-	7,815	-

THE CO-OPERATIVE ACADEMIES TRUST

6 Funding for Academies educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
DfE capital grant				
Devolved Capital Grants	-	25,766	25,766	-
EFA Capital Grant	-	330,229	330,229	-
	<u>-</u>	<u>355,995</u>	<u>355,995</u>	<u>-</u>
General Annual Grant				
General Annual Grant (note 2)	-	8,616,263	8,616,263	-
Start Up Grants	-	96,600	96,600	393,000
Funding for Sixth Form	-	603,991	603,991	-
Insurance income	-	101,726	101,726	-
Rates relief	-	16,656	16,656	-
	<u>-</u>	<u>9,435,236</u>	<u>9,435,236</u>	<u>393,000</u>
Other Government grants				
Other DfE/EFA	-	377,683	377,683	-
FFI Funding (SEN)	-	448,055	448,055	-
Nursery Funding LA	-	252,148	252,148	-
Pupil Premium	-	500,129	500,129	-
Other Government Grants	-	64,074	64,074	-
	<u>-</u>	<u>1,642,089</u>	<u>1,642,089</u>	<u>-</u>
Other Income				
Other Income	-	18,113	18,113	-
Other Grants	-	40,256	40,256	-
	<u>-</u>	<u>58,369</u>	<u>58,369</u>	<u>-</u>
Total	<u>-</u>	<u>11,491,689</u>	<u>11,491,689</u>	<u>393,000</u>

THE CO-OPERATIVE ACADEMIES TRUST

7. Resources Expended

	Staff Costs	Non Pay expenditure Other		Total	Total
		Premises	Costs	2013	2012
	£	£	£	£	£
Costs of generating voluntary income	-	-	1,111,000	1,111,000	-
Costs of Activities for generating funds	-	-	108,521	108,521	-
Trust's educational operations					
Direct costs	7,361,816	114,529	709,509	8,185,854	-
Allocated support costs	433,232	1,506,615	587,748	2,527,595	243,356
			-	-	-
Total Costs of educational operations	7,795,048	1,621,144	2,516,778	11,932,970	243,356
Governance costs including allocated support costs	-	-	140,298	140,298	62,000
Total Resources expended	7,795,048	1,621,144	2,657,076	12,073,268	305,356
Net Incoming/outgoing resources for the year include:				2013	2012
				£	£
Operating leases				1,223,735	-
Fees payable to auditor - audit				14,750	10,000
- other services				4,850	-

THE CO-OPERATIVE ACADEMIES TRUST

8 Charitable Activities – Academies’ educational operations

Direct costs	Unrestricted Funds	Restricted Funds	Restricted Fixed Assets	Total 2013	Total 2012
	£	£	£	£	£
Teaching and educational support staff costs	-	7,361,816	-	7,361,816	-
Depreciation	-	-	114,529	114,529	-
Educational supplies	-	424,449	-	424,449	-
Examination fees	-	170,139	-	170,139	-
Pupil Support	-	76,783	-	76,783	-
Educational consultancy	-	38,138	-	38,138	-
Start up costs	-	-	-	-	215,000
	-	8,071,325	114,529	8,185,854	215,000
<i>Allocated support costs</i>					
Support staff costs	-	433,232	-	433,232	-
Recruitment and support	-	66,534	-	66,534	13,000
Maintenance of premises and equipment	-	1,278,453	-	1,278,453	-
Electricity, Gas & Water	-	62,274	-	62,274	-
Cleaning, Refuse, Other	-	15,078	-	15,078	-
Rent & rates	-	64,244	-	64,244	-
Insurance	-	84,644	-	84,644	-
Security and transport	-	1,922	-	1,922	-
Bank interest and charges	-	1,034	-	1,034	-
Finance costs Pension scheme	-	5,000	-	5,000	-
Other services	-	365,770	-	365,770	15,356
Technology costs	-	69,809	-	69,809	-
Marketing & Promotion	-	885	-	885	-
Telephones, Postage & Stationery	-	24,195	-	24,195	-
Uniform costs	5,897	-	-	5,897	-
Non-educational consultancy	-	48,624	-	48,624	-
	5,897	2,521,698	-	2,527,595	28,356
	5,897	10,593,023	114,529	10,713,449	243,356

THE CO-OPERATIVE ACADEMIES TRUST

9. Governance costs

	Total 2013 £	Total 2012 £
Legal and professional fees	113,198	52,000
Auditors' remuneration		
Audit of financial statements	14,750	10,000
Regularity and other compliance	4,850	-
Governor Support	7,500	-
	140,298	62,000

10 Staff costs

Staff costs during the period were

	Total 2013 £	Total 2012 £
Wages and salaries	6,227,272	-
Social security costs	421,483	-
Pension costs	864,990	-
Other staff costs	69,960	-
	7,583,705	-
Pension shortfall	13,500	-
Severance payments	197,843	-
	7,795,048	-

The average number of persons (including senior management team) employed by the Trust during the year expressed as full time equivalents was as follows

	2013 No.	2012 No.
Leadership	21	-
Teachers	94	-
Education Support	129	-
Administration and support	27	-
Site Staff & cleaners	5	-
Catering Staff	4	-
	280	-

THE CO-OPERATIVE ACADEMIES TRUST

10 Staff costs (continued)

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

	2013 No.	2012 No
£60,001 - £70,000	3	-
£70,001 - £80,000	1	-
£80,001 - £90,000	1	-
£90,001 - £100,000	1	-

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £47,103 (2012 £0)

11 Governors' remuneration and expenses

Principal and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other Governors did not receive any payments from the Trust in respect of their role as Governors.

The value of Governors' remuneration was as follows

	2013 £	2012 £
Principal	90,704	-
Other staff Governor	63,855	-
Other staff Governor	38,875	-
Other Staff Governor	25,027	-

During the year ended 31 August 2013, travel and subsistence expenses totalling £0 (2012 -£ 0) were reimbursed to Governors.

Related party transactions involving the trustees are set out in note 27.

12 Governors' and Officers' Insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 and the cost for the year ended 31st August 2013 was £4,100 (2012 £0)

13 Tangible Fixed Assets

	Leasehold Land and Buildings £	Plant and Machinery £	Furniture and Equipment £	Computer Equipment £	Motor vehicles £	Total £
Cost						
At 1 September 2012	-	-	-	-	-	-
Additions	-	356,080	2,114	9,731		367,925
Transferred on conversion	4,500,000		47,450	165,836	26,924	4,740,210
At 31 August 2013	4,500,000	356,080	49,564	175,567	26,924	5,108,135
Depreciation						
At 1 September 2012	-	-	-	-	-	-
Charged in year	44,400	1,207	12,096	54,134	2,692	114,529
At 31 August 2013	44,400	1,207	12,096	54,134	2,692	114,529
Net book values						
At 31 August 2013	4,455,600	354,873	37,468	121,433	24,232	4,993,606
At 31 August 2012	-	-	-	-	-	-

THE CO-OPERATIVE ACADEMIES TRUST

14 Debtors

	2013 £	2012 £
Trade debtors	10,245	-
Prepayments	87,288	-
Accrued Income	417,983	-
VAT recoverable	332,123	-
Other debtors	54,066	-
	<u>901,705</u>	<u>-</u>

15 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	491,358	-
Other creditors	119,647	-
Accruals and deferred income	701,082	43,247
	<u>1,312,087</u>	<u>43,247</u>

Deferred income

	2013 £	2012 £
Deferred Income at 1 September 2012	-	-
Resources deferred in the year	26,083	-
Amounts released from previous years	-	-
Deferred Income at 31 August 2013	<u>26,083</u>	<u>-</u>

Deferred Income at 31 August 2013 relates to amounts received before the year end that relate to next academic year. It comprises Before 7 after school grant (£3,074) Parent Support Advisor (£5,588) Inner East Leeds Cluster funds (£5,605) and EFA Devolved Capital Grant (£11,816)

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16 Funds

	Balance at 1 September 2012 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2013 £
Restricted general funds					
General Annual Grant (GAG)	-	8,616,263	(8,189,180)	(11,930)	415,153
Start Up Grant	86,644	96,600	-	-	183,244
LEA and other grants	-	1,642,089	(1,642,089)	-	-
Other restricted	-	787,052	(787,052)	-	-
Pension reserve	-	-	(1,226,000)	(264,000)	(1,490,000)
	86,644	11,142,004	(11,844,321)	(275,930)	(891,603)
Restricted fixed asset funds					
DfE capital grants	-	355,995	(114,529)	-	241,466
Local Authority Transfer on Conversion	-	4,740,210	-	-	4,740,210
Capital expenditure from GAG	-	-	-	11,930	11,930
	-	5,096,205	(114,529)	11,930	4,993,606
Total restricted funds	86,644	16,238,209	(11,958,850)	(264,000)	4,102,003
Unrestricted funds					
Unrestricted funds	1,000	966,523	(114,418)	-	853,105
Total unrestricted funds	1,000	966,523	(114,418)	-	853,105
Total funds	87,644	17,204,732	(12,073,268)	(264,000)	4,955,108

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

Restricted General Funds are used specifically to provide educational resources for the pupils of the Academies. Restricted Fixed Asset Funds provide for the installation, maintenance and repair of the Fixed Assets of the Academies.

Unrestricted Funds are those other Resources which may be used to further the objectives of the Academies.

Analysis of fund balances.

Fund balances at 31st August 2013 were allocated as follows

	£
Co-operative Academy of Leeds	949,857
Brownhill Primary	214,488
Woodlands	180,880
CPAL Trust	106,277
	1,451,502
Restricted fixed asset fund	4,993,606
Pension reserve	(1,490,000)
	4,955,108

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Analysis of cost by Academy

Expenditure incurred by each setting during the year was as follows

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding depreciation)	Total
	£	£	£	£	£
Co-operative	4,840,477	348,389	500,233	1,754,789	7,443,888
Academy of Leeds					
Brownhill Primary	940,109	138,977	88,080	200,722	1,367,888
Woodlands Primary	1,147,231	183,928	114,132	182,432	1,627,723
CPAL Trust	70,152	2,600	-	226,966	299,718
	6,997,969	673,894	702,445	2,364,909	10,739,217

17 Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by

	Unrestricted general fund	Restricted general fund	Restricted fixed asset fund	Total 2013
	£	£	£	£
Tangible fixed assets	-	-	4,993,606	4,993,606
Current assets	853,105	1,910,484	-	2,763,589
Current liabilities	-	(1,312,087)	-	(1,312,087)
Pension scheme liability	-	(1,490,000)	-	(1,490,000)
Total net assets	853,105	(891,603)	4,993,606	4,955,108

18 Capital commitments

	2013	2012
	£	£
Contracted for, but not provided in the financial statements	-	-

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19 Financial commitments

Operating leases

At 31 August 2013 the Trust had annual commitments under non-cancellable operating leases as follows

	2013 £	2012 £
<u>Land and Building</u>		
Expiring in over five years	<u>£1,205,627</u>	<u>-</u>
<u>Other</u>		
Expiring within one year	745	-
Expiring within two and five years inclusive	15,444	-
Expiring in over five years	1,919	-
	<u>£18,108</u>	<u>-</u>

The occupancy of the Co-operative Academy of Leeds is under a PFI agreement which is treated as an operating lease

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	2013 £	2012 £
20 Reconciliation of consolidated operating surplus to net cash inflow from operating activities		
Surplus on continuing operations after depreciation of assets at valuation	5,131,464	87,644
Depreciation (note 13)	114,529	-
Capital grants from DfE and other capital income	(355,995)	-
Investment Income (note 5)	(7,815)	-
FRS 17 pension cost less contributions payable (note 26)	110,000	-
FRS 17 pension finance costs (note 26)	5,000	-
(Increase) in debtors (note 14)	(901,705)	-
Increase in creditors (note 15)	1,268,840	43,247
Costs of Voluntary Income- pension liability	1,111,000	-
Voluntary income – transfer from Local Authority on conversion	(5,660,712)	-
Net cash inflow from operating activities	814,606	130,891

21 Returns on investments and servicing of finance

	2013 £	2012 £
Interest received	7,815	-
Net cash inflow from returns on investment and servicing of finance	7,815	-

22 Capital expenditure and financial investment

	2013 £	2012 £
Purchase of tangible fixed assets (note 13)	(367,925)	-
Capital grants from DfE/EFA	355,995	-
Fixed assets acquired on conversion	(4,740,210)	-
Net cash outflow from capital expenditure and financial investment	(4,752,140)	-

23 Analysis of changes in net funds

	At 1 September 2012 £	Cash flows £	At 31 August 2013 £
Cash in hand and at bank	130,891	1,730,993	1,861,884
	130,891	1,730,993	1,861,884

24 Contingent Liabilities

There are no contingent liabilities of which the Governors or staff are aware as at 31st August 2013, which need to be reflected in the accounts

25 Members' Liability

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

26 Pension and similar obligations

The 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 City of Bradford Metropolitan District Council for West Yorkshire Pension Fund. 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 was 31 March 2004 and of the LGPS 1st September 2012.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

26 Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 of which employer's contributions totalled £279,000 (2012 £0) and employees' contributions totalled £107,000 (2012 £0). The agreed contribution rate for the year 1st April 2012 to 31st March 2013 was 15.1% for employers and between 5.5% and 7.5%, depending on pay, for employees.

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.

Principal Actuarial Assumptions

The latest actuarial valuation of The Cooperative Academies Trust's liabilities took place as at 1 September 2012. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Employer's assets and liabilities for FRS 17 purposes were:

Principal financial assumptions (% per annum)

	31 August 2013	1 September 2012
Discount rate	4.5	4.4
RPI Inflation	3.7	3.2
CPI Inflation	2.8	2.3
Rate of increase to pensions in payment*	2.8	2.3
Rate of increase to deferred pensions	2.8	2.3
Rate of general increase in salaries **	4.7	4.2

* In excess of Guaranteed Minimum Pension increases in payment where appropriate

** In addition, allowance is made for the same age related promotional salary scales as used at the actuarial valuation of the Fund as at 31 March 2010

26 Pension and similar obligations (continued)

Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements

Post retirement mortality (retirement in normal health)

	31 August 2013	1 September 2012
Males		
Year of Birth base table	Standard SAPS Normal Health All Amounts (SINMA)	Standard SAPS Normal Health All Amounts (SINMA)
Rating to above base table* (years)	0	0
Scaling to above base table rates	105%	105%
Improvements to base table rates	CMI 2009 with a long term if improvement of 1.25% p.a.	CMI 2009 with a long term if improvement of 1.25% p.a.
Sample future lifetime from age 65 (aged 65 at accounting date) (31 August 2013 only)	22.1	22.0
Sample future lifetime from age 65 (aged 45 at accounting date) (31 August 2013 only)	23.9	23.8
Females		
Year of Birth base table	Standard SAPS Normal Health All Amounts (SINFA)	Standard SAPS Normal Health All Amounts (SINFA)
Rating to above base table* (years)	0	0
Scaling to above base table rates	105%	105%
Improvements to base table rates	CMI 2009 with a long term if improvement of 1.25% p.a.	CMI 2009 with a long term if improvement of 1.25% p.a.
Sample future lifetime from age 65 (aged 65 at accounting date) (31 August 2013 only)	24.3	24.1
Sample future lifetime from age 65 (aged 45 at accounting date) (31 August 2013 only)	26.2	26.1

* A rating of x years means that members of the Fund are assumed to follow the mortality pattern of the base table for an individual x years older than them. The ratings shown apply to normal health retirements.

	31 August 2013	1 September 2012
Commutation	Each member assumed to exchange 50% of the maximum amount permitted of their pre 1 April 2010 pension entitlements, for additional lump sum	Each member assumed to exchange 50% of the maximum amount permitted of their pre 1 April 2010 pension entitlements, for additional lump sum
	Each member assumed to exchange 75% of the maximum amount permitted of their post 31 March 2010 pension entitlements, for additional lump sum	Each member assumed to exchange 75% of the maximum amount permitted of their post 31 March 2010 pension entitlements, for additional lump sum

26 Pension and similar obligations (continued)

Expected return on assets

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. Also shown are the assumed rate of return adopted by the Employer for the Purposes of FRS 17.

	Long-term expected rate of return at 31 August 2013 (% pa) *	Asset split at 31 August 2013 (% pa) *	Long-term expected rate of return at 1 September 2012 (% pa) *	Asset split at 1 September 2012 (%)
Equities	7.9	73.0	7.5	69.9
Property	7.4	3.0	7.0	3.6
Government bonds	3.4	11.4	2.5	13.3
Corporate bonds	4.1	5.7	3.2	5.7
Cash	0.9	3.8	1.3	2.8
Other **	7.9	3.1	7.5	4.7
Total	6.9	100.0	6.4	100.0

* The overall expected rate of return on Fund assets is a weighted average of the individual expected rates of return on each asset class, and is shown in the bottom row of the above table.

** Other holdings may include hedge funds, currency holdings, asset allocation futures and other financial instruments. It is assumed that these investments will get a return in line with equities.

The Co-operative Academies Trust employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principals. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2013.

26 Pension and similar obligations (continued)

Local Government Pension Scheme (Continued)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £264,000 loss, (2012 £0)

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

	2013
	£
At 1 September 2012	2,100,000
Current service cost	389,000
Interest cost	155,000
Employee contributions	107,000
Actuarial loss during the year	449,000
Benefits paid	(24,000)
Past Service cost	-
Net increase in liabilities from acquisitions	1,597,000
Curtailments and settlements	-
At 31 August 2013	4,773,000

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

	2013
	£
At 1 September 2012	1,443,000
Expected return on assets	150,000
Actuarial gains	185,000
Employer contributions	279,000
Employee contributions	107,000
Benefits paid	(24,000)
Net increase in assets from acquisitions	1,143,000
Settlements	-
At 31 August 2013	3,283,000

The estimated value of employer contributions for the year ended 31 August 2014 is £323,000

26 Pension and similar obligations (continued)

Local Government Pension Scheme (Continued)

The Co-operative Academies Trust became a participating Employer in the West Yorkshire Fund on 1 September 2012 on obtaining Academy status. The position as at 1 September 2012 for accounting purposes is as follows

The value of the liabilities as at 1 September 2012 has been calculated on the FRS 17 assumptions applicable at that date based on full membership data provided by the Fund Administering Authority

The value of the assets notionally attributed to the Employer as at 1 September 2012 has been calculated based on the funding ratio of the previous employer at 1 September 2012 based on assumptions consistent with those used for changes in market conditions (the "ongoing basis") The assets notionally allocated to the Employer at their commencement date will be reviewed as part of the 2013 valuation of the Fund, which is currently being undertaken

Brownhill and Woodlands Primary Schools joined The Co-operative Academies Trust on 1 December 2012 The pension assets & liabilities are reflected in the above movement notes as a net increase in assets and liabilities from acquisitions The liabilities have been calculated on assumptions at the start of the accounting period, and the notional transfer of assets has been calculated from the funding levels of the schools at 1 December 2012

The history of experience adjustments is as follows:

	2013 £
Defined benefit obligation at end of year	(4,773,000)
Fair value of plan assets at end of year	3,283,000
Deficit	(1,490,000)
	£
Experience adjustments on share of scheme assets	185,000
	£
Experience adjustments on scheme liabilities:	449,000

27 Related Party Transactions

Owing to the nature of the Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The Governors consider that The Co-operative Group is a related party by virtue of significant influence. The Trust received support during the period from The Co-operative Group in respect of Governors services at a total cost of £7,500 (2012 £0). At the year end there was a balance owed to The Co-operative Group of £4,800 (2012 £0).

Donations totalling £6,310 were received from The Co-operative Group during the year (2012 £0).

28 Conversion to an Academy Trust

On 1st September 2012 the predecessor school Primrose High School converted to academy status becoming The Co-operative Academy of Leeds under the Academies Act 2010. On 1st December 2012 Brownhill and Woodlands Primary schools converted to academy status under the Academies Act 2010. All the operations and assets and liabilities were transferred to The Co-operative Academies Trust from the Leeds City Council Local Authority for £nil consideration.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised as net resources expended in the Statement of Financial Activities as voluntary income/other resources expended.

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
	£	£	£	£
Fixed Assets	-	-	4,740,210	4,740,210
Cash balances	920,502	-	-	920,502
LGPS Pension deficits	-	(1,111,000)	-	(1,111,000)
	920,502	(1,111,000)	4,740,210	4,549,712

29 Post Balance Sheet Event

On 1st September 2013 the trade and assets of Oakwood Primary school were transferred to the Academy Trust. The school land and buildings and fixtures and fittings are provided under a PFI agreement with the City Council. The Governors' estimate that the fair value of the net assets transferred on conversion to the Academy Trust is approximately £300,000.

30 Agency Arrangements

The Academy Trust administers the disbursements of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £39,902 and disbursed £25,352.