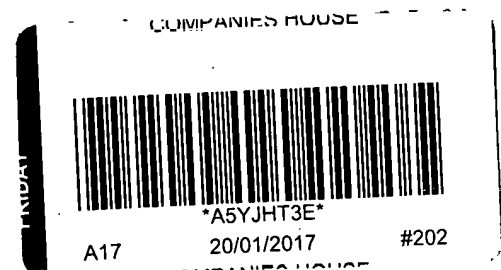


Cockburn Multi Academy Trust



Financial Report

For the accounting period ended 31st August 2016



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Cockburn Multi Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
For the accounting period ended
31st August 2016

Company Registration Number:
09946495 (England and Wales)



Cockburn Multi Academy Trust



Reference and Administrative Details

Members	D Westwell (chairman) J Ellis (vice chair) P Nuttall
Trustees	D Westwell (chairman) (Appointed 12/01/16) J Ellis (vice chair) (Appointed 12/01/16) P Nuttall (Appointed 12/01/16) P Brennan (Appointed 22/06/16) A Chin (Appointed 22/06/16) P Crawshaw (Appointed 26/04/16) C Graham (Appointed 26/04/16) D Gurney (Appointed 24/11/16) C Hemsworth (Appointed 26/04/16) K Morawiecka-Watkins (Appointed 06/10/16) K Virr (Appointed 06/10/16)
Company Secretary	J Sidgwick
Accounting Officer	D Gurney
Senior Management Team: Executive Headteacher Cockburn School Business Director	D Gurney S Lang
Company Name	Cockburn Multi Academy Trust
Principal and Registered Office	Cockburn Multi Academy Trust, Gipsy Lane Beeston, Leeds, LS11 5TT
Company Registration Number	09946495 (England and Wales)
Independent Auditor	Mazars Gelder Road, Gildersome Leeds, LS27 7JN
Bankers	Lloyds Bank plc 25 Gresham Street, London, EC2V 7HN
Solicitors	Wrigleys Solicitors 19 Cookridge Street Leeds, LS2 3AG

Cockburn Multi Academy Trust



Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 12th January 2016 to 31st August 2016. The date of the Trust's incorporation was 12th January 2016, but the operational opening date was 1st February 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in South Leeds. It has a pupil capacity of 1,150 and had a roll of 1,204 in the school census on 1st October 2015.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Cockburn Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cockburn Multi Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 4.

Members' Liability

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

Trustees' Indemnities

Cockburn Multi Academy Trust holds an insurance policy with Ecclesiastical Insurance, Policy Number 02/ISS/6132391, which includes Trustees' liability insurance. This qualifies as third party indemnity insurance as defined by Section 236 of the Companies Act 2006.

Method of Recruitment and Appointment or Election of Trustees

The Trust Board consists of eight trustees.

At 12th January 2016 there were three members (D Westwell, J Ellis and P Nuttall), on the Cockburn School Governing Board.

Further trustees were recruited via an Academy Ambassador programme to eliminate identified skill gaps.

All other recruitment was to cover all areas such as policy, legal, education, primary education.

Cockburn Multi Academy Trust

Trustees' Report (continued)



Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction of all new Members/ Directors will depend upon their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Directors will be given a tour of the academy with a chance to meet stakeholders. All Directors are provided with an induction folder containing documents allowing them to undertake their role.

Organisational Structure

The Trustees are responsible for exercising oversight of the governance and management of the Trust. In exercising their responsibilities, Trustees consider the advice given by the Executive Headteacher, other executive officers and the Chairs of the Local Governing Bodies as appropriate.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of results and budget and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The executive Headteacher is the school's Accounting Officer, and an external Responsible Officer has been appointed. The Scheme of Delegation gives full details of all delegated responsibilities.

Arrangements for setting pay and remuneration of key management personnel

- The Executive Headteacher's salary is determined by a Performance Management Panel consisting of Cockburn School governors;
- The salary of the Cockburn School Business Director is determined by The Executive Headteacher and is approved by the Resources committee consisting of Cockburn School governors.

Related Parties and other Connected Charities and Organisations

- Cockburn Multi Academy Trust has no connected party transactions;
- All trustees complete a 'Register of Interest' form when they become a trustee, to enable the trust to identify where any related parties may arise;
- In the event that a related party was identified, all decisions would still be based on the tender process, but with awareness and clarify of any interests, and any identified related parties would not participate in the decision-making process.

Objectives and Activities

Objects and Aims

Our objects as set out in the Articles of Association are:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on,

Cockburn Multi Academy Trust

Trustees' Report (continued)



managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and

- to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Our aims are:

- pursue a relentless journey of "Transformation to Excellence" across all our academies;
- be driven by a moral core purpose to transform opportunities and change life chances of all children and young people;
- establish academies that are centres of excellence for leadership, quality of teaching, learning and assessment, personal development, behaviour and welfare and outcomes for students;
- work in the spirit of partnership with all stakeholders; and
- embrace the key principles of "Educational Excellence Everywhere".

Objectives, Strategies and Activities

Our vision is to create a group of exceptional schools that radically improve students' life chances. We seek to widen their aspirations; to reach destinations that are attainable and fulfilling. We work to raise attainment and provide exceptional teaching and learning for all our students through high expectations of academic success and behaviour.

In pursuit of these aims, Cockburn School has a School Development Plan which is reviewed by the School's SLT and the LGB.

Cockburn MAT also has a 3 year Strategic Plan which sets out the strategic objectives of the Trust which is reviewed annually by the board.

Public Benefit

In setting the objectives, Trustees have complied with their duty to have due regard to the Charity Commission's general guidance on public benefit and supplementary guidance on education as published on their website. The main public benefit delivered by the Trust is the provision of a high quality education to its students.

Cockburn Multi Academy Trust

Trustees' Report (continued)



Strategic Report

Achievements and Performance

Cockburn School has had another successful year and has performed well against the new national performance measures for secondary schools.

For comparison purposes the percentage of students attaining 5+ A* - C grades including English and Maths (GCSE and equivalent) has improved over the last three years. This measure is no longer calculated by the Department for Education.

	2016	2015	2014
5+ A* -C inc English and Maths	57%	54%	48%

In the new 2016 Performance Measures the school has performed as follows:

	2016	2015*
Progress 8	0.4	0.26
Attainment 8	4.96	4.8
English and Maths	57%	54%
EBACC	6%	3%

*The school did not opt-in to the new performance measures in 2015

The headline measure of Progress 8 for 2016 of 0.4 is significantly above national averages and ranks the school in the top 13% for progress.

Absent rates continue to improve and attendance at Cockburn is better than the national average in 2016.

	% of sessions missed due to Overall Absence		% Persistent Absence for 10% or more sessions	
	School	National	School	National
2016	4.8	5.0	10.3	12.4

Key Performance Indicators

The targets for 2016 results were as follows:

KS2 Average Points = 4.1	Expected Attainment = 3.6 (E)		
	Target Range	Prediction	Actual
Attainment 8	4 - 4.5 (D)	4.2 – 4.7	4.96 (D+)
Progress 8	0.4 - 0.9	0.3 – 0.8	0.4
English and Maths	53 - 58%	54 – 59%	57.4%
EBACC	5 - 9%	4 – 7%	6%
Produce a balanced budget and achieve the budgeted surplus at the end of the Financial Year.			Achieved

Cockburn Multi Academy Trust

Trustees' Report (continued)



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

Cockburn Multi Academy Trust has had a successful financial period. Net incoming resources were £21,375k. However, included in this result is income of £21,079k from the conversion of Cockburn School to an academy, which is included in income. If this was removed, then the result would be net income of £296k.

Net assets for the group at the year-end were £20,044k. However, this includes the pension liabilities of £2,241k. Net current assets at 31 August 2016 were £3,301k.

As at 31st August 2016 the Trust had cash reserves of £2,954k and the net book value of tangible fixed assets was £18,984k. £19,205 of fixed assets were transferred from the academy conversion during the year.

The majority of the Trust's income is derived from grants provided by the EFA (Education Funding Agency).

All of the grants received from the EFA and the LA during the accounting period ended 31st August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

Reserves Policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Trust Board is to maintain a level of free reserves that is equivalent to one month's GAG income, to provide a stable base for the continuing operation of the Trust whilst ensuring that excessive funds are not accumulated. As future pupil numbers are considered to be stable and through future Government funding the Trustees are satisfied that current reserves will be sufficient to ensure a healthy financial position in the medium term. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £982k.

Cockburn Multi Academy Trust

Trustees' Report (continued)



Investment Policy

Currently reserves are held in bank accounts, which gain a moderate amount of interest.

The general policy objective is to invest surplus funds prudently. The investment priorities are:

- security of the invested capital;
- liquidity of the invested capital; and
- commensurate with security and liquidity, an optimum return on those investments.

Principal Risks and Uncertainties

The Governing Body is responsible for the management of risks faced by Cockburn Multi Academy Trust. The major risks to which the Trust is exposed have been identified on a Risk Register. Detailed consideration of the risks is undertaken by the Audit and Risk Committee and reported to full Trustees. Risks are identified, assessed and controls are established on an ongoing basis.

The main risks to Cockburn Multi Academy Trust which have been identified are:

- Changes in Government legislation, particularly with regard to the funding formula, the national curriculum and external public examinations;
- Factors which could impact on the school's strategic and reputational objectives, which could impact on the school's reputation, leading to a reduction in student numbers, and therefore funding; and
- Failure to recruit Governors with correct profile.

Through the risk management processes established at Cockburn Multi Academy Trust, the Trust Board is satisfied that the major risks have been adequately mitigated where necessary. It is recognised that systems and procedures can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The main controls used by Cockburn Multi Academy Trust are:

- Formal agendas for all Trust Board and Local Governing Body meetings;
- Written scheme of delegation;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels;
- Implementation of vetting and clearance procedures as required by law for the safe-guarding of children and young people; and
- Engagement of external auditors to examine the accounts and financial practices of the school.

Cockburn Multi Academy Trust

Trustees' Report (continued)



Plans for Future Periods

In order to plan and review medium term strategic development, a rolling School Improvement Plan incorporates key areas. These objectives are described fully in the section above entitled objectives, strategies and activities.

Cockburn MAT is an approved sponsor. We also have an application for a Free School which, if approved, would open in September 2018.

Auditor

Insofar 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 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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on Monday 12th December 2016 and signed on the board's behalf by:

D Westwell
Chair of Trustees

12.12.16

Cockburn Multi Academy Trust



Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Cockburn Multi 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 Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Cockburn Multi Academy Trust and the Secretary of State for Education. He is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met once during the period. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
D Westwell (chairman)	1	1
J Ellis (vice chair)	1	1
P Nuttall	1	1
P Brennan	0	0
P Crawshaw	0	0
C Hemsworth	0	0
K Morawiecka-Watkins	0	0
K Virr	0	0

At 12th January 2016 there were three trustees (D Westwell, J Ellis and P Nuttall), on the Cockburn School Governing Board.

A further five trustees were recruited via an Academy Ambassador programme to eliminate identified skill gaps.

The Board of Trustees currently fulfils the role of an audit committee.

Cockburn Multi Academy Trust

Governance Statement (continued)



Review of Value for Money

As accounting officer the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

The Vision for Cockburn MAT is to create a group of exceptional schools that radically improve students' life chances. We seek to widen their aspirations; to reach destinations that are attainable and fulfilling. We work to raise attainment and provide exceptional teaching and learning for all our students through high expectations of academic success and behaviour.

The accounting officer for the academy trust has delivered improved value for money during the year by:

- Improving educational outcomes: Results for Cockburn in 2016 were in line with national averages and in terms of progress 8 show us as the 4th highest school within Leeds. This was achieved without major investment / increase in staffing costs. In summary the attainment was:
 - 57% of students achieved a minimum of five A* - C grades including English and Mathematics (a 3% improvement on the 2015 results);
 - Progress 8 Score of 0.39 (where above 0 means the school is making above average progress);
 - Attainment 8 score of 49.4% (1.2% more than the national average of 48.2%).
- Sharing best practise across other academies attracting increased revenue and also increasing the staff skillset through working with partners (WCAT/WRAT).
- Insurance was put out to tender and led to reduced costs.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cockburn Multi Academy Trust for the accounting period ended 31st August 2016 and up to the date of approval of the annual report and financial statements.

Cockburn Multi Academy Trust

Governance Statement (continued)



Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the accounting period ended 31st August 2016 and up to the date of approval of the annual report and financial statements. This process will be regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Mazars as internal auditor

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems;
- testing of purchase systems;
- testing of control account / bank reconciliations.

On an annual basis, Mazars, the internal auditor 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.

Review of Effectiveness

As accounting officer the Head Teacher 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 internal auditor;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the internal auditor.

Cockburn Multi Academy Trust

Governance Statement (continued)



Approved by order of the members of the board of trustees on Monday 12th December 2016 and signed on its behalf by:

D Westwell
Chair of Trustees

12.12.16

D Gurney
Accounting Officer

12/12/16

Cockburn Multi Academy Trust



Statement of Regularity, Propriety and Compliance

As accounting officer of Cockburn Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

A handwritten signature in black ink, appearing to read 'D Gurney', is positioned above the printed name.

D Gurney

Accounting Officer

12/12/16

Cockburn Multi Academy Trust



Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on Monday 12th December 2016 and signed on its behalf by:

D Westwell

Chair of Trustees

12.12.16

Cockburn Multi Academy Trust



Independent Auditor's Report on the Financial Statements to the Members of Cockburn Multi Academy Trust

for the accounting period ended 31st August 2016

We have audited the financial statements of Cockburn Multi Academy Trust for the period ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) ((Charities SORP 2015 (FRS 102))

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the trustees of Cockburn Multi Academy Trust (who act as directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the trustees as a body. Our audit work has been undertaken so that we might state to the 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 Academy Trust and the members as a body for our audit work, for this report, or for the opinions we have formed.

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 web-site at www.frc.org.uk/auditscopeukprivate.

Cockburn Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Cockburn Multi Academy Trust (continued)



Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs at 31 August 2016 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 Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the incorporated strategic report for the 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Shaun Mullins (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Date: 19.12.2016

Cockburn Multi Academy Trust



Independent Reporting Accountant's Assurance Report on Regularity to the Governing Body of Cockburn Multi Academy Trust and the Education Funding Agency

for the accounting period ended 31st August 2016

In accordance with the terms of our engagement letter dated 29 June 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cockburn Multi Academy Trust during the period 1 February 2016 to 31 August 2016 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 Cockburn Multi Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cockburn Multi Academy Trust and the EFA those matters we are required to state to it 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 Cockburn Multi Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cockburn Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cockburn Multi Academy Trust's funding agreement with the Secretary of State for Education dated 27 January 2016 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 February 2016 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

Cockburn Multi Academy Trust

Independent Reporting Accountant's

Assurance Report on Regularity to the Governing Body of Cockburn Multi Academy Trust and the Education Funding Agency (continued)



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.

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

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 February 2016 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Reporting Accountant

Mazars LLP

Date *19.12.2016*

Cockburn Multi Academy Trust



Statement of Financial Activities

for the accounting period ended 31st August 2016

(including Income and Expenditure Account)

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000
Income and endowments from:	Note				
Donations and capital grants					
Transfer from local authority on conversion	3,26	773	798	19,508	21,079
Charitable activities:					
Funding for the academy trust's educational operations	4	20	3,996	-	4,016
Other trading activities	5	383	-	-	383
Investments	6	1	-	-	1
Total		1,177	4,794	19,508	25,479
Expenditure on:					
Charitable activities:					
Academy trust educational operations	7	(195)	(3,647)	(262)	(4,104)
Total		(195)	(3,647)	(262)	(4,104)
Net income		982	1,147	19,246	21,375
Other recognised losses:					
Actuarial losses on defined benefit pension schemes	16,24	-	(1,331)	-	(1,331)
Net movement in funds		982	(184)	19,246	20,044
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		982	(184)	19,246	20,044

Cockburn Multi Academy Trust



Balance Sheet

as at 31st August 2016

Company Number 09946495

	Notes	2016 £000	2016 £000
Fixed assets			
Tangible assets	12		18,984
Current assets			
Stock	13	68	
Debtors	14	336	
Cash at bank and in hand		2,954	
		<u>3,358</u>	
Liabilities			
Creditors: Amounts falling due within one year	15	(57)	
Net current assets			<u>3,301</u>
Total assets less current liabilities			22,285
Net assets excluding pension liability			<u>22,285</u>
Defined benefit pension scheme liability	24		(2,241)
Total assets			<u>20,044</u>
Funds of the academy trust:			
Restricted funds			
. Fixed asset fund	16	19,246	
. Restricted income fund	16	2,057	
. Pension reserve	16	(2,241)	
Total restricted funds			<u>19,062</u>
Unrestricted income funds	16		<u>982</u>
Total funds			<u>20,044</u>

The financial statements on pages 20 and 21 were approved by the trustees, and authorised for issue on 12th December 2016 and are signed on their behalf by:

D Westwell
Chair of Trustees

12.12.16

Cockburn Multi Academy Trust



Statement of Cash Flows

for the accounting period ended 31st August 2016

	Notes	2016 £000
Cash flows from operating activities		
Net cash provided by operating activities	20	315
Cash flows from investing activities	22	301
Cash transferred on transfer into trust		2,338
Change in cash and cash equivalents in the reporting period		<u>2,954</u>
Cash and cash equivalents at 12th January 2016		-
Cash and cash equivalents at the 31st August 2016	23	<u>2,954</u>

Cockburn Multi Academy Trust



Notes to the Financial Statements for the accounting period ended 31st August 2016

1 Statement of Accounting Policies

1. Basis of Preparation

The financial statements will be 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 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies and practices, which have been applied consistently, except where noted, is set out below.

2. Going Concern

The Governors assess whether the use of going concern is appropriate, that is 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 1 September to 31 August.

the trustees have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue as a going concern. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements

3. Incoming Resources

All incoming resources will be included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

3.1 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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



3.2 Donations

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

3.3 Other Income

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

4 Resources Expended

All expenditure will be 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.

4.1 Costs of generated funds

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

4.2 Charitable Activities

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

4.3 Governance Costs

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

5 Fixed Assets

5.1 Purchase of Assets

All fixed assets purchase with an individual value of over £500 must be entered into the asset register on the finance system. Approval for purchase of assets must follow the school's purchasing procedures. The asset register will include the source of funds for the asset.

5.2 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

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

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 Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

5.3 Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

- Leasehold land and buildings – 50 year straight line method of depreciation;
- ICT related fixed assets – 5 year straight line method of depreciation;
- Furniture, fixtures, fittings – 5 year straight line method of depreciation;
- Motor vehicles – 5 year straight line method of depreciation.

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

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any 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.

5.4 Leased Assets

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

6 Taxation

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

7 Pension Benefits

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

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. 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 Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the 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.

8 Fund Accounting

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

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

9 Conversion

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

'The assets and liabilities transferred on conversion from Leeds City Council to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 26.'

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



10 Critical Accounting Estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2013 has been used by the actuary in valuing the pensions liability at 31st August 2016. 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.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was not subject to any limit on the amount of GAG that could be carried forward from one year to the next.

3 Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
Capital grants	-	303	303
Donated fixed assets	-	19,205	19,205
Donations	773	798	1,571
	<u>773</u>	<u>20,306</u>	<u>21,079</u>

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
DfE / EFA grants			
- General Annual Grant (GAG)	-	3,636	3,636
- Start Up Grants	-	25	25
- Other DfE/EFA grants	-	315	315
	-	3,976	3,976
Other income from the academy trust's educational operations	20	20	40
	20	3,996	4,016

5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
Staff secondments	232	-	232
Catering income	102	-	102
Hire of facilities	37	-	37
Misc income	12	-	12
	383	-	383

6 Investments

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
Short term deposits	1	-	1
	1	-	1

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



7 Expenditure

	Staff Costs	Non Pay Expenditure		Total
	£000	Premises £000	Other £000	2016 £000
Expenditure on raising funds	-	-	-	-
Academy's educational operations:				
- Direct costs	(2,876)	-	(213)	(3,089)
- Allocated support costs	(517)	(346)	(152)	(1,015)
	<u>(3,393)</u>	<u>(347)</u>	<u>(365)</u>	<u>(4,104)</u>
Net income for the period includes:				
				2016 £000
Depreciation				(225)
Fees payable to auditor for:				
- audit				(12)
- other services				-

8 Charitable Activities

	Total 2016 £000
Direct costs – educational operations	(3,089)
Support costs – educational operations	<u>(1,015)</u>
	<u>(4,104)</u>

Analysis of support costs	Educational Operations £000	Total 2016 £000
Support staff costs	(517)	(516)
Depreciation	(225)	(225)
Technology costs	(53)	(53)
Premises costs	(122)	(122)
Other support costs	(49)	(49)
Governance costs	(49)	(49)
Total support costs	<u>(1,015)</u>	<u>(1,015)</u>

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



9 Staff

a. Staff costs

Staff costs during the period were:	Total 2016
	£000
Wages and salaries	2,668
Social security costs	231
Operating costs of defined benefit pension schemes	494
	3,393

There were no supply staff or staff restructuring costs during the accounting period ended 31st August 2016.

b. Non statutory / non contractual staff severance payments

There were no non-statutory severance payments made in the accounting period ended 31st August 2016.

c. Staff Numbers

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

	2016
	No.
Teachers	69
Administration and support	109
Management	14
	192

d. Higher paid staff

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

	2016
	No.
£80,001 - £90,000	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 4. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £115,000.

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



10 Related Party Transactions – Trustees' Remuneration and Expenses

One trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The Head teacher only receives remuneration in respect of services he provides undertaking the roles of Head teacher under his contract of employment.

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

D Gurney (Head Teacher)

- Remuneration: £70,001 - £75,000
- Employer's pension contributions paid: £10,001 - £15,000

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost from the year ended 31 August 2016 was £2,100. This amount is not included in the total insurance costs for the year, as it was paid in advance, prior to February 2016 academisation.

12 Tangible Fixed Assets

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost						
At 1 February 2016	-	-	-	-	-	-
Transfer on conversion	19,200	-	-	-	5	19,205
Additions	-	-	-	3	-	3
At 31 August 2016	19,200	-	-	3	5	19,208
Depreciation						
At 1 February 2016	-	-	-	-	-	-
Charged in year	(224)	-	-	(0)	(1)	(225)
Disposals	-	-	-	-	-	-
At 31 August 2016	(224)	-	-	(0)	(1)	(225)
Net book values						
At 31 August 2016	18,976	-	-	3	4	18,984

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



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

- the acquisition of the freehold on Cockburn School which was donated to the trust at a value of £19,200,000.

13 Stock

	2016 £000
Clothing	68
	<u>68</u>

14 Debtors

	2016 £000
Trade debtors	6
VAT recoverable	62
Other debtors	-
Prepayments and accrued income	268
	<u>336</u>

15 Creditors: Amounts falling due within one year

	2016 £000
Trade creditors	(27)
Other creditors	(0)
Accruals and deferred income	(30)
	<u>(57)</u>

Deferred income	2016 £000
Deferred income at 1 September 2015	-
Released from previous years	-
Resources deferred in the year	(30)
Deferred Income at 31 August 2016	<u>(30)</u>

The deferred income held by the Trust at the balance sheet date relates to funds received in advance for school trips booked for the autumn term 2016.

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)

16 Funds



	Balance at 12 th January 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	-	3,636	(2,963)	-	673
Start Up Grant	-	25	(25)	-	-
Pupil Premium	-	244	(244)	-	-
Other grants	-	1,735	(351)	-	1,384
Pension reserve	-	(846)	(64)	(1,331)	(2,241)
	-	4,794	(3,647)	(1,331)	(184)
Restricted fixed asset funds					
Transfer on conversion	-	19,205	(225)	-	18,980
DfE/EFA capital grants	-	303	(37)	-	266
Capital expenditure from GAG	-	-	-	-	-
Private sector capital sponsorship	-	-	-	-	-
	-	19,508	(262)	-	19,246
Total restricted funds	-	24,302	(3,909)	(1,331)	19,062
Total unrestricted funds	-	1,177	(195)	-	982
Total funds	-	25,479	(4,104)	(1,331)	20,044

Restricted general fund

The Trust is carrying a surplus, excluding the pension reserve, of £2,058k. The fund has arisen from revenue funding provided by government and local authorities and is to be used for educational purposes in accordance with the Trust's objects and its funding agreement with the Secretary of State.

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 2016.

The restricted pension fund is in deficit to the value of £2,241k. The Directors will continue to monitor the situation closely.

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



16 Funds (continued)

Restricted fixed asset funds

The fund has arisen from capital funding provided by government and assets donated by local authorities and other organisations and is to be used for educational purposes in accordance with the Trust's objects and its funding agreement with the Secretary of State.

Unrestricted funds

The £982k surplus has arisen from activities for generating funds.

17 Analysis of Net Assets between Funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	18,984	18,984
Current assets	982	2,115	262	3,358
Current liabilities	-	(57)	-	(57)
Pension scheme liability	-	(2,241)	-	(2,241)
Total net assets	982	(184)	19,246	20,044

18 Capital Commitments

As at 31st August 2016 the trust had no capital commitments.

19 Commitments under operating leases

As at 31st August 2016 the trust had no operating leases.

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

20 Reconciliation of Net Income to Net Cash Flow from Operating Activities

	2016 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	21,375
Adjusted for:	
Depreciation charges (note 12)	225
Capital grants from DfE	(303)
Donated fixed assets	(19,205)
Interest receivable (note 6)	(1)
Defined benefit pension scheme obligation inherited	846
Defined benefit pension scheme cost less contributions payable (note 29)	48
Defined benefit pension scheme finance cost (note 29)	15
Transfer of surplus	(2,338)
Increase in stocks	(68)
Increase in debtors	(336)
Increase in creditors	57
Net cash provided by Operating Activities	315

21 Cash Flows from Financing Activities

During the accounting period ended 31st August 2016, there were no cash flows from Financing Activities.

22 Cash Flows from Investing Activities

	2016 £000
Dividends, interest and rents from investments	1
Purchase of tangible fixed assets	(3)
Capital grants from DfE/EFA	303
Net cash provided by investing activities	301

23 Analysis cash and cash equivalents

	At 31 st August 2016 £000
Cash in hand and at bank	2,954
Total cash and cash equivalents	2,954

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



24 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Yorkshire Pension Fund. Both are multi-employer defined benefit pension schemes.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme during the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Not less than every four years 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:

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

24 Pension and similar obligations (continued)

- 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 will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £246,914.

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

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 pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2016 was £242,000, of which employer's contributions totalled £190,000 and employees' contributions totalled £52,000. The agreed contribution rates are currently 16.5% for employers and range between 5.5% - 12.5% for employees. However, these rates are currently under review and are likely to change slightly from 1st April 2017.

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.

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



24 Pension and similar obligations (continued)

Principal actuarial assumptions	At 31 August 2016
Rate of increase in salaries	3.40%
Rate of increase for pensions in payment/inflation	1.90%
Discount rate for scheme liabilities	2.00%
Inflation assumption (CPI)	1.90%

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

	At 31 August 2016
<i>Retiring today</i>	
Males	22.7
Females	25.6
<i>Retiring in 20 years</i>	
Males	24.9
Females	28.0

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2016 £000
Equity instruments	2,328
Debt instruments	623
Property	149
Total market value of assets	3,100

The actual return on scheme assets was £100,000

Amount recognised in the statement of financial activities

	2016 £000
Current service cost (net of employee contributions)	(238)
Net interest cost	(16)
Total operating charge	(254)

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)

24 Pension and similar obligations (continued)



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

	2016 £000
At 12 th January	-
Upon conversion	3,275
Current service cost	238
Interest cost	70
Employee contributions	52
Actuarial (gain)/loss	1,729
Benefits paid	(23)
At 31 st August	<u>5,341</u>

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

	2016 £000
At 12 th January	-
Upon conversion	2,429
Interest income	54
Actuarial gain/(loss)	398
Employer contributions	190
Employee contributions	51
Benefits paid	(23)
At 31 st August	<u>3,099</u>

25 Related Party Transactions

No related party transactions took place in the period of account, other than one trustee's remuneration and expenses already disclosed in note 10.

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



26 Conversion

On 1st February 2016, Cockburn School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cockburn Multi Academy Trust from Leeds City Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations – transfer from local authority on conversion.

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
· Freehold land and buildings	-	-	19,200	19,200
· Other tangible fixed assets	-	-	5	5
Budget surplus on LA funds	773	1,644	303	2,720
LGPS pension deficit	-	(846)	-	(846)
Net assets	773	798	19,508	21,079