

Cockburn Multi Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
For the accounting period ended
31st August 2019

Company Registration Number:
09946495 (England and Wales)



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Cockburn Multi Academy Trust



Reference and Administrative Details

| | |
|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Members | <p>P Nuttall (chairman) (Appointed 19/09/19)</p> <p>J Ellis (vice chair)</p> <p>S Giedrojt (Appointed 10/10/19)</p> <p>D Westwell (Resigned 19/09/19)</p> |
| Trustees | <p>P Nuttall (chairman) (Appointed 19/09/19)</p> <p>J Ellis (vice chair)</p> <p>S Giedrojt (Appointed 10/10/19)</p> <p>D Westwell (Resigned 19/09/19)</p> <p>P Brennan</p> <p>A Chin (Resigned 11/11/18)</p> <p>P Crawshaw</p> <p>C Graham</p> <p>D Gurney</p> <p>J Hairsine (Appointed 20/09/18)</p> <p>C Moore</p> <p>K Morawiecka-Watkins</p> <p>K Virr (Resigned 10/10/18)</p> |
| Company Secretary | J Sidgwick |
| Accounting Officer | D Gurney |
| Senior Management Team: | |
| Executive Headteacher | D Gurney |
| Cockburn MAT Chief Operating Officer | 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 | <p>Mazars</p> <p>5th Floor, 3 Wellington Place</p> <p>Leeds, LS1 4AP</p> |
| Bankers | <p>Lloyds Bank plc</p> <p>25 Gresham Street,</p> <p>London, EC2V 7HN</p> |
| Solicitors | <p>Wrigleys Solicitors</p> <p>19 Cookridge Street</p> <p>Leeds, LS2 3AG</p> |

Cockburn Multi Academy Trust

Trustees' Report (continued)



Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1st September 2018 to 31st August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

In the year the trust operated four academies for pupils aged 4 to 16 serving a catchment area in South Leeds. It had a pupil capacity in three schools of 2,520 and had a roll of 2,626 on 4th October 2018. By the end of the year, after the July 2019 conversion of Cockburn Haigh Road Academy into the trust, the trust had a pupil capacity of 2,655, and had 2,749 pupils on roll across all schools.

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, and to the date these accounts were approved are included in the Reference and Administrative Details on page 3.

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 Zurich, Policy Number KSC-242095-4153, 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 members of the academy trust may appoint up to 12 trustees by ordinary resolution. The members may appoint Staff Trustees through such a process as which they determine. The total number of trustees including the chief executive officer, if they so choose to act as a trustee under

Cockburn Multi Academy Trust

Trustees' Report (continued)



Method of Recruitment and Appointment or Election of Trustees (continued)

Article under article 57, who are employees of the academy trust shall not exceed one third of the total number of trustees.

The Trust Board consists of eleven trustees and three members. In 2015/16 the members followed the Academy Ambassador programme to recruit trustees to the Board. This recruitment process eliminated identified skills gaps and ensured that the skills of Trustees' covered all areas identified skills areas, such as policy, legal, education, and primary education. As the trust moves forwards, future appointments will be made with the intention of maintaining this broad coverage of skill areas, while including representatives from different schools which join the trust where possible.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction of all new Members / Trustees will depend upon their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Trustees will be given a tour of the trust's key sites with a chance to meet stakeholders. All Trustees 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 (LGBs) 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. 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 pay review committee consisting of the Chair of the Board plus two other representatives of the Cockburn Multi Academy Trust Board and an external advisor;
- The salary of the Cockburn School Chief Operating Officer is determined by The Executive Headteacher and is approved by the pay review committee.

Trade union time disclosure

Relevant union officials

| <i>Number of employees who were relevant union officials during the relevant period</i> | <i>Full-time equivalent employee number</i> |
|-----------------------------------------------------------------------------------------|---------------------------------------------|
| 1 | 1 |

Cockburn Multi Academy Trust

Trustees' Report (continued)



Trade union time disclosure (continued)

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | 1 |
| 1%-50% | 0 |
| 51%-99% | 0 |
| 100% | 0 |

Percentage of pay bill spend on facility time

| | |
|-----------------------------------------------------|----------|
| Total cost of facility time | £0 |
| Total pay bill | £12,102k |
| Percentage of total pay bill spend on facility time | 0% |

Percentage of pay bill spend on facility time

| | |
|------------------------------------------------------------------------------------------------------------|------------------------|
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: | 0 hours out of 0 hours |
|------------------------------------------------------------------------------------------------------------|------------------------|

Related Parties and other Connected Charities and Organisations

Cockburn Multi Academy Trust has minimal connected party transactions. For further details see Note 26. 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 is identified, all decisions are still be based on the tender process, but with awareness and clarification 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, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-

Cockburn Multi Academy Trust

Trustees' Report (continued)



Objects and Aims (continued)

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:

- to pursue a relentless journey of "Transformation to Excellence" across all our academies;
- to be driven by a moral core purpose to transform opportunities and change life chances of all children and young people;
- to establish academies that are centres of excellence for leadership, quality of teaching, learning and assessment, personal development, behaviour and welfare and outcomes for students;
- to work in the spirit of partnership with all stakeholders; and
- to 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, all schools and academies have a School Development Plan which are reviewed by the Senior Leadership Teams and the Local Governing Bodies.

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

Cockburn School has had another strong year and in relation to progress has performed well against the national performance measures for secondary schools. The headline measure of Progress 8 for 2019 of 0.13 is strong positive progress and is above the 2018 national average of -0.02.

| | 2019 | 2018 | 2017 |
|-----------------------------------------|------|-------|------|
| Progress 8 | 0.13 | 0.38 | 0.65 |
| Attainment 8 | 4.50 | 4.74 | 4.85 |
| English and Maths: Standard Pass | 57% | 59% | 60% |
| English and Maths: Strong Pass | 35% | 40% | 43% |
| EBACC: Standard Pass | 7% | 14.8% | 9.4% |
| EBACC: Strong Pass | 6% | 11% | 8.4% |
| EBACC: Average Points Score | 3.4 | 3.73 | N/A |

Absent rates continue to show that attendance at Cockburn School was better than the national average in 2019.

| | % of sessions missed due to Overall Absence | | % Persistent Absence for 10% or more sessions | |
|--------------------|---------------------------------------------|----------|-----------------------------------------------|----------|
| | Cockburn School | National | Cockburn School | National |
| 2018 - 2019 | 5.3 | 5.4 | 10.3 | 13.6 |
| 2017 - 2018 | 4.7 | 5.2 | 9.7 | 12.8 |
| 2016- 2017 | 4.9 | 5.0 | 8.9 | 12.3 |

The targets for 2019 results compared to predictions and actual were as follows:

| KS2 Average Points = 4.1 | Expected Attainment = 3.6 (E) | | |
|----------------------------------------------------------------------------------------------|--------------------------------------|-------------------|---------------|
| | Target Range | Prediction | Actual |
| Attainment 8 | 4.6 – 5.1 (D) | 4.5 – 5.0 | 4.5 |
| English & Maths: Strong pass | 42 – 47% | 39 – 44% | 35% |
| EBACC: Strong pass | 6 – 10% | 4 – 8% | 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)



Achievements and Performance – Cockburn John Charles Academy (CJCA)

Cockburn John Charles Academy has secured significant improvements in 2019. The progress made by all student groups and curriculum areas has improved, narrowing the gap with national averages. The average attainment score has increased in all curriculum areas despite a weaker year 11 cohort.

In the 2019 Performance Measures Cockburn John Charles Academy has performed as follows:

| | 2019 | 2018 | 2017 |
|-----------------------------------------|-------|-------|-------|
| Progress 8 | 0.12 | -0.25 | -0.47 |
| Attainment 8 | 4.06 | 3.75 | 3.66 |
| English and Maths: Standard Pass | 43.7% | 34.3% | 40% |
| English and Maths: Strong Pass | 26.1% | 23.3% | 15% |
| EBACC: Standard Pass | 8.5% | 4.2% | 8% |
| EBACC: Strong Pass | 7.7% | 1.8% | 6% |
| EBACC: Average Points Score | 3.23 | 2.97 | N/A |

The headline measure for Progress 8 in 2019 is 0.12, this is the first time in the history of the Academy that it has achieved a positive progress score.

Absent rates continue to improve at Cockburn John Charles Academy, as shown below.

| | % of sessions missed due to Overall Absence | | % Persistent Absence for 10% or more sessions | |
|------------------|---------------------------------------------|----------|-----------------------------------------------|----------|
| | CJCA | National | CJCA | National |
| 2018-2019 | 6.50 | 5.4 | 13.91 | 13.6 |
| 2017-2018 | 7.55 | 5.2 | 17.95 | 12.8 |
| 2016-2017 | 9.02 | 5.0 | 22.20 | 12.3 |

Key Performance Indicators

The targets for 2019 results were as follows:

| KS2 Average Points = 4.3 | Expected Attainment = 4.3 (FFT20) | | |
|----------------------------------------------------------------------------------------------|-----------------------------------|------------|--------|
| | Target Range | Prediction | Actual |
| Attainment 8 | 3.7 - 4.2 | 3.77 | 4.1 |
| English & Maths: Strong pass | 20 - 30% | 26.1% | 26.1% |
| EBACC: APS | 3.0 – 3.25 | 2.78 | 3.23 |
| Produce a balanced budget and achieve the budgeted surplus at the end of the Financial Year. | | | Yes |

Cockburn Multi Academy Trust

Trustees' Report (continued)



Floor Standard

In 2019, a primary school will be above floor standards if: at least 65% of pupils meet the expected standard in reading, writing and mathematics; or the school achieves sufficient progress scores in all three subjects.

At Middleton Primary School, attainment is below floor standard with 35% of pupils meeting the expected standard in reading, writing and mathematics in Key Stage 2. The progress of the school is categorized as average.

At Middleton Primary School, outcomes for younger children have increased when compared to 2018. Year 1 Phonics is now slightly above the national average. Combined attainment for Early Year Foundation Stage – Good Level of Development (EYFS GLD), KS1 reading, writing and mathematics has improved with the school's highest performance to date, but remains below national average.

Cockburn Haigh Road Academy joined the trust in July and therefore progress within the MAT is yet to be measured.

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 £4,795k.

Net assets for the group at the year-end were £37,210k. However, this includes the pension liabilities of £7,140k. Net current assets at 31 August 2019 were £8,539k, and the funds held in the trust were:

- restricted general funds, excluding pension reserves – £5,579k
- unrestricted funds – £2,665k.

As at 31st August 2019 the Trust had cash reserves of £8,363k and the net book value of tangible fixed assets was £35,811k.

The majority of the Trust's income is derived from GAG funding provided by the Education & Skills Funding Agency (ESFA).

All of the grants received from the ESFA and the Local Authority (LA) during the accounting period ended 31st August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

During the year the Trust incorporated Middleton Primary School, and Cockburn Haigh Road Academy into the Trust, adding £5,657k of assets to the Trust.

Cockburn Multi Academy Trust

Trustees' Report (continued)



Financial Review (continued)

During the year the Trust's pension liability has increased from £1,809k to £7,140k. This is a combination of the addition of two new academies, and the impact of the recent court ruling on GMP and McCloud.

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 minimum level of free reserves that is equivalent to 5% of annual income, and a maximum of 20% of annual income, to provide a stable base for the continuing operation of the Trust whilst ensuring that excessive funds are not accumulated. An academy holding reserves outside of these parameters must have a business case for doing so, approved by the board.

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 £2,665k.

Investment Policy

The trust is able to deposit or invest any funds of the Academy Trust not immediately required for the furtherance of its objects (but to invest only after obtaining such advice from a financial expert as the Trustees consider necessary and having regard to the suitability of investments and the need for diversification).

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 Board of Trustees 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 Board of Trustees and reported to the Board. Risks are identified, assessed and controls are established on an ongoing basis.

Cockburn Multi Academy Trust

Trustees' Report (continued)



Principal Risks and Uncertainties (continued)

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 the 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 processes and 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.

Fundraising

The majority of the trust's income is funding from the DfE, ESFA and Leeds City Council. Additional funding is received via grant applications. All fundraising conforms to the recognised fundraising standards. No complaints have been received during the year and there are no areas of fundraising that place undue pressure on others to donate.

Plans for Future Periods

Work has continued in relation to the successful bid to open a Free School within the inner South of Leeds which is in line with the growth plan of the Trust. The site is in the process of being secured and Heads of Teams agreed with the earliest opening date being September 2021, however, there is a possibility of an earlier date should temporary accommodation be found due to the demand of basic needs within the area.

Cockburn Multi Academy Trust

Trustees' Report (continued)



Plans for Future Periods (continued)

The Trust is working under a National Leader of Education Service Level Agreement to lead a special school which has an academy order to join the Trust. This agreement is in place whilst a funding review is being carried out in relation to High Needs Block funding.

Employees and Disabled Persons

Cockburn MAT values employee voice and encourages the involvement of our employees through regular meetings for example through SLT/ Middle leadership and departmental meetings which enable key issues to be raised and discussed and our vision and values to be continually reinforced.

Cockburn MAT is committed to ensuring equality of opportunity for all. As such as part of our Recruitment and Selection Policy we will make every effort to accommodate any requests for adjustments in order to enable disabled persons are given full and fair considerations when vacancies arise, having regard to their suitability for the post.

Where an existing employee becomes disabled, every effort is made to support them to stay in employment such as through the use of occupational health to consider reasonable adjustments.

During the course of employment within Cockburn MAT we seek to work with employees, taking account of their personal circumstances, to ensure appropriate CPD and promotion opportunities are available to support them to reach their full potential,

Please refer to our Equalities statement which outlines our guiding principles for fulfilling our statutory duties.

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 Wednesday 11th December 2019 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'P. Nutall', is written over a horizontal line.

P Nutall

Chair of Trustees

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 executive headteacher, 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 four times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|-----------------------|-------------------|-------------------|
| P Nuttall (chair) | 3 | 4 |
| J Ellis (vice chair) | 3 | 4 |
| S Giedrojt | 0 | 0 |
| P Brennan | 3 | 4 |
| P Crawshaw | 2 | 4 |
| C Graham | 3 | 4 |
| D Gurney | 4 | 4 |
| J Harisine | 3 | 3 |
| C Moore | 3 | 4 |
| K Morawiecka-Watkins | 3 | 4 |
| A Chin (resigned) | 1 | 1 |
| K Virr (resigned) | 1 | 1 |
| D Westwell (resigned) | 4 | 4 |

At 1st September 2018 there were eleven trustees on the Cockburn Multi Academy Trust Board of Trustees, nine of whom were still trustees as at 31st August 2019.

Key changes are noted below:

On 20th September 2018, J Hairsine was appointed as a trustee.

On 10th October 2018, K Virr resigned as a trustee.

On 11th November 2018, A Chin resigned as a trustee.

On 19th September 2019, D Westwell resigned as a trustee, member, and chair.

On 19th September 2019, P Nuttall was appointed chair (continuing also as a trustee and member).

On 10th October 2019, S Giedrojt was appointed as a trustee and member.

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

Cockburn Multi Academy Trust

Governance Statement (continued)



Governance Reviews

An internal review was carried out within the MAT, this is still deemed sufficient given the size of the MAT. The areas covered included how recruitment was undertaken to ensure all skills are covered, a review of the minutes, other supporting documentation such as the MAT development plan and the 1 year operational plan, results of the school within the MAT.

The engagement with the local community was a highlight again for the Trust given the school that re-brokered to the Trust was full for this first time in its history and has also been asked to take a bulge cohort for September 2019 of 270 students. There has also been a marked increase in parental engagement

As per the 2017-18 governance review further work was carried out over the year and external clerking is now in place for all Trust meetings and work has been undertaken to further streamline governance within the Trust.

Using the National Governance Association skills matrix a review of all current skills of the Board was undertaken and an analysis which was carried out will be used for any future recruitment.

Both the Trust strategic plan and operational plan were reviewed throughout 2018-19.

Review of Value for Money

As accounting officer the Executive Headteacher 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:

- Educational outcomes: Results for Cockburn School in 2019 once again demonstrate overall high levels of performance compared with other schools nationally. Results for Cockburn John Charles Academy 2019 also demonstrate overall high levels of performance with other school nationally:
 - Progress 8 Score (where above 0 means the school is making above average progress) of 0.13, for Cockburn School and 0.12 for Cockburn John Charles Academy (currently invalidated);

Cockburn Multi Academy Trust

Governance Statement (continued)



Review of Value for Money (continued)

- Attainment 8 score of 4.50 was in line with the national average for Cockburn School;
 - Attainment 8 score of 4.06 for Cockburn John Charles Academy;
 - Strong pass (9-5) in English and Maths of 35% for Cockburn School;
 - Strong pass (9-5) in English and Maths of 26% for Cockburn John Charles Academy;
 - Standard pass (9-4) in English and Maths was 57% for Cockburn School; and
 - Standard pass (9-4) in English and Maths was 44% for Cockburn John Charles Academy.
-
- Educational outcomes for Middleton Primary show an increasing trend with phonics now above national average;
 - Both Cockburn School and Cockburn John Charles academy are able to save money through Centralised ICT, Finance and HR. The HR team continue to offer a service level agreement to other schools which generates unrestricted income for the Trust;
 - Both secondary schools within the trust now have working Curriculum Financial Planning models;
 - Following an economic review exercise for the photocopying contract in the secondary schools we have realised considerable savings for the Trust;
 - As the Executive Headteacher is a national leader of Education he has brought in income of £6k per annum; and
 - Following an economic review exercise around students planners in the secondary schools we have realised savings for the Trust.

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 1st September 2018 to 31st August 2019 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 1st September 2018 to 31st August 2019 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 continue to engage Mazars LLP 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;
- testing of ESFA income; and
- budgeting and financial reporting.

On an annual basis, Mazars LLP, 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.

Cockburn Multi Academy Trust

Governance Statement (continued)



Review of Effectiveness

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

- the work of the 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 Board of Trustees, and a plan to address weaknesses and ensure continuous improvement of systems is in place.

Approved by order of the members of the board of trustees on Wednesday 11th December 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'P. Nuttall', is written over a horizontal line.

P Nuttall
Chair of Trustees

A handwritten signature in black ink, appearing to read 'D. Gurney', is written over a horizontal line.

D Gurney
Accounting Officer



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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all 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 2018.

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

A handwritten signature in black ink, appearing to read 'D. Gurney', is written over a horizontal line.

D Gurney

Accounting Officer

11/12/19

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 Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on Wednesday 11th December 2019 and signed on its behalf by:


P Nuttall

Chair of Trustees

Cockburn Multi Academy Trust



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

Opinion

We have audited the financial statements of Cockburn Multi Academy Trust ("the ' Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs at 31 August 2019 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 2018 to 2019.

Basis for opinion

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

Cockburn Multi Academy Trust

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



Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report including the incorporated Strategic Report has been prepared in accordance with applicable legal requirements.

Cockburn Multi Academy Trust

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



Matters on which we are required to report by exception

In light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the incorporated Strategic Report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 20, the Trustees (who are directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Cockburn Multi Academy Trust

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



Use of the audit report

This report is made solely to the Academy Trust'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 Academy Trust'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 Academy Trust and the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.

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

Ross Preston (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor

3 Wellington Place

Leeds

LS1 4AP

Date 18 December 2019

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

In accordance with the terms of our engagement letter dated 3 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 September 2018 to 31 August 2019 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 ESFA 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 ESFA 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 ESFA, 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 2015 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Cockburn Multi Academy Trust

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



Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding 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 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Mazars LLP

Date 18 December 2019

Cockburn Multi Academy Trust



Statement of Financial Activities

for the accounting year ended 31st August 2019

(including Income and Expenditure Account)

| | | Unrestricted Funds | Restricted General Funds | Restricted Fixed Asset Funds | Total 2019 | <i>Total 2018</i> |
|---------------------------------------------------------------|-------|-----------------------|--------------------------------|---------------------------------------|-----------------------|-----------------------|
| | Note | £000 | £000 | £000 | £000 | £000 |
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | - | - | 205 | 205 | (70) |
| Conversion of academy joining the academy trust | 27 | 63 | (1,229) | 5,595 | 4,429 | 11,209 |
| Charitable activities: | | | | | | |
| Funding for the academy trust's educational operations | 4 | 121 | 16,990 | - | 17,111 | 10,356 |
| Other trading activities | 5 | 1,171 | - | - | 1,171 | 1,168 |
| Investments | 6 | 6 | - | - | 6 | 3 |
| Total | | 1,361 | 15,761 | 5,800 | 22,922 | 22,666 |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| Academy trust educational operations | 7 | (1,154) | (16,098) | (875) | (18,127) | (11,099) |
| Total | | (1,154) | (16,098) | (875) | (18,127) | (11,099) |
| Net income / (expenditure) | | 207 | (337) | 4,925 | 4,795 | 11,567 |
| Other recognised (losses) / gains: | | | | | | |
| Actuarial (losses) / gains on defined benefit pension schemes | 17,25 | - | (3,318) | - | (3,318) | 930 |
| Net movement in funds | | 207 | (3,655) | 4,925 | 1,477 | 12,497 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 2,458 | 2,094 | 31,181 | 35,733 | 23,236 |
| Total funds carried forward | | 2,665 | (1,561) | 36,106 | 37,210 | 35,733 |

Cockburn Multi Academy Trust



Balance Sheet

as at 31st August 2019

Company Number 09946495

| | Notes | 2019 £000 | 2019 £000 | 2018 £000 | 2018 £000 |
|------------------------------------------------|-------|--------------|---------------|--------------|---------------|
| Fixed assets | | | | | |
| Tangible assets | 13 | | 35,811 | | 30,937 |
| Current assets | | | | | |
| Stock | 14 | 64 | | 64 | |
| Debtors | 15 | 1,218 | | 850 | |
| Cash at bank and in hand | 24 | 8,363 | | 6,517 | |
| | | <u>9,645</u> | | <u>7,431</u> | |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 16 | (1,106) | | (826) | |
| Net current assets | | | <u>8,539</u> | | <u>6,605</u> |
| Total assets less current liabilities | | | <u>44,350</u> | | <u>37,542</u> |
| Net assets excluding pension liability | | | <u>44,350</u> | | <u>37,542</u> |
| Defined benefit pension scheme liability | 25 | | (7,140) | | (1,809) |
| Total net assets | | | <u>37,210</u> | | <u>35,733</u> |
| Funds of the academy trust: | | | | | |
| Restricted funds | | | | | |
| . Fixed asset fund | 17 | 36,106 | | 31,181 | |
| . Restricted income fund | 17 | 5,579 | | 3,903 | |
| . Pension reserve | 17 | (7,140) | | (1,809) | |
| Total restricted funds | | | <u>34,545</u> | | <u>33,275</u> |
| Unrestricted income funds | 17 | | <u>2,665</u> | | <u>2,458</u> |
| Total funds | 17 | | <u>37,210</u> | | <u>35,733</u> |

The financial statements on pages 28 to 54 were approved by the trustees, and authorised for issue on 11th December 2019 and are signed on their behalf by:

P Nuttall
Chair of Trustees

Cockburn Multi Academy Trust



Statement of Cash Flows

for the accounting year ended 31st August 2019

| | Notes | 2019 £000 | 2018 £000 |
|--------------------------------------------------------------------|-------|----------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 21 | 2,076 | 2,589 |
| Cash flows from investing activities | 23 | (302) | (897) |
| Cash transferred on transfer into the academy trust | | 72 | 826 |
| Change in cash and cash equivalents in the reporting period | | 1,846 | 2,518 |
| Cash and cash equivalents at 1st September 2018 | | 6,517 | 3,999 |
| Cash and cash equivalents at the 31st August 2019 | 24 | 8,363 | 6,517 |



Notes to the Financial Statements for the accounting period ended 31st August 2019

1 Statement of Accounting Policies

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

1. Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

2. Going Concern

The Trustees 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 Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the financial statements. 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.

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

3.1 Grants receivable (continued)

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.

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.

3.4 Transfer of existing academies into the academy trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

4 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.

4.1 Costs of generated funds

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

4.2 Charitable Activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance.

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

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 depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the balance sheet.

Depreciation on 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:

- Freehold buildings – straight line method of depreciation over the expected useful life as determined by the valuer (ranging from 6 to 50 years);
- Leasehold land and buildings – straight line method of depreciation over the expected useful life as determined by the valuer (ranging from 6 to 50 years);
- 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

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

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 Liabilities

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

5.5 Leased Assets

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

6 Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

7 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.

8 Pension Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, and 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 quadrennial valuations using a prospective unit credit 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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

are included as part of staff costs. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

9 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 trustees.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education, Education & Skills Funding Agency and Local Authority.

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

10 Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

11 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:

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

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 25, 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 2016 has been used by the actuary in valuing the pensions liability at 31st August 2019. 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 2019 £000 | Total 2018 £000 |
|---------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Capital grants | - | 205 | 205 | (70) |
| Donated fixed assets | - | 5,586 | 5,586 | 11,509 |
| Donations | 63 | 9 | 72 | 841 |
| Pension Deficit inherited | - | (1,229) | (1,229) | (1,141) |
| | <u>63</u> | <u>4,571</u> | <u>4,634</u> | <u>11,139</u> |

4 Funding for the Academy Trust's Educational Operations

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2019 £000 | Total 2018 £000 |
|--------------------------------------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| DfE / ESFA grants | | | | |
| - General Annual Grant (GAG) | - | 14,636 | 14,636 | 8,885 |
| - Start Up Grants | - | 70 | 70 | 50 |
| - Other DfE/ESFA grants | - | 2,157 | 2,157 | 1,294 |
| | <u>-</u> | <u>16,863</u> | <u>16,863</u> | <u>10,229</u> |
| Other Government Grants | | | | |
| Local authority Grants | - | - | - | 9 |
| | | | | <u>9</u> |
| Other income from the academy trust's educational operations | 121 | 127 | 248 | 118 |
| | <u>121</u> | <u>16,990</u> | <u>17,111</u> | <u>10,356</u> |

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



5 Other trading activities

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2019 £000 | Total 2018 £000 |
|--------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Staff secondments | 584 | - | 584 | 611 |
| Catering income | 283 | - | 283 | 243 |
| Hire of facilities | 117 | - | 117 | 140 |
| School fund | 5 | - | 5 | 5 |
| Misc income | 182 | - | 182 | 169 |
| | <u>1,171</u> | <u>-</u> | <u>1,171</u> | <u>1,168</u> |

6 Investments

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2019 £000 | Total 2018 £000 |
|---------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Short term deposits | 6 | - | 6 | 3 |
| | <u>6</u> | <u>-</u> | <u>6</u> | <u>3</u> |

7 Expenditure

| | Staff Costs £000 | Non Pay Expenditure | | Total 2019 £000 | Total 2018 £000 |
|-----------------------------------|---------------------|---------------------|---------------|-----------------------|-----------------------|
| | | Premises £000 | Other £000 | | |
| Academy's educational operations: | | | | | |
| - Direct costs | 9,747 | - | 1,602 | 11,349 | 7,481 |
| - Allocated support costs | 2,430 | 2,353 | 1,995 | 6,778 | 3,618 |
| | <u>12,176</u> | <u>2,353</u> | <u>3,597</u> | <u>18,127</u> | <u>11,099</u> |

Net income for the period includes:

| | 2019 £000 | 2018 £000 |
|------------------------------|--------------|--------------|
| Operating Lease Rentals | 17 | 15 |
| Depreciation | 813 | 503 |
| Fees payable to auditor for: | | |
| - audit | 18 | 15 |
| - other services | <u>4</u> | <u>1</u> |

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



8 Charitable Activities

| | 2019 | 2018 |
|----------------------------------------|---------------|---------------|
| | £000 | £000 |
| Direct costs – educational operations | 11,349 | 7,481 |
| Support costs – educational operations | 6,778 | 3,618 |
| | 18,127 | 11,099 |

| Analysis of support costs | Educational Operations | 2019 | 2018 |
|----------------------------|------------------------|--------------|--------------|
| | £000 | £000 | £000 |
| Support staff costs | 2,430 | 2,430 | 1,129 |
| Depreciation | 814 | 814 | 503 |
| Technology costs | 251 | 251 | 147 |
| Premises costs | 2,353 | 2,353 | 1,262 |
| Other support costs | 907 | 907 | 556 |
| Governance costs | 23 | 23 | 21 |
| Total support costs | 6,778 | 6,778 | 3,618 |

9 Staff

a. Staff costs

Staff costs during the period were:

| | 2019 | 2018 |
|-----------------------|---------------|--------------|
| | £000 | £000 |
| Wages and salaries | 9,152 | 5,817 |
| Social security costs | 844 | 552 |
| Pension cost | 2,078 | 1,087 |
| Apprenticeship Levy | 28 | 13 |
| | 12,102 | 7,468 |

| | | |
|---------------------------|---------------|--------------|
| Supply staff costs | 74 | 73 |
| Staff restructuring costs | - | - |
| | 12,176 | 7,541 |

Staff restructuring costs comprise:

| | | |
|--------------------|---|---|
| Severance payments | - | - |
| | - | - |

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

9 Staff (continued)

b. Non-statutory / non-contractual staff severance payments

There were no non-contractual severance payments made in the year ended 31st August 2019. (2018: £nil)

c. Staff Numbers

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

| | 2019 | 2018 |
|----------------------------|------------|------------|
| | No. | No. |
| Teachers | 230 | 98 |
| Administration and support | 145 | 117 |
| Management | 24 | 16 |
| | 399 | 231 |

d. Higher paid staff

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

| | 2019 | 2018 |
|---------------------|------|------|
| | No. | No. |
| £60,001 - £70,000 | 3 | 3 |
| £70,001 - £80,000 | 1 | - |
| £80,001 - £90,000 | 2 | 1 |
| £150,001 - £160,000 | 1 | 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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £263,000 (2018: £258,000).

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



10 Central Services

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

- human resources;
- financial services;
- school improvement services;
- ICT support services; and
- Others as arising

This is the first year that the academy trust has applied charges for these services. Charges have been applied on the following basis:

- 4.5% of GAG for secondary schools
- 3.0% of GAG for primary schools

The actual amounts charged during the year were as follows:

| | 2019 | 2018 |
|-------------------------------|-------------|-------------|
| | £000 | £000 |
| Cockburn School | 308 | - |
| Cockburn John Charles Academy | 230 | - |
| Middleton Primary School | 58 | - |
| Cockburn Haigh Road Academy | - | - |
| | 596 | - |

Cockburn Haigh Road Academy has not been charged for central services during the period due to uncertainty over the school's anticipated revenue surplus to be transferred to the trust.

11 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 executive headteacher only receives remuneration in respect of services he provides undertaking the roles of executive headteacher and role of National Leader of Education under his contract of employment.

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

11 Related Party Transactions – Trustee's Remuneration and Expenses

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

| Executive Headteacher: | 2019 | 2018 |
|------------------------------------------|---------------------|---------------------|
| • Remuneration: | £150,001 - £155,000 | £150,001 - £155,000 |
| • Employer's pension contributions paid: | £25,001 - £30,000 | £25,001 - £30,000 |

During the year ended 31st August 2019, no travel and subsistence expenses were reimbursed or paid directly to trustees.

12 Trustees' and Officers' Insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees 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.

13 Tangible Fixed Assets

| | Freehold Land and Buildings £000 | Leasehold Land and Buildings £000 | Furniture and Equipment £000 | Computer Hardware £000 | Motor Vehicles £000 | Assets Under Construction £000 | Total £000 |
|--------------------------|-------------------------------------------|--------------------------------------------|---------------------------------------|------------------------------|---------------------------|-----------------------------------------|---------------|
| Cost | | | | | | | |
| At 1 September 2018 | 20,485 | 11,509 | 12 | 31 | 5 | - | 32,042 |
| Additions | 29 | - | 11 | 27 | 37 | - | 104 |
| Transfers into the Trust | 4,176 | 1,410 | - | - | - | - | 5,586 |
| Reclassification | - | - | - | - | (5) | - | (5) |
| At 31 August 2019 | 24,690 | 12,919 | 23 | 58 | 37 | - | 37,727 |
| Depreciation | | | | | | | |
| At 1 September 2018 | (988) | (109) | (2) | (3) | (3) | - | (1,106) |
| Charged in year | (529) | (271) | (3) | (9) | (2) | - | (814) |
| Disposals | - | - | - | - | 4 | - | 4 |
| At 31 August 2019 | (1,517) | (380) | (5) | (12) | (1) | - | (1,916) |
| Net book values | | | | | | | |
| At 1 September 2018 | 19,496 | 11,400 | 10 | 28 | 2 | - | 30,937 |
| At 31 August 2019 | 23,173 | 12,539 | 17 | 46 | 36 | - | 35,811 |

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



14 Stock

| | 2019 £000 | 2018 £000 |
|----------|--------------|--------------|
| Clothing | 64 | 64 |
| | 64 | 64 |

15 Debtors

| | 2019 £000 | 2018 £000 |
|--------------------------------|--------------|--------------|
| Trade debtors | 209 | 247 |
| VAT recoverable | 316 | 239 |
| Prepayments and accrued income | 693 | 364 |
| | 1,218 | 850 |

16 Creditors: Amounts falling due within one year

| | 2019 £000 | 2018 £000 |
|------------------------------|--------------|--------------|
| Trade creditors | 598 | 700 |
| Accruals and deferred income | 508 | 126 |
| | 1,106 | 826 |

Deferred income

| | 2019 £000 | 2018 £000 |
|-------------------------------------|--------------|--------------|
| Deferred income at 1 September 2018 | 35 | 25 |
| Released from previous years | (35) | (25) |
| Resources deferred in the year | 72 | 35 |
| Deferred Income at 31 August 2019 | 72 | 35 |

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 2019, and income received for educational services to be delivered during the next academic year.

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)

17 Funds



2018/19 Funds

| | Balance at 1 September 2018 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance at 31 August 2019 £000 |
|-------------------------------------|-------------------------------------------|----------------|---------------------|-------------------------------------------|-----------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 3,564 | 14,636 | (12,691) | - | 5,509 |
| Start Up Grant | 50 | 70 | (50) | - | 70 |
| Pupil Premium | - | 1,448 | (1,448) | - | - |
| Other grants | 289 | 836 | (1,125) | - | - |
| Pension reserve | (1,809) | (1,229) | (784) | (3,318) | (7,140) |
| | 2,094 | 15,761 | (16,098) | (3,318) | (1,561) |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 29,613 | 5,595 | (800) | - | 34,408 |
| DfE/ESFA capital grants | 1,571 | 205 | (62) | - | 1,714 |
| Capital expenditure from GAG | (3) | - | (13) | - | (16) |
| Private sector capital sponsorship | - | - | - | - | - |
| | 31,181 | 5,800 | (875) | - | 36,106 |
| Total restricted funds | 33,275 | 21,561 | (16,973) | (3,318) | 34,545 |
| Total unrestricted funds | 2,458 | 1,361 | (1,154) | - | 2,665 |
| Total funds | 35,733 | 22,922 | (18,127) | (3,318) | 37,210 |

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)

17 Funds (continued)



2017/18 Funds

| | Balance at 1 September 2017 £000 | Income £000 | Expenditure £000 | Gains, losses and transfers £000 | Balance at 31 August 2018 £000 |
|-------------------------------------|-------------------------------------------|----------------|---------------------|-------------------------------------------|-----------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 2,279 | 8,885 | (7,600) | - | 3,564 |
| Start Up Grant | - | 50 | - | - | 50 |
| Pupil Premium | - | 776 | (776) | - | - |
| Other grants | 593 | 585 | (889) | - | 289 |
| Pension reserve | (1,325) | (1,141) | (273) | 930 | (1,809) |
| | 1,547 | 9,155 | (9,538) | 930 | 2,094 |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 18,604 | 11,509 | (500) | - | 29,613 |
| DfE/ESFA capital grants | 1,704 | (70) | (63) | - | 1,571 |
| Capital expenditure from GAG | - | - | (3) | - | (3) |
| Private sector capital sponsorship | - | - | - | - | - |
| | 20,308 | 11,439 | (566) | - | 31,181 |
| Total restricted funds | 21,855 | 20,594 | (10,104) | 930 | 33,275 |
| Total unrestricted funds | 1,381 | 2,072 | (995) | - | 2,458 |
| Total funds | 23,236 | 22,666 | (11,099) | 930 | 35,733 |

Restricted general fund

The Trust is carrying a surplus, excluding the pension reserve, of £5,579k. 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 2019.

The restricted pension fund is in deficit to the value of £7,140k. The Trustees will continue to monitor the situation closely.

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



17 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 £2,648k surplus has arisen from activities for generating funds.

Total funds analysis by academy

| | | |
|------------------------------------------------------------|---------------|---------------|
| Fund balances at 31 August 2019 were allocated as follows: | 2019 | 2018 |
| | £000 | £000 |
| Cockburn School | 5,780 | 4,903 |
| Cockburn John Charles Academy (CJCA below) | 1,706 | 1,342 |
| Middleton Primary School (MPS below) | 259 | - |
| Cockburn Haigh Road Academy (CHRA below) | 45 | - |
| Central Services | 454 | 116 |
| Total before fixed assets and pension reserve | 8,244 | 6,362 |
| Restricted fixed asset fund | 36,106 | 31,181 |
| Pension reserve | (7,140) | (1,809) |
| Total | 37,210 | 35,733 |

Total cost analysis by academy

| | | | | | | |
|----------------------------------------------------------------------|-----------------------------------------------------|----------------------------------|-----------------------------|---------------------------------------------|----------------|----------------|
| Expenditure incurred by each academy during the year was as follows: | | | | | 2018/19 | 2017/18 |
| | Teaching and Educational Support Staff Costs | Other Support Staff Costs | Educational Supplies | Other Costs (excluding Depreciation) | Total | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Cockburn School | 5,108 | 584 | 276 | 1,591 | 7,559 | 7,853 |
| CJCA | 3,100 | 278 | 188 | 2,381 | 5,947 | 2,460 |
| MPS | 1,428 | 556 | 75 | 452 | 2,511 | - |
| CHRA | 83 | 18 | 3 | 25 | 129 | - |
| Central Services | - | 1,068 | 17 | 83 | 1,168 | 283 |
| Total | 9,719 | 2,504 | 559 | 4,532 | 17,314 | 10,596 |

The operating costs of the defined benefit pension scheme have been included in central services.

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



18 Analysis of Net Assets between Funds

| 2018/19 | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|----------------------------------------|--------------------------------------------|---------------------|
| Tangible fixed assets | - | - | 35,811 | 35,811 |
| Current assets | 2,665 | 6,685 | 295 | 9,645 |
| Current liabilities | - | (1,106) | - | (1,106) |
| Pension scheme liability | - | (7,140) | - | (7,140) |
| Total net assets | 2,665 | (1,561) | 36,106 | 37,210 |

| 2017/18 | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|----------------------------------------|--------------------------------------------|---------------------|
| Tangible fixed assets | - | - | 30,937 | 30,937 |
| Current assets | 2,458 | 4,729 | 244 | 7,431 |
| Current liabilities | - | (826) | - | (826) |
| Pension scheme liability | - | (1,809) | - | (1,809) |
| Total net assets | 2,458 | 2,094 | 31,181 | 35,733 |

19 Capital commitments

| | 2019 £000 | 2018 £000 |
|--------------------------------------------------------------|--------------|--------------|
| Contracted for, but not provided in the financial statements | - | - |
| | - | - |

20 Commitments under operating leases

As at 31st August 2019 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

| | 2019 £000 | 2018 £000 |
|----------------------------------------|--------------|--------------|
| Amounts due within one year | 18 | 9 |
| Amounts due between one and five years | 39 | 12 |
| | 57 | 21 |

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



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

| | 2019 £000 | 2018 £000 |
|------------------------------------------------------------------------------------|--------------|--------------|
| Net income for the reporting period (as per the statement of financial activities) | 4,795 | 11,567 |
| Adjusted for: | | |
| Depreciation charges (note 13) | 814 | 503 |
| Capital grants from DfE | 205 | - |
| Donated fixed assets | (5,586) | (11,509) |
| Interest receivable (note 6) | (6) | (3) |
| Defined benefit pension scheme obligation inherited | 1,229 | 1,141 |
| Defined benefit pension scheme cost less contributions payable (note 25) | 710 | 229 |
| Defined benefit pension scheme finance cost (note 25) | 74 | 44 |
| Transfer of surplus | (72) | (826) |
| (Increase) / Decrease in stocks | 1 | (30) |
| (Increase) / Decrease in debtors | (368) | 1,099 |
| Increase / (Decrease) in creditors | 280 | 374 |
| Net cash provided by Operating Activities | 2,076 | 2,589 |

22 Cash Flows from Financing Activities

During the accounting period ended 31st August 2019, there were no cash flows from Financing Activities. (2018: nil)

23 Cash Flows from Investing Activities

| | 2019 £000 | 2018 £000 |
|------------------------------------------------|--------------|--------------|
| Dividends, interest and rents from investments | 6 | 3 |
| Proceeds from sale of tangible fixed assets | 1 | - |
| Purchase of tangible fixed assets | (104) | (900) |
| Capital grants from DfE / ESFA | (205) | - |
| Net cash used in investing activities | (302) | (897) |

24 Analysis cash and cash equivalents

| | At 31st August 2019 £000 | At 31 st August 2018 £000 |
|----------------------------------------|--------------------------------|--------------------------------------------|
| Cash in hand and at bank | 8,363 | 6,517 |
| Total cash and cash equivalents | 8,363 | 6,517 |

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

25 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 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. 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 Teacher's 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 Public Service Pensions Act (2013) 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 – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension 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.

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

25 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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 2019 was £658,000 (2018: £372,000), of which employer's contributions totalled £464,000 (2018: £261,000) and employees' contributions totalled £194,000 (2018: £111,000). The agreed contribution rates are currently 16.5% for employers and range between 5.5% - 12.5% 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.

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



25 Pension and similar obligations (continued)

| Principal actuarial assumptions | At 31 August 2019 | At 31 August 2018 |
|----------------------------------------------------|-------------------------|-------------------------|
| Rate of increase in salaries | 3.35% | 3.25% |
| Rate of increase for pensions in payment/inflation | 2.10% | 2.00% |
| Discount rate for scheme liabilities | 1.90% | 2.80% |
| Inflation assumption (CPI) | 2.10% | 2.00% |
| Inflation assumption (RPI) | 3.10% | 3.10% |

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

| | 2019 | 2018 |
|-----------------------------|------|------|
| <i>Retiring today</i> | | |
| Males | 22.2 | 22.1 |
| Females | 25.4 | 25.3 |
| <i>Retiring in 20 years</i> | | |
| Males | 23.2 | 23.1 |
| Females | 27.2 | 27.1 |

| Sensitivity analysis | 2019 | 2018 |
|----------------------------------------|-------|-------|
| Discount rate +0.1% | (422) | (210) |
| Discount rate -0.1% | 431 | 215 |
| Mortality assumption – 1 year increase | (647) | (279) |
| Mortality assumption – 1 year decrease | 640 | 280 |
| CPI rate +0.1% | (264) | 131 |
| CPI rate -0.1% | 260 | (130) |

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

| | At 31 August 2019 £000 | At 31 August 2018 £000 |
|-------------------------------------|------------------------------|------------------------------|
| Equity instruments | 9,513 | 5,853 |
| Property | 539 | 329 |
| Government bonds | 1,287 | 847 |
| Corporate bonds | 552 | 275 |
| Cash | 233 | 137 |
| Other | 135 | 369 |
| Total market value of assets | 12,259 | 7,846 |

The actual return on scheme assets was £1,124,000 (2018: £486,000)

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



25 Pension and similar obligations (continued)

Amount recognised in the statement of financial activities

| | 2019 £000 | 2018 £000 |
|------------------------------------------------------|--------------|--------------|
| Current service cost (net of employee contributions) | (347) | (490) |
| Past service cost | (363) | - |
| Net interest cost | (74) | (44) |
| Total amount recognised in SOFA | (784) | (534) |

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

| | 2019 £000 | 2018 £000 |
|-----------------------------------------------------------|---------------|--------------|
| At 1 September | 9,655 | 5,146 |
| Current service cost | 811 | 490 |
| Interest cost | 367 | 184 |
| Employee contributions | 194 | 111 |
| Actuarial (gain)/loss | 4,149 | (584) |
| Benefits paid | (139) | (50) |
| Past service cost | 363 | - |
| Net increase in liabilities from disposals / acquisitions | 3,999 | 4,358 |
| At 31 August | 19,399 | 9,655 |

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

| | 2019 £000 | 2018 £000 |
|------------------------------------------------------|---------------|--------------|
| At 1 September | 7,846 | 3,821 |
| Interest income | 293 | 140 |
| Actuarial gain | 831 | 346 |
| Employer contributions | 464 | 261 |
| Employee contributions | 194 | 111 |
| Benefits paid | (139) | (50) |
| Net increase in assets from disposals / acquisitions | 2,770 | 3,217 |
| At 31 August | 12,259 | 7,846 |

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

26 Related Party Transactions

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

Wakefield City Academies Trust (WCAT) – a trust in which Mr D Gurney (as trustee of the Cockburn Multi Academy Trust) is a trustee:

- Cockburn Multi Academy Trust purchased ICT equipment from WCAT totalling £2,118 (2018: £nil) during the period. There were no amounts outstanding at 31 August 2019 (2018: £nil)
- In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook 2018.

27 Conversion of academies into the academy trust

On 1st September 2018, Middleton Primary School converted to an academy and joined Cockburn Multi Academy Trust 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 conversion 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 of an existing academy into the multi academy trust.

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 | - | - | 4,176 | 4,176 |
| Other tangible fixed assets | - | - | - | - |
| Budget Surplus | 63 | - | 9 | 72 |
| LGPS pension surplus / (deficit) | - | (1,022) | - | (1,022) |
| Net assets | 63 | (1,022) | 4,185 | 3,226 |

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

27 Conversion of academies into the academy trust (continued)

On 1st July 2019, Cockburn Haigh Road Academy (formerly Rothwell Haigh Road Infant School) converted to an academy and joined Cockburn Multi Academy Trust 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 conversion 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 of an existing academy into the multi academy trust.

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 | - | - | 1,410 | 1,410 |
| Other tangible fixed assets | - | - | - | - |
| Budget Surplus | - | - | - | - |
| LGPS pension surplus / (deficit) | - | (207) | - | (207) |
| Net assets | - | (207) | 1,410 | 1,203 |

28 Post Balance Sheet Events

There have been no post balance sheet events.

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)

29 Prior Year Statement of Financial Activities



For the accounting year ended 31st August 2018
(including Income and Expenditure Account)

| | Unrestricted Funds | Restricted General Funds | Restricted Fixed Asset Funds | Total 2018 | Total 2017 |
|--------------------------------------------------------|-----------------------|--------------------------------|---------------------------------------|-----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Income and endowments from: | | | | | |
| Donations and capital grants | - | - | (70) | (70) | 1,474 |
| Transfer of academy joining the academy trust | 841 | (1,141) | 11,509 | 11,209 | - |
| Charitable activities: | | | | | |
| Funding for the academy trust's educational operations | 60 | 10,296 | - | 10,356 | 7,429 |
| Other trading activities | 1,168 | - | - | 1,168 | 682 |
| Investments | 3 | - | - | 3 | 2 |
| Total | 2,072 | 9,155 | 11,439 | 22,666 | 9,587 |
| Expenditure on: | | | | | |
| Charitable activities: | | | | | |
| Academy trust educational operations | (995) | (9,538) | (566) | (11,099) | (7,622) |
| Total | (995) | (9,538) | (566) | (11,099) | (7,622) |
| Net income / (expenditure) | 1,077 | (383) | 10,873 | 11,567 | 1,965 |
| Other recognised gains: | | | | | |
| Actuarial gains on defined benefit pension schemes | - | 930 | - | 930 | 1,227 |
| Net movement in funds | 1,077 | 547 | 10,873 | 12,497 | 3,192 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | 1,381 | 1,547 | 20,308 | 23,236 | 20,044 |
| Total funds carried forward | 2,458 | 2,094 | 31,181 | 35,733 | 23,236 |