

Cockburn Multi Academy Trust



Financial Report

For the year ended 31st August 2018



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Cockburn Multi Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
For the accounting period ended
31st August 2018

Company Registration Number:
09946495 (England and Wales)



Cockburn Multi Academy Trust



Reference and Administrative Details

Members	D Westwell (chairman) J Ellis (vice chair) P Nuttall
Trustees	D Westwell (chairman) J Ellis (vice chair) P Nuttall P Brennan A Chin (Resigned 11/11/18) P Crawshaw C Graham D Gurney J Hairsine (Appointed 20/09/18) C Moore K Morawiecka-Watkins K Virr (Resigned 10/10/18)
Company Secretary	J Sidgwick
Accounting Officer	D Gurney
Senior Management Team: Executive Headteacher Cockburn MAT Chief Operating Officer	D Gurney S Lang
Company Name	Cockburn Multi Academy Trust
Principal and Registered Office	Cockburn Multi Academy Trust, Gipsy Lane Beeston, Leeds, LS11 5TT
Company Registration Number	09946495 (England and Wales)
Independent Auditor	Mazars 5 th Floor, 3 Wellington Place Leeds, LS1 4AP
Bankers	Lloyds Bank plc 25 Gresham Street, London, EC2V 7HN
Solicitors	Wrigleys Solicitors 19 Cookridge Street Leeds, LS2 3AG

Cockburn Multi Academy Trust

Trustees' Report (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 2017 to 31st August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

In the year the trust operated two academies for pupils aged 11 to 16 serving a catchment area in South Leeds. It had a pupil capacity in one school of 1,050 and had a roll of 1,263 on 4th October 2017. By the end of the year, after the April 2018 transfer of Cockburn John Charles Academy into the trust, the trust had a pupil capacity of 2,100, and had 2,202 pupils on roll across both schools. In September 2018 Middleton Primary School joined the trust, bringing the total number of schools in the trust to three.

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 4.

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

The 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	£7,468k
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
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Related Parties and other Connected Charities and Organisations

Cockburn Multi Academy Trust has no connected party transactions. All trustees complete a 'Register of Interest' form when they become a trustee, to enable the trust to identify where any related parties may arise.

In the event that a related party was identified, all decisions would still be based on the tender process, but with awareness and 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 has had another successful year and has performed well against the national performance measures for secondary schools.

The table below shows the percentage of students attaining A* - C grades including English and Maths for 2016 and 2017, and for 2018 we are showing as a comparable outcome the percentage of students attaining the new standard pass 9-4 in English and Maths.

9-4 / A* -C English and Maths	2018	2017	2016
Cockburn School	59%	60%	57%

In the 2018 Performance Measures Cockburn MAT has performed as follows:

	2018	2017	2016
Progress 8	0.38	0.62	0.38
Attainment 8	4.74	4.83	4.96
English and Maths: Standard Pass	59%	60%	57%
English and Maths: Strong Pass	40%	42%	N/A
EBACC: Standard Pass	14.8%	9.4%	6%
EBACC: Strong Pass	11%	8.4%	N/A
EBACC: Average Points Score	3.73	N/A	N/A

The headline measure of Progress 8 for 2018 of 0.38 is significantly above national averages and ranks the school in the top 20% for progress.

Absent rates continue to improve and attendance at Cockburn MAT is better than the national average in 2018.

	% of sessions missed due to Overall Absence		% Persistent Absence for 10% or more sessions	
	Cockburn MAT	National	Cockburn MAT	National
2018	4.7	5.2	7.9	12.4
2017	4.9	5.0	8.9	12.4

Cockburn Multi Academy Trust

Trustees' Report (continued)



Key Performance Indicators

The targets for 2018 results were as follows:

KS2 Average Points = 4.1	Expected Attainment = 3.6 (E)		
	Target Range	Prediction	Actual
Attainment 8	4.5 – 5.0 (D)	4.3 – 4.8	4.74
English & Maths: Strong pass	42 – 47%	43 – 48%	40%
EBACC: Strong pass	6 – 10%	4 – 9%	11%
Produce a balanced budget and achieve the budgeted surplus at the end of the Financial Year.			Achieved

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 £11,567k.

Net assets for the group at the year-end were £35,733k. However, this includes the pension liabilities of £1,809k. Net current assets at 31 August 2018 were £7,431k, and the funds held in the trust were:

- restricted general funds, excluding pension reserves – £3,903k
- unrestricted funds – £2,458k.

As at 31st August 2018 the Trust had cash reserves of £6,517k and the net book value of tangible fixed assets was £30,937k.

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 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

During the year the Trust incorporated Cockburn John Charles Academy into the Trust, adding £11,209k of assets to the Trust.

During the year the Trust's pension liability has increased from £1,325k to £1,809k.

Cockburn Multi Academy Trust

Trustees' Report (continued)



Reserves Policy

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

The policy of the Trust Board is to maintain a level of free reserves that is equivalent to three month's GAG income, to provide a stable base for the continuing operation of the Trust whilst ensuring that excessive funds are not accumulated. As future pupil numbers are considered to be stable and through future Government funding the Trustees are satisfied that current reserves will be sufficient to ensure a healthy financial position in the medium term. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £2,458k.

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.

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.

Cockburn Multi Academy Trust

Trustees' Report (continued)



Principal Risks and Uncertainties (continued)

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 fundtraining 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.

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.

Cockburn Multi Academy Trust

Trustees' Report (continued)



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 12th December 2018 and signed on the board's behalf by:



12.12.18

D Westwell
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 three 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
D Westwell (chairman)	3	3
J Ellis (vice chair)	3	3
P Nuttall	2	3
P Brennan	1	3
A Chin	1	3
P Crawshaw	2	3
C Graham	1	3
D Gurney	3	3
C Moore	3	3
K Morawiecka-Watkins	2	3
K Virr	1	3

At 1st September 2017 there were eleven trustees on the Cockburn Multi Academy Trust Board of Trustees, all of whom were still trustees as at 31st August 2018.

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.

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

Governance Reviews

During the year, an internal review was carried out within the Multi Academy Trust. This was deemed sufficient given the size of the Trust.

Cockburn Multi Academy Trust

Governance Statement (continued)



Governance Reviews (continued)

The areas covered included:

- how recruitment was undertaken to ensure all skills are covered;
- a review of the board meeting minutes;
- a review of other supporting documentation such as the MAT development plan and the 1 year operational plan;
- a review of the results of Cockburn School, which shows that the school remains within the top 10% of schools and this remains in the VfM statement.

The engagement with the local community was explored and given the work done around the academy that re-brokered to the Trust it was evident this was a successful area for the Trust.

As we have a stable Board the skill set is still sufficient but will be reviewed again during 2018-19. In 2018-19 the Trust are going to look at external clerking for the Board meetings to be introduced. The current strategic plan ends in 2019 and the plan to review this will be undertaken.

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:

- Improving educational outcomes: Results for Cockburn School in 2018 once again demonstrate overall high levels of performance compared with other schools nationally. This was achieved without major investment / increase in staffing costs. In summary the attainment was:
 - Progress 8 Score (unvalidated) of 0.38 (where above 0 means the school is making above average progress), this was the 5th highest score in Leeds;
 - Attainment 8 score of 4.7 was 2.8 points higher than the national average;
 - Strong pass (9-5) in English and Maths of 40%;
 - Standard pass (9-4) in English and Maths was 59%;

Cockburn Multi Academy Trust

Governance Statement (continued)



Review of Value for Money (continued)

- Since working with Cockburn John Charles Academy, we have employed a number of strategies to bring the academy out of the previously predicted deficit, such as savings on transport and staffing structures;
- Both Cockburn School and Cockburn John Charles academy are able to save money through Centralised ICT, Finance and HR. The HR team now offer a service level agreement to other schools which generates unrestricted income for the Trust;
- Both schools within the trust now have working Curriculum Financial Planning models;
- As the Executive Headteacher is a national leader of Education he has brought in income of £6k per annum.

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 2017 to 31st August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the 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 2017 to 31st August 2018 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.

Cockburn Multi Academy Trust

Governance Statement (continued)



The Risk and Control Framework (continued)

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.

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.

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 12th December 2018 and signed on its behalf by:

 12.12.18

D Westwell
Chair of Trustees

 12.12.18


D Gurney
Accounting Officer

Statement of Regularity, Propriety and Compliance

As accounting officer of Coketown 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 2017.

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 2017.

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.

 12.12.18
D Gurney
Accounting Officer

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:

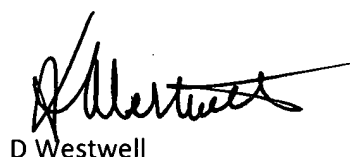
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 12th December 2018 and signed on its behalf by:



D Westwell

Chair of Trustees

12.12.18



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

We have audited the financial statements of Cockburn Multi Academy Trust ("the 'trust'") for the year ended 31 August 2018 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 2017 to 2018 issued by the Education and 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 2018 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 2017 to 2018.

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 on the Financial Statements to the Trustees 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual 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' Annual Report including the incorporated strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Cockburn Multi Academy Trust



Independent Auditor's Report on the Financial Statements to the Trustees 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' Annual 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 19, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Cockburn Multi Academy Trust



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

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company'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 19 December 2018

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 20 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cockburn Multi Academy Trusts during the period 1 September 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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
- Concluded on procedures carried out.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars LLP

Reporting Accountant

Mazars LLP

Date *19 December 2018*

Cockburn Multi Academy Trust



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	<i>Total 2017</i>
	Note	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	3	-	-	(70)	(70)	1474
Transfer of existing academy joining the academy trust	26	841	(1,141)	11,509	11,209	-
Charitable activities:						
Funding for the academy trust's educational operations	4	60	10,296	-	10,356	7,429
Other trading activities	5	1,168	-	-	1,168	682
Investments	6	3	-	-	3	2
Total		2,072	9,155	11,439	22,666	9,587
Expenditure on:						
Charitable activities:						
Academy trust educational operations	7	(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	16,24	-	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

Cockburn Multi Academy Trust



Balance Sheet

as at 31st August 2018

Company Number 09946495

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Tangible assets	12		30,937		19,031
Current assets					
Stock	13	64		35	
Debtors	14	850		1,949	
Cash at bank and in hand	23	6,517		3,999	
		<u>7,431</u>		<u>5,983</u>	
Liabilities					
Creditors: Amounts falling due within one year	15	(826)		(453)	
Net current assets			<u>6,605</u>		<u>5,530</u>
Total assets less current liabilities			<u>37,542</u>		<u>24,561</u>
Net assets excluding pension liability			<u>37,542</u>		<u>24,561</u>
Defined benefit pension scheme liability	24		(1,809)		(1,325)
Total net assets			<u>35,733</u>		<u>23,236</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	16	31,181		20,308	
. Restricted income fund	16	3,903		2,872	
. Pension reserve	16	(1,809)		(1,325)	
Total restricted funds			<u>33,275</u>		<u>21,855</u>
Unrestricted income funds	16		<u>2,458</u>		<u>1,381</u>
Total funds	16		<u>35,733</u>		<u>23,236</u>

The financial statements on pages 26 to 51 were approved by the trustees, and authorised for issue on 12th December 2018 and are signed on their behalf by:

 12.12.18
 D Westwell
 Chair of Trustees

Cockburn Multi Academy Trust



Statement of Cash Flows

for the accounting year ended 31st August 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	2,589	1,002
Cash flows from investing activities	22	(897)	43
Cash transferred on transfer into the academy trust		826	-
Change in cash and cash equivalents in the reporting period		2,518	1,045
Cash and cash equivalents at 1st September 2017		3,999	2,954
Cash and cash equivalents at the 31st August 2018	23	6,517	3,999

[Signature]

12.12.18

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



Notes to the Financial Statements for the accounting period ended 31st August 2018

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 2017 to 2018 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.

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.

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

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

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

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



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 are included as part of staff costs. Net interest on the net defined benefit liability/asset is also



Notes to the Financial Statements (continued)

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.

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 14. 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 15. 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:

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

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31st March 2016 has been used by the actuary in valuing the pensions liability at 31st August 2018. 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 2018 £000	Total 2017 £000
Capital grants	-	(70)	(70)	1,474
Donated fixed assets	-	11,509	11,509	-
Donations	841	-	841	-
Pension Deficit inherited		(1,141)	(1,141)	-
	<u>841</u>	<u>10,298</u>	<u>11,139</u>	<u>1,474</u>

Capital grant income of -£70k reflects capital grant income which was over estimated in the prior year.

4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA grants				
- General Annual Grant (GAG)	-	8,885	8,885	6,442
- Start Up Grants	-	50	50	-
- Other DfE/ESFA grants	-	1,294	1,294	850
	<u>-</u>	<u>10,229</u>	<u>10,229</u>	<u>7,292</u>
Other Government Grants				
Local authority Grants	-	9	9	-
	<u>-</u>	<u>9</u>	<u>9</u>	<u>-</u>
Other income from the academy trust's educational operations	60	58	118	137
	<u>60</u>	<u>10,296</u>	<u>10,356</u>	<u>7,429</u>

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Staff secondments	611	-	611	300
Catering income	243	-	243	217
Hire of facilities	140	-	140	97
School fund	5	-	5	16
Misc income	169	-	169	52
	<u>1,168</u>	<u>-</u>	<u>1,168</u>	<u>682</u>

6 Investments

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	3	-	3	2
	<u>3</u>	<u>-</u>	<u>3</u>	<u>2</u>

7 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2018 £000	Total 2017 £000
		Premises £000	Other £000		
Academy's educational operations:					
- Direct costs	6,412	-	1,069	7,481	5,600
- Allocated support costs	1,129	1,760	729	3,618	2,022
	<u>7,541</u>	<u>1,760</u>	<u>1,798</u>	<u>11,099</u>	<u>7,622</u>

Net income for the period includes:

	2018 £000	2017 £000
Operating Lease Rentals	15	12
Depreciation	503	377
Fees payable to auditor for:		
- audit	15	13
- other services	<u>1</u>	<u>2</u>

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



8 Charitable Activities

	2018	2017
	£000	£000
Direct costs – educational operations	7,481	5,600
Support costs – educational operations	3,618	2,022
	11,099	7,622

Analysis of support costs	Educational Operations	2018	2017
	£000	£000	£000
Support staff costs	1,129	1,129	1,070
Depreciation	503	503	377
Technology costs	147	147	39
Premises costs	1,262	1,262	408
Other support costs	556	556	83
Governance costs	21	21	45
Total support costs	3,618	3,618	2,022

9 Staff

a. Staff costs

Staff costs during the period were:

	2018	2017
	£000	£000
Wages and salaries	5,816	4,522
Social security costs	552	422
Pension cost	1,087	690
Apprenticeship Levy	13	3
	7,468	5,637

Supply staff costs	73	44
Staff restructuring costs	-	9
	7,541	5,690

Staff restructuring costs comprise:

Severance payments	-	9
	-	9

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 2018. (2017: £8,500)

c. Staff Numbers

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

	2018	2017
	No.	No.
Teachers	98	70
Administration and support	117	96
Management	16	13
	<u>231</u>	<u>179</u>

d. Higher paid staff

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

	2018	2017
	No.	No.
£60,001 - £70,000	3	3
£70,001 - £80,000	-	1
£80,001 - £90,000	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 £258,000 (2017: £260,000).

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

10 Related Party Transactions – Trustees’ Remuneration and Expenses

One trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The 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.

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

Executive Headteacher:	2018	2017
• 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 2018, no travel and subsistence expenses were reimbursed or paid directly to trustees.

11 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.

12 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 2017	19,200	-	4	3	5	421	19,633
Additions	864	-	8	28	-	-	900
Transfers into the Trust	-	11,509	-	-	-	-	11,509
Reclassification	421	-	-	-	-	(421)	-
At 31 August 2018	20,485	11,509	12	31	5	-	32,042
Depreciation							
At 1 September 2017	(599)	-	-	(1)	(2)	-	(603)
Charged in year	(389)	(109)	(2)	(2)	(1)	-	(503)
At 31 August 2018	(988)	(109)	(2)	(3)	(3)	-	(1,106)
Net book values							
At 1 September 2017	18,601	-	4	3	3	421	19,031
At 31 August 2018	19,497	11,400	10	28	2	-	30,937

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)



13 Stock

	2018 £000	2017 £000
Clothing	64	35
	<u>64</u>	<u>35</u>

14 Debtors

	2018 £000	2017 £000
Trade debtors	247	1,538
VAT recoverable	239	32
Prepayments and accrued income	364	379
	<u>850</u>	<u>1,949</u>

15 Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	700	203
Accruals and deferred income	126	250
	<u>826</u>	<u>453</u>

Deferred income	2018 £000	2017 £000
Deferred income at 1 September 2017	25	30
Released from previous years	(25)	(30)
Resources deferred in the year	35	25
Deferred Income at 31 August 2018	<u>35</u>	<u>25</u>

The deferred income held by the Trust at the balance sheet date relates to funds received in advance for school trips booked for the autumn term 2018, and income received for educational services to be delivered during the next academic year.

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)

16 Funds



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

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)

16 Funds (continued)



2016/17 Funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	673	6,442	(4,836)	-	2,279
Start Up Grant	-	-	-	-	-
Pupil Premium	-	588	(588)	-	-
Other grants	1,384	262	(1,053)	-	593
Pension reserve	(2,241)	-	(311)	1,227	(1,325)
	(184)	7,292	(6,788)	1,227	1,547
Restricted fixed asset funds					
Transfer on conversion	18,981	-	(377)	-	18,604
DfE/ESFA capital grants	265	1,474	(35)	-	1,704
Capital expenditure from GAG	-	-	-	-	-
Private sector capital sponsorship	-	-	-	-	-
	19,246	1,474	(412)	-	20,308
Total restricted funds	19,062	8,766	(7,200)	1,227	21,855
Total unrestricted funds	982	821	(422)	-	1,381
Total funds	20,044	9,587	(7,622)	1,227	23,236

Restricted general fund

The Trust is carrying a surplus, excluding the pension reserve, of £3,903k. 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 2018.

The restricted pension fund is in deficit to the value of £1,809k. The Directors will continue to monitor the situation closely.

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

16 Funds (continued)

Restricted fixed asset funds

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

Unrestricted funds

The £2,458k surplus has arisen from activities for generating funds.

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:	2018 £000	2017 £000
Cockburn School	4,903	4,253
Cockburn John Charles Academy	1,342	-
Central Services	116	-
Total before fixed assets and pension reserve	6,361	4,253
Restricted fixed asset fund	31,181	20,308
Pension reserve	(1,809)	(1,325)
Total	35,733	23,236

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:					2017/18	2016/17
	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	5,348	786	252	1,467	7,853	7,204
Cockburn John Charles Academy	1,064	114	177	1,105	2,460	-
Central Services	-	229	-	54	283	-
Total	6,412	1,129	429	2,626	10,596	7,204

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)



17 Analysis of Net Assets between Funds

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

2016/17	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	19,031	19,031
Current assets	1,381	3,325	1,277	5,983
Current liabilities	-	(453)	-	(453)
Pension scheme liability	-	(1,325)	-	(1,325)
Total net assets	1,381	1,547	20,308	23,236

18 Capital commitments

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	-	1,008
	-	1,008

19 Commitments under operating leases

As at 31st August 2018 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
Amounts due within one year	9	9
Amounts due between one and five years	12	21
	21	30

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

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

	2018 £000	2017 £000
Net income for the reporting period (as per the statement of financial activities)	11,567	1,965
Adjusted for:	-	-
Depreciation charges (note 12)	503	377
Capital grants from DfE	-	(466)
Donated fixed assets	(11,509)	-
Interest receivable (note 6)	(3)	(2)
Defined benefit pension scheme obligation inherited	1,141	-
Defined benefit pension scheme cost less contributions payable (note 24)	229	268
Defined benefit pension scheme finance cost (note 24)	44	43
Transfer of surplus	(826)	-
(Increase) / Decrease in stocks	(30)	33
(Increase) / Decrease in debtors	1,099	(1,613)
Increase / (Decrease) in creditors	374	395
Net cash provided by Operating Activities	2,589	1,002

21 Cash Flows from Financing Activities

During the accounting period ended 31st August 2018, there were no cash flows from Financing Activities. (2017: nil)

22 Cash Flows from Investing Activities

	2018 £000	2017 £000
Dividends, interest and rents from investments	3	2
Purchase of tangible fixed assets	(900)	(396)
Capital grants from DfE/ESFA	-	437
Net cash (used in) / provided by investing activities	(897)	43

23 Analysis cash and cash equivalents

	At 31 st August 2018 £000	At 31 st August 2017 £000
Cash in hand and at bank	6,517	3,999
Total cash and cash equivalents	6,517	3,999

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

24 Pension and Similar Obligations

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

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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



Notes to the Financial Statements (continued)

24 Pension and similar obligations (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £597,822 (2017: £433,164).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2018 was £372,000 (2017: £346,000), of which employer's contributions totalled £260,000 (2017: £257,000) and employees' contributions totalled £111,000 (2017: £89,000). 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)

24 Pension and similar obligations (continued)



Principal actuarial assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.25%	3.25%
Rate of increase for pensions in payment/inflation	2.00%	2.00%
Discount rate for scheme liabilities	2.80%	2.50%
Inflation assumption (CPI)	2.00%	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:

	2018	2017
<i>Retiring today</i>		
Males	22.1	22.1
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	23.1	23.0
Females	27.1	27.0

Sensitivity analysis	2018	2017
Discount rate +0.1%	(210)	(112)
Discount rate -0.1%	215	114
Mortality assumption – 1 year increase	(279)	(155)
Mortality assumption – 1 year decrease	280	156
CPI rate +0.1%	131	44
CPI rate -0.1%	(130)	(43)

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)

24 Pension and similar obligations (continued)



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

	At 31 August 2018 £000	At 31 August 2017 £000
Equity instruments	5,853	2,946
Property	329	172
Government bonds	847	367
Corporate bonds	275	149
Cash	173	57
Other	369	130
Total market value of assets	7,846	3,821

The actual return on scheme assets was £486,000 (2017: £393,000)

Amount recognised in the statement of financial activities

	2018 £000	2017 £000
Current service cost (net of employee contributions)	(490)	(525)
Net interest cost	(44)	(43)
Total amount recognised in SOFA	(534)	(568)

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

	2018 £000	2017 £000
At 1 September	5,146	5,341
Current service cost	490	525
Interest cost	184	108
Employee contributions	111	89
Actuarial (gain)/loss	(584)	(899)
Benefits paid	(50)	(18)
Net increase in liabilities from disposals / acquisitions	4,358	-
At 31 August	9,655	5,146

Cockburn Multi Academy Trust

Notes to the Financial Statements (continued)

24 Pension and similar obligations (continued)



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

	2018 £000	2017 £000
At 1 September	3,821	3,099
Interest income	140	65
Actuarial gain	346	328
Employer contributions	261	257
Employee contributions	111	89
Benefits paid	(50)	(18)
Net increase in liabilities from disposals / acquisitions	3,217	-
At 31 August	7,846	3,820

On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, ('GMP'). The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

25 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the year ended 31st August 2018, other than one trustee's remuneration and expenses already disclosed in note 10.

26 Transfer of an existing academy into the academy trust

On 1st April 2018 The South Leeds Academy (now known as Cockburn John Charles Academy) transferred into 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 Delta Academies Trust for £nil consideration.

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

26 *Transfer of an existing academy into the academy trust (continued)*

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

	Value Reported by transferring trust £000	Adjustments made on transfer £000	Transfer in recognised £000
Tangible fixed assets			
Leasehold land and buildings	10,969	540	11,509
Other tangible fixed assets	82	(82)	-
LGPS pension surplus / (deficit)	(1,141)	-	(1,141)
Stock	-	15	15
Cash transferred on conversion	669	-	669
Additional Cash Received	-	46	46
Debtors	214	-	214
Creditors	(9,101)	8,998	(103)
Net assets	1,692	9,517	11,209

Leasehold land and buildings

The adjustment of £540k was made as Delta Academies Trust did not capitalise the value of the land.

Other tangible fixed assets

The adjustment of £82k was made as we opted not to capitalise any equipment held in the school as no individual items were of high value, therefore we have fully depreciated all of the donated equipment.

Stock

The stock value on transfer has been determined to be £15k.

Additional Cash Received

As part of the rebrokerage deal Delta Academies Trust agreed to include an additional payment to Cockburn Multi Academy Trust of £46k.

Cockburn Multi Academy Trust



Notes to the Financial Statements (continued)

26 *Transfer of an existing academy into the academy trust (continued)*

Creditors

£8,998k of creditors from The South Leeds Academy (now Cockburn John Charles Academy) related to the PFI contract, which Cockburn Multi Academy Trust do not recognise as an outstanding creditor. Therefore this was written off. The remaining £103k relates to an outstanding PNA which will be charged to the school in 2018/19.

27 **Post Balance Sheet Events**

On 1st September 2018 Middleton Primary School, formerly a Local Authority school, joined Cockburn Multi Academy Trust.

28 **Central Services**

During the year ended 31st August 2018, Cockburn MAT didn't charge Cockburn School or Cockburn John Charles academy for any central services. Central Services charges are in place at Cockburn MAT as of 1st September 2018. The services provided centrally include; MAT leadership, Finance, HR, and ICT.