Registration number: 09748195

# Changing Lives in Collaboration

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019



Hallidays Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD

# Contents

Reference and Administrative Details	1
Trustees' Report	2 to 14
Governance Statement	15 to 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditor's Report on the Financial Statements	22 to 25
Independent Reporting Accountant's Report on Regularity	26 to 27
Statement of Financial Activities incorporating Income and Expenditure Account	28 to 29
Balance Sheet	30
Statement of Cash Flows	31
Notes to the Financial Statements	32 to 56

# Changing Lives in Collaboration Reference and Administrative Details

Members:	A Park A Keane J Hart
Trustees:	J Hart R Buckley P Davies M Harding L Jayne D Watson G White
Senior Management	
Team:	D Watson, Executive Principal J Sands, Chief Operations Officer S Habershon, Headteacher (EYFS & KS1) – Chorlton Park Primary M Blackburn, Headteacher (KS2) – Chorlton Park Primary O Kerr, Headteacher (EYFS & KS1) – Old Moat Primary S Lamb, Headteacher (KS2) – Old Moat Primary H Turner, Headteacher (EYFS & KS1) – Rolls Crescent Primary J Reynolds, Headteacher (KS2) – Rolls Crescent Primary
Company Name:	Changing Lives in Collaboration Co-operative Trust
Principal and Registered Office:	Chorlton Park Primary School, Mauldeth Road West, Chorlton, Manchester, M21 7HH
Company Registration Number: Independent Auditor:	09748195 Hallidays Riverside House, Kings Reach Business Park, Yew Street, Stockport, SK4 2HD
Bankers:	Lloyds Bank plc 25 Gresham Street, London, EC2V 7HN
Solicitors:	Browne Jacobson 18-22 Bridge Street,

#### Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period; 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.

The Trust operates three academies for pupils aged 3 to 11:

Chorlton Park Primary School serving a catchment area of Chorlton. It has a pupil capacity of 721 and has a roll of 697 in the school census on 6<sup>th</sup> October 2018.

Old Moat Primary School serving a catchment area of Old Moat and Withington. It has a pupil capacity of 480 and had a roll of 416 on the school census on 6<sup>th</sup> October 2018.

Rolls Crescent Primary School serves a catchment area of Hulme. It has a pupil capacity on 510 and had a roll of 438 on the school census on 6<sup>th</sup> October 2018.

#### Structure, Governance and Management

#### Constitution

The 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 Trust.

The Trustees of the Changing Lives in Collaboration Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as CLIC Trust and the academy schools are known as Chorlton Park Primary School, Old Mont Primary School and Rolls Crescent Primary School.

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

#### 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 which 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 cease to be a member.

#### Trustees' Indemnities

Subject to the provisions of the Companies Act every governor or other officer is indemnified against any liability incurred by them whether civil or criminal, in which judgement is in favour and relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust.

# Trustees' Report (continued)

#### Method of Recruitment and Appointment or Election of Trustees

The Trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The Company shall have the following Trustees:

- Up to four Trustees, appointed by Members
- The Chief Executive Officer
- A minimum of two Parent Trustees in the absence of Local Governing Bodies in individual schools.
- Up to one Trustee appointed by the Schools Co-operative Society.
- Up to two Trustees, appointed by the Secretary of State in accordance with the terms of any of the relevant Funding Agreements following the provision of notice by the Company to terminate the Relevant Funding Agreement.

#### Policies and Procedures Adopted for the Induction and Training of Trustees

There is a new Governor Induction Policy which was adopted by the Board of Directors in May 2017.

All Trust Members and Trustees are provided with policies, procedures, minutes, accounts, plans and other documents required to carry out their role. The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new Trustees will be given the opportunity to have a tour of all schools and the chance to meet with staff and pupils.

Continuous Professional Development is undertaken throughout the year to ensure that Trustees can challenge and hold the Executive Team to account.

The board of Trustees use one of their six meetings each year to review its effectiveness in delivering its terms of reference

Local Governing bodies form a key role in the Trust. In September 2018, a training day covering the role of the local governing body in driving the school improvement plan and school performance was held. The Executive Principal liaises with chairs and vice chairs to deliver a 'Chairs' Briefing'.

#### **Organisational Structure**

The Trustees are appointed under the terms of the Charitable Company's Articles of Association.

Joanne Hart - Chair of Trustees

Richard Buckley - Co-opted Trustee

Paul Davies - Member appointed Trustee

Martin Harding-Co-opted Trustee

Elizabeth Jayne - Member appointed Trustee

David Watson - Chief Executive Officer

Gavin White – Member appointed Trustee

Louise Breed – Member appointed Trustee

The Trust consists of five levels, Trust Members, Trustees, Local Governing Body, Senior Leadership Team and the Stakeholder Forum. The aim of the organisational structure is to devolve responsibly and encourage involvement in decision making at all levels, in line with the Co-operative Values of 'Self Help' and 'Democracy'

### Term of Office

The term of office for any Trustee shall be four years, except for the Executive Principal, and the Chair of the Trust Board who is appointed for the academic year. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

# Trustees' Report (continued)

#### **How Decisions Are Made**

The Trust maintains a central office which includes an Executive Principal and Accounting Officer, a Chief Operations Officer and Senior Finance Manager, an Executive Assistant and an IT Coordinator.

The governors of each school are responsible for monitoring the performance of their academy, focusing on academic standards and leadership. This includes regular scrutiny and challenge of the Headteachers, Executive Principal and the Senior Leadership Team. The Headteacher is the lead officer responsible for finance and reports and the local governing body on financial performance against delegated budget levels. Line management of the Headteachers is delegated to the Executive Principal.

The Headteachers and their Senior Leadership Team at each school are responsible at an executive level for implementing the policies as agreed by the Trustees and any local operating procedures as approved by the local governing bodies. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

The Trustees are responsible for all areas covered under the funding agreement and all areas of statutory responsibility appertaining to the Trust which includes setting policy and a three-year strategic plan and approving an annual plan, approve the Trust budget, including amounts delegated to schools, budget monitoring, performance monitoring and making decisions about the direction of the Trust, for example capital expenditure and senior staff appointments.

The Trustee Board have approved a Scheme of Delegation and Scheme of Financial Delegation that set out statements on the system of control and responsibility. The Scheme of Delegation delegates, as appropriate, to the Local Governing Body of each academy who are appointed by the Trustees as a committee

## Arrangements for Setting Pay and Remuneration of Key Management Personnel

This falls within the remit of both the Appraisals and Pay policies. The key management personnel are listed in the Reference and Administrative Information section on page three.

The Scheme of Delegation requires that pay recommendations for key management personnel must be approved by the board. The key management personnel of the Trust will be appraised by the Chair of the Trust and supported by a suitably skilled and experienced external advisor who has been appointed by the Trust for that purpose. The task of appraising the key management personnel in the schools has been delegated to a sub-group consisting of two members of the Trust, including the Chair of the Local Governing Body and the Chair of the Trust, and the Executive Principal. The Executive Principal conducts performance management review or delegates this via the Scheme of delegation, annually. The result of these reviews are provided to the board for approval.

Performance is measured in terms of targets and objectives set and outcomes. Senior management personnel are considered the key staff in driving the continued success of the Trust and their pay is set to reflect this and to recruit and retain excellent staff. This is also viewed with best value in mind and is benchmarked against other similar multi-academy trusts.

#### **Trade Union Facility Time**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	3.65
Percentage of Time spent on facility time	Number of Employees
0%	0
1%-50%	4
51-99%	0
100%	0

# Trustees' Report (continued)

Percentage of Pay Bill Spent on Facility Time

Provide the total cost of facility time	334.3	
Provide the total pay bill	7,179,493	
Provide the percentage of the total pay bill spent on facility time, calculated as: (total costs of facility time ÷ total pay bill) x 100	0.0047%	

Percentage Trade Union Activities

Time spent on paid trade union activities as a percentage	100%	_
of total paid facility time hours calculated as:(total hours		
spent on trade union activities by relevant union officials		
during the relevant period ÷ total paid facility time		
hours) x 100		

#### Related parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from the local public and private sector organisations, it is likely that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement processes. There were no significant transactions during the period.

Chorlton Park Primary School was designated Teaching School status in 2013 and is a strategic partner of the Manchester Teaching School Alliance led by Chorlton Park Primary School and Brookburn Primary School. The principal activity of the Manchester Teaching School Alliance is providing education support services; providing training and professional development of teachers, support staff and headteachers, as well as contributing to the raising of standards through school-to-school support.

The Trust schools are members of the Manchester Schools' Alliance, a wider network of schools and academies across the city which works collaboratively to improve the outcomes of children across Manchester.

**School Direct** is a school-based teacher training programme with placements in a network of schools in our alliance Manchester Teaching School Alliance brings together primary and secondary schools across South Manchester and works in partnership with Manchester Metropolitan University. All MTSA members work together, to provide a high-quality teacher-training experience for primary and secondary Associate Teachers.

Bike Right provide provision for a number of weeks to provide cycling proficiency skills in all our schools.

Chorlton Park's, Old Moat's and Rolls Crescent's Maths leads are members of the North West 1 Maths Hub which helps schools lead improvement in mathematics education in the region. They seek to harness all the maths leadership and expertise within an area, to develop and spread excellent practice, for the benefit of all pupils and students. This maths leadership network involves schools, colleges and other organisations with maths education expertise from across the hub's area. They are part of the wider development of school-led system leadership in England.

A partnership between The University of Manchester and Chorlton Park has seen the provision of English classes for parents.

Other parent workshops (Phonics for ESOL, Confident parents, Confident child and Family English) are developed through Manchester Adult Education Service.

Chorlton Park children benefit for a strong partnership with **Chorlton High School** that provides a range of added value to the school including: a greater depth subject lessons for English, maths and science; invitations to participate in Chorlton Arts Festival through performing Shakespeare that raises children's aspirations. They also provide performance workshops that build confidence and help with transition.

Chorlton Park EYFS work with Save the Children to deliver the Families Connect project.

## Trustees' Report (continued)

Primary Inclusion Partnership team has been established with Rolls Crescent and 4 other Manchester Schools of which St Mary's is the bank school. The partnership works collaboratively to support a range of issues which impact on children's attainment and family well-being. The work focuses on support for attendance, complex family issues and behaviour management. The aim of the partnership is to work with statutory and voluntary agencies to improve outcomes for children and families.

Old Moat has developed strong partnerships with Withington High School for Girls and The Manchester Grammar School. Through their social responsibility programmes and donations, they support Old Moat in resources, teaching provision and voluntary programmes.

Rolls Crescent have collaborated with Withington High School for Girl's SHINE Project since it began eleven years ago. The Saturday lessons provide opportunities for more able Y6 children to take part in science and technology projects, which are taught by subject specialists in high quality purpose-built facilities.

A partnership between **The University of Manchester** and Old Moat has seen the provision of English classes for parents. The University of Manchester also support Rolls Crescent with weekly computing and science provision to stretch Rolls Crescent pupils.

Rolls Crescent children benefit for a strong partnership with **Loreto College** that provides a range of added value to the school including: invitations to watch and participate in performance that raises children's aspirations. They also provide performance workshops that build confidence.

Rolls Crescent host a **Read to Succeed Project** supported by **PA Consulting** provide reading mentors on a weekly basis to read one to one that improves children's confidence in reading.

UK Fast provide a weekly coding club to Rolls Crescent children as well as providing fact finding trips to the organisation's headquarters that develops children's aspirations and understanding of a workplace

Reach Out provide after school tutoring for years five and six on a weekly basis in Rolls Crescent that includes both tutoring character building through group activities.

MMU are also providing Saturday Maths classes for our year 5 and 6 students where university students will work with our pupils to improve their number work. This will be every Saturday for 2 hours for half a term.

Manchester Academy are providing a weekly science club for a group of our year 6 students. (14 students.)

Venture Arts provide an after school creative arts club for a group of Key stage 2 pupils in the summer term.

#### **Outcomes Report**

Achievement and Performance

Reception	GLD	National
Chorlton Park Primary	73	
Old Moat Primary	68	71
Rolls Crescent Primary	63	/1
Overall Trust	68	

# Trustees' Report (continued)

Year One	Phonics	National	
Chorlton Park Primary	82		
Old Moat Primary	79	82	
Rolls Crescent Primary	86		
Overall Trust	82		

Year Two	Reading	National	Writing	National	Maths	National
Chorlton Park Primary	81		76		80	
Old Moat Primary	67		62		62	
Rolls Crescent Primary	65	75	62	69	69	76
Overall Trust	71		66		71	

Year Six	Re	ading	W <sub>1</sub>	riting	M	laths	SI	PAG	Con	nbined
rear Six	School	National	School	National	School	National	School	National	School	National
Chorlton Park Primary	74		88		80		80		65	
Old Moat Primary	71		73		74		76		67	
Rolls Crescent Primary	65	73	69	78	71	79	75	78	56	65
Overall Trust	70		77		73		77		63	

Key Performance Indicators

Key

+ positive trajectory

-negative trajectory

= neutral

± variable

Key Performance Indicators for 2020	Performance Against Key Performance Indicators for 2019
Outcomes  • EYFS GLD - narrowing gap to national	
<ul> <li>EYFS GLD - narrowing gap to national</li> <li>Y2 Outcomes - narrowing gap to national</li> </ul>	t can has resumed to notional
KS1 Y1 Phonics –above national	+ gap has narrowed to national. + gap has narrowed to national
<ul> <li>KS2 Reading, Writing &amp; Maths combined</li> </ul>	+ at national
attainment - above national	= Slight dip – at national
<ul> <li>KS2 Reading, Writing &amp; Maths combined</li> </ul>	+ narrowing to national
disadvantaged attainment – above national	+ reading, writing, maths progress above national
<ul> <li>KS2 all progress - above national</li> </ul>	± Disadvantaged progress mixed picture
<ul> <li>KS2 disadvantaged progress - above national</li> </ul>	- Th

# Trustees' Report (continued)

School improvement & QA  After 2 years in CLIC Schools are judged good and better  Schools that have joined the trust have Improved Trust wide School improvement and QA offer CLIC schools is effective	+ All schools are good. Old Moat achieved a good report in April 2019 + All schools have improved + New Trust wide quality assurance in place
Board/LGB/MLT      Board effectiveness assessed as good     LGB effectiveness - good	= Recommend a Board review + improved all LGBs are good
Finances • School budgets Outturns >5%	+ Budget outturns >5%
COOP  • The CLIC COOP values led	+ We have developed COOP values led approach

# Trustees' Report (continued)

# Objectives, Strategies and Activities

#### Activities

The CLIC Trust was established in June 2016 as a Co-operative Trust of two Schools: Chorlton Park and Old Moat. Rolls Crescent joined the Trust in 2017.

The Co-operative values and ethical principles offer a way of educating young people and defining our responsibilities of leadership and governance.

#### Our values are:

- self-help, supporting learners, parents, carers and staff to help themselves
- self-responsibility; taking responsibility for, and answer to our actions;
- democracy; giving our members a say in what we do;
- equality; believing that the voice of everyone should be heard;
- equity; carrying out our work in a way that is fair and unbiased. Champion needs of the disadvantaged;
- solidarity; sharing interests and common purposes with our members and other co-operatives.

The Ethical Principles are at the heart of everything we do and our work is purely for the benefit of the schools and communities we work with:

- openness; being open with colleagues in our schools and beyond, sharing information and ideas to raise standards and life chances;
- honesty; being honest about what we do and the way we do it;
- social responsibility; encouraging all stakeholders to take responsibility for their own community, and work together to improve it;
- caring for others; treating everyone as we wish to be treated ourselves.

The vision of 'changing lives' is about local schools working together to make a difference to children by providing them with a high quality education. Changing lives is about preparing children for success in life so that they acquire the attributes of the CLIC guarantee:

- · confident children;
- effective communicators;
- aspirational learners;
- resilient learners;
- critical thinkers:
- team players.

# Trustees' Report (continued)

#### **Public Benefit**

The Vision of changing lives in collaboration is delivered through our nine strategic goals.

#### For children - we will:

- focus on their performance so that that make good and better progress;
- ignite their learning by providing a broad balanced and relevant curriculum that develops knowledge and skills;
- develop children as good citizens so that children develop core values and achieve the CLIC Guarantee;

#### For staff - we will:

- develop our staff by providing them with high quality continuing professional development;
- grow new teachers and leaders through ITT;
- ensure that all staff can personally contribute to our vision.

#### For our communities - we will:

- provide effective business and finance so that all schools are financially viable;
- provide public value by delivering on our co-operative values and ethical principles;
- provide good and better schools.

Our strategic goals are implemented annually through our strategic plan. Our priorities for this year are to:

- continue to improve our teaching in the core skills so that all groups are making at least good progress;
- continue to develop our curriculum so that it meets the needs of all our children;
- deliver our agreed Trust school improvement strategy including local governance;
- plan for financial uncertainties;
- further develop our communication and systems;
- deliver on our cooperative strategy.

The ethos behind the Trust is one of sustainable school improvement. Schools joining the Trust do so with the prime aim of improving themselves and each other so that they can all become outstanding schools driven by a self-improving system. This is achieved through the development and embedding of the professional continuum; attracting high calibre trainees to our School Centred Initial Teacher Training Programme, nurturing talent, providing high quality bespoke CPD to shape careers and ensuring we grow our own inspirational school leaders. *Together we make the difference*. This ethos is guided by our core principles.

The Trustees confirm that they have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. The Trust have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

# Trustees' Report (continued)

The Trust has established three key questions.

## 1. Are our children making good and better progress?

There were good improvements in outcomes in 2018. For schools in the Trust 2 years + attainment at year 6 was significantly above the National Average. Progress for each of the schools was good or better in all schools, across all subjects. We are pleased that the disadvantaged gap is narrowing.

#### 2. Is Teaching in CLIC schools good and better?

In 2018-19 all CLIC schools have been working together to improve teaching. Maths, Reading and Assessment Learning Circles now meet to share best practice and to improve Teaching in the core skills. The evidence of their impact can be seen in the improvements in Reading and Maths at Year 6 across the school. Each schools receives support and challenge from the external quality assurance a former HMI and the Executive Principal.

#### 3. Are we financially viable?

In 2018-19 all schools have been focussing on delivering value for money by controlling expenditure and improving outcomes for children. The financial climate for schools over the next few years is uncertain. The Chief Operating Officer works with the Trust Finance Manager and Head Teachers to set and monitor school budgets. In 2018/19 the Trust was awarded funding to carry out a Curriculum Based Financial Planning review to challenge the Trust and its schools to continue to drive improvements in our financial viability.

## Going Concern

After making appropriate enquiries the Board of Trustees have 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

Most of the trust's income is obtained from the Education Skills and Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31st August 2019 and associated expenditure are shown as restricted funds in the statement of financial activities. The trust also received grants from the ESFA and other organisations. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2019, total expenditure of £8,672,265 was incurred (which excludes depreciation of £919,941 and FRS102 service costs of £468,000), which was covered by the recurrent grant income from the ESFA, together with other incoming resources which totalled £8,670,404. Total funds carried forward amounted to £1,226,854. This is in line with the trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Unrestricted income in the year ended 31s August 2019 amounted to £326,966. There was no unrestricted expenditure in the year.

At 31st August 2019 the net book value of fixed assets amounted to £27,279,269 and movements in the fixed assets are shown in note 13 of the financial statements. The cost of fixed asset additions in the year ended 31st August 2019 amounted to £785,463.

## Trustees' Report (continued)

#### **Reserves Policy**

The trustees will review the reserves levels annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trust's current level of free reserves (total reserves less the amounts held in fixed asset reserve and restricted pension fund) is £1,226,854.

In addition, the net liability due to the trust's participation in the Local Government Pension scheme amounts to £3,777,000. It should be noted however that an immediate liability for this amount is not crystalised at the financial year end. Parliament has agreed at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department of Education. The guarantee came into force on 18<sup>th</sup> July 2013. This guarantee provides comfort to the trustees in the unlikely event of an academy closure.

#### **Investment Policy**

The Board of Directors understand their responsibility to oversee cash-flow forecasts to ensure that the academy cash position is consistent with its obligations and investment opportunities are maximised. The point in the Trust's growth where an investment policy is required one will be developed that includes description and objectives to be approved by the Trustees. The Trust's scheme of delegation refers to the treatment of reserves and investment, outlining responsibilities where material the extent (if any) to which social, environmental or ethical considerations are taken into account.

#### Principals, Risks and Uncertainties

The Board of Governors have a policy for handling Risk. A Risk Register is produced for the Trust and is reviewed at least annually. The Risk Register is a standing item on the agenda of the Board of Directors. The Trustees have assessed the significant risk to which the Trust is exposed, in particularly those related to the operations and finances of the Trust and are satisfied that systems are in place to mitigate and review any exposure to major risk.

A formal review of the Trust's risk management process will be undertaken on an annual basis and key controls will be put into place to include:

- formal agendas and minutes for Governor and the MAT Leadership Team meetings
- commissioning of external audits in a variety of operational functions for the Trust
- terms of reference for the Board of Directors and all Committees
- a register of pecuniary interests of governors reviewed annually
- comprehensive budget monitoring and management reporting
- a clear scheme of delegation and financial delegation to establish clear responsibilities
- formal written policies
- pupil numbers are tracked by Finance and Business Committee regularly
- safer recruitment policies as required by law

An open and receptive approach to solving risk problems is adopted by the Board of Directors and it is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

At the end of 2018/19 academic years the areas with the highest residual risks re the focus of the highest management and Director input are:

- Appointment to the interim Leadership Structure for January 2020
- Appointment to the Executive Principal post for September 2020
- Transition to the new funding formula
- Financial impact of pupil numbers
- Building projects being delivered on time and on budget

# Trustees' Report (continued)

Collaborative exercises in assessing risk are carried out by the MAT Leadership Team through PESTLE and scenario exercises.

#### **Fundraising**

Under the provisions of the charities (Protection and Social Investment) Act 2016 the Trust monitors the fund raising carried out on our behalf. This is evidenced in PTA Meeting Minutes where accounts are presented, project applications are considered and decisions on expenditure is made. The Parent Teacher Association refers to the Charity Commission publication 'charity fundraising: a guide to trustee duties (CC20) in the handing of its accounts.

The Parent Teacher Associations work in close partnership the Trust schools to ensure the protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

The Multi Academy Trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

#### Plans for Future Periods

The Trust has previously explored opportunities for growth; with a forth school, Dane Bank, Tameside, joining the Trust in November 2019. As a recently expanded Trust CLIC will build a strong infrastructure to support the drive for outstanding academies.

The Executive Principal's decision to move on means this is an apposite time for the board to reflect on the strategic direction and vision of the trust in November before recruiting in the Spring Term.

The Trust has employed the services of an HMI to provide quality assurance across the Trust. They will support the Directors in its challenge of the schools in the Trust. They will also support schools in narrowing the gap in achievement for pupils from disadvantaged backgrounds and improve progression.

The Co-operative Academy Trust in consultation with its academies has sent ambitions targets for the academic attainment and progress of pupils attending the schools. These targets are measured against key performance indicators. In addition, improvement plans have been put in place to drive school improvement across the Trust in the following key areas:

- EYFS GLD narrowing gap to national
- Y2 Outcomes narrowing gap to national
- KS1 Y1 Phonics –above NA
- KS2 RWM combined attainment above national
- KS2 RWM combined disadvantaged attainment above national
- KS2 all progress above national
- KS2 disadvantaged progress above national

The Trust has built capacity in order to meet these emerging needs of schools within the Trust, using a distributed leadership model throughout the organisation.

The Trust has undertaken an external review on its curriculum based financial planning and will review its responses to the recommendations on how we can improve our long term financial planning and the finance reporting.

The Trust will be reviewing all areas of income streams and expenditure to ensure:

- as a Trust we share good practice;
- we look at collaborative and partnership arrangements to improve provision;
- we review procurement process and economies of scale across the Trust;
- we review benchmarking data both across the Trust and nationally;
- we consider the impact of the introduction of a National Funding Formula to the academies in our Trust.

## Trustees' Report (continued)

The Trust will oversee the successful opening of a new teaching block at Chorlton Park Primary School as a result of a successful Condition Improvement Funding bid. The new facility will be opening in September 2020 to provide new classrooms for Years 5 & 6, gym, SEND facilities and offices.

The Board of Directors will continue to look for opportunities of funding to support both the delivery of the curriculum provision, pastoral care and to improve the facilities for the young people in our care

#### **Auditors**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

A statement may also be included in respect of the reappointment of the auditor.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, s the company directors, on 10 December 2019 and signed on the board's behalf by:

Signed:

Richard Buckley, Chairperson of the Trustees

#### **Governance Statement**

#### Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Changing Lives in Collaboration has an effective and appropriate system of control, financial and otherwise. However, such as 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 have delegated the day to day responsibility to the Executive Principal, 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 Changing Lives in Collaboration and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weakness or breakdowns in internal control.

#### Governance

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

Trustee	Meeting attended	Out of a possible	
Joanne Hart (Chair)	6	6	
Louise Breed	5	6	
Richard Buckley	5	6	
Paul Davies	4	6	
Martin Harding	3	6	
Elizabeth Jayne	6	6	
David Watson (principal and accounting officer)	6	6	
Gavin White	5	6	

At each of the Board of Trustee meetings, there are standing items on the agenda which the Executive Principal and Chief Operations Officer must report on: risk management, budgets, strategic plan priorities, safeguarding and policies (to be approved). Other agenda items i.e. SATs results, data, audits are available at specific times of the academic year. For agenda items such as these, there is a Terms of Reference document for the board of trustees which is reviewed each year and informs each agenda. The Terms of Reference document structures the work of the board for the academic year by outlining what information will be presented at which board meeting.

The Board of Directors regularly reviews how data is presented and make recommendations for additional information to be included in reports on an ongoing basis.

The Board of Directors works on a principle of exception reporting, for example; it requires actions plans and other documents to be RAG rated to enable them to focus their discussions around red rated or high-risk issues.

#### Governance Review

The summer Board of Directors meeting is used to carry out a review of the effectiveness of Trust Governance. Challenges were identified around welcoming new schools into the Trust and how we communicate with and support schools through the transfer process. This review process has been built into the Terms of Reference for the Board of Directors.

To ensure there is effective local governance in relation to school improvement the Data Director worked with the Executive Principal to develop 'Chairs' Briefings' to ensure the quality of Local Governing Body challenge to drive school improvement.

#### **Governance Statement (continued)**

The Governance Review also included the effectiveness of:

- communication between Board of Directors and Committees, including Local Governing Bodies)
- the growth strategy
- the current board structure
- · the board structure in relation to growth considering representation and skills
- processes for appointment and succession planning of chair and directors
- the scheme of delegation
- terms of reference
- the meeting calendar.

#### The Finance and Business Committee

The Finance and Business Committee is a subcommittee of the main board of Trustees. Its purpose is to exercise its legal responsibility to ensure the overall financial health of the Trust and each individual school through rigorous audit, monitoring and risk managing rather than deciding on day to day spending.

In September 2018 monthly monitoring documents and cash flows were made available to all directors and local governors. The format of the quarterly monitoring was developed to improve the communication of key data with summary data pages. Benchmarking was incorporated into the quarterly monitoring reports and key performance indicators were rag rated to promote exception reporting

The Finance and Business Committee takes a strategic role, acts are a critical friend and is accountable for its decisions. The Committee sets aims and objectives, reviews, agrees and monitors polices, targets and priorities to ensure schools: demonstrate probity in financial conduct; provide value for money for the tax payer; demonstrates accountability and operations within the Education and Skills Funding Agency Financial Guidelines.

The Finance and Business Committee aims to ensure schools adhere to the following basic principles and key controls set out in the Education and Skills Funding Agency Financial Guidelines: segregation of duty; maintaining adequate records; providing clarity in responsibilities, procedures and transparency to stakeholders.

Attendance at Finance and Business Committee meetings in the year was as follows:

Trustee	Meeting attended	Out of a possible
David Pilkington (Chair of Finance)	7	7
Richard Buckley	5	7
Andrew Hewitt	2	4
Elizabeth Jayne (Chair of HR)	6	7
Stephen Johnston	6	7
Leanne Opdam	1	1
Raphael Thuret	2	2
Paul Davies	1	5
David Watson	7	7
Gavin White	1	4

## Governance Statement (continued)

#### Review of Value for Money

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

The Education Skills and Funding Agency Financial Handbook describes Value for Money as, 'Achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance, and prudent and economical administration.'

It is with this definition in mind, the accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Trust has delivered improved value for money during the year through the following:

- The Trust operates a centralised procurement service in some key areas of expenditure where cost savings
  can be achieved and has secured reduced costs for some Service Level Agreements and all leasing through
  combined purchasing across the Trust.
- The Trust procures its IT centrally with an IT Lead who has the skills and up to date knowledge in this area
  and considers sustainability when procuring IT Solutions and will consider; energy consumption and the
  entire lifecycle of technology from acquisition to decommissioning when making investment
  recommendations. This high level knowledge supports targeted investments in areas of technology
  innovation.
- The Trust has invested in a new finance system (PS Financials) in year which has given the trust the ability
  to centralise finances, and increased the level of financial reporting, thereby increasing value for money. A
  centralised finance system has also created time savings within the finance team to focus on other areas of
  essential work, and improved performance of the financial reporting.
- The Trust has sought a trust-wide approach to premises management providing a cost saving for all schools,
   also increasing the level of services and maintenance carried out within this service level agreement.
- The Executive Principal has worked to generate additional income through its work as a National Leader in Education
- The Trust has been successful in a bid for the MAT Development Improvement Fund (MDIF). This funding has given further guidance on the Trusts Curriculum Led Financial Planning
- The IT Coordinator for the Trust, has created a bespoke SharePoint which has created significant savings for
  the Trust, as they no longer need to buy into document sharing platforms. The 'CLIC Hub' provides a tool
  for collaborative working across all CLIC schools and has the potential to create enormous time savings for
  teachers whilst consistently driving standards in teaching through shared resources and planning.
- The Trust has achieved two successful Condition Improvement Funding (CIF) within the year. One is for the
  rebuild of a teaching block, which will reduce the footprint and increase energy efficiency, the second being
  repairs to the roof which will improve the fabric of the building and improve energy efficiency.
- Considering value for money as the effective investment of external expertise, the Trust filled a skills gap
  with an external surveyor to develop a specification that led to a successful tender process achieving a high
  quality outcome and good value for money from the Condition Improvement Funding.
- The Trust has used School Switch, a Crown Commercial Service supported by the DfE, to compare their
  energy costings with various supplier. All schools are part of an energy procurement company and have
  secured competitive lower rates than those on School Switch.

### **Governance Statement (continued)**

In the future the Trust intends to achieve further value for money by:

- Carry out a thorough Service Level Agreement Review using the preferred supplier list, for example teacher supply via the new DfE Framework.
- Using PS Financials to develop the preferred supplier list and seek more preferential rates

#### 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 Changing Lives in Collaboration for the period 1st September 2018 to 31 August 2019 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 period 1st September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### The Risk and Control Framework

The academy trust's system of internal 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
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines delegation of authority and segregation of duties
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees refer to the internal scrutiny carried out by members of the central finance team who carry out a programme of internal checks.

The reviewer'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:

The following bullets are illustrative examples that demonstrate the scope of our checks based on a consideration of the relative risks, these include the following topics:

- Financial Ethics: authorisation; signatories; scheme of financial delegation
- Financial Reporting, ledger and nominal posting; cash flow
- Debt Management: level of debt and evidence of efforts to clear debt
- Supplier Management: all freelance checks; VfM statements
- General Financial Administration: fixed assets; accruals, prepayments
- Bank Reconciliation and Banking: unreconciled reconciles to the trial balance; BACs Run Reports; BACs details for suppliers

### Governance Statement (continued)

- Payroll Administration: payroll workings reconciled; additional hours; contractual changes; HR files
- Finance System Checks: unreconciled bank transactions; aged debtors; aged creditors; budget holder statements; outstanding requisitions and purchase orders
- Year End File Review: deployment; free text orders to expected invoices; POs for SLAs: review of interim audit report

Sample testing is carried out on:

- Cash Handling
- Processing of Invoices and Payments
- Petty Cash Management
- · Personnel Files: new starters and leavers

Spot Checks are carried out on the termly basis in each school.

#### **Review of Effectiveness**

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

- the work of the reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- 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 finance and business committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 10 December 2019 and signed on its behalf by:

Richard Buckley, Chairperson of the Trustees

Trustee

Mr D Watson Accounting Officer

# Statement on Regularity, Propriety and Compliance

As Accounting Officer of Changing Lives in Collaboration I have considered my responsibility to notify the academy trust Governing Body 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 Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 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 Governing Body and ESFA.

D Watson

Accounting officer

Date: 10.12.19

# Statement of Trustees' Responsibilities

The Trustees (who 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 & 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 on 10 December 2019 and signed on its behalf by:

THAT RICHARD BUCKLEY

CHAIR PERSON OF THE TRUSTESS

Page 21

# Independent Auditor's Report on the Financial Statements to the Members of Changing Lives in Collaboration

#### Opinion

We have audited the financial statements of Changing Lives in Collaboration (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Academy 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.

#### 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'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 (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

# Independent Auditor's Report on the Financial Statements to the Members of Changing Lives in Collaboration (continued)

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.

#### Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

#### Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 21], the Trustees 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'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 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.

# Independent Auditor's Report on the Financial Statements to the Members of Changing Lives in Collaboration (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are
  appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the
  Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and
  whether the financial statements represent the underlying transactions and events in a manner that achieves fair
  presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business
  activities within the Academy to express an opinion on the financial statements. We are responsible for the
  direction, supervision and performance of the Academy audit. We remain solely responsible for our audit
  opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Use of our report

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

Independent Auditor's Report on the Financial Statements to the Members of Changing
Lives in Collaboration (continued)

Anna Bennett (Senior Statutory Auditor)

For and on behalf of Hallidays, Statutory Auditor

Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD

Date: 16-12-19

# Independent Reporting Accountant's Report on Regularity to Changing Lives in Collaboration and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 4th June 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 Changing Lives in Collaboration 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 Changing Lives in Collaboration and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Changing Lives in Collaboration and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Changing Lives in Collaboration and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 September 2016 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 year from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the trust's framework of authorities. As identified by review of
  minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the trust are within the trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the trust and extended the procedures required for financial statements to include regularity.

# Independent Reporting Accountant's Report on Regularity to Changing Lives in Collaboration and the Education & Skills Funding Agency (continued)

- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In
  performing sample testing of expenditure, we have considered whether the activity is permissible within the
  trust's framework of authorities. We confirm that each item tested has been appropriately authorised in
  accordance with the trust's delegated authorities and that the internal delegations have been approved by the
  Trust Board and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the Trust Board and the accounting officer acknowledging their
  responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising
  framework, access to accounting records, provision of information and explanations, and other matters where
  direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the trust's charitable objects.

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 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.

Hallidays

Chartered Accountants

and

Registered Auditors

Riverside House Kings Reach Business Park Yew Street Stockport SK4 2HD

Doto: 16/12/19

# Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments fro	m:					
Voluntary income						
Donations and capital grants	2	-	50,586	-	4,733,904	4,784,190
Charitable activities: Funding for the Academy						
trust's educational operations	3	-	8,292,874	-	-	8,292,874
Other trading activities	4	325,601	-	-	-	325,601
Investments	5	1,343				1,343
Total		326,944	8,343,460		4,733,904	13,404,308
Expenditure on:						
Charitable activities: Academy trust educational operations	7	_	8,672,265	468,000	919,941	10,060,206
•	,					
Total		_	8,672,265	468,000	919,941	10,060,206
Net income/(expenditure)		326,944	(328,805)	(468,000)	3,813,963	3,344,102
Transfers between funds		(382,036)	136,430	-	245,606	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	25			(1,509,000)		(1,509,000)
Net movement in (deficit)/funds		(55,092)	(192,375)	(1,977,000)	4,059,569	1,835,102
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2018		1,182,166	292,155	(1,800,000)	27,624,508	27,298,829
Total funds/(deficit) carried forward at 31 August 2019		1,127,074	99,780	(3,777,000)	31,684,077	29,133,931

# Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

Unrestricted General Pension Fixed As Funds Funds Funds Funds Note £ £ £	
Income and endowments from:	
Voluntary income	
Donations and capital grants 2 - 62,639 - 450,8	513,479
Transfer from local authority on conversion 371,852 - (510,000) 8,353,7	8,215,563
Charitable activities:	
Funding for the Academy	
trust's educational operations 3 - 8,069,393 -	- 8,069,393
Teaching schools - 25,941 - Other trading activities 4 392,741	- 25,941
Other trading activities 4 392,741 Investments 5 795	- 392,741
	<u>-</u> <u>795</u>
Total 765,388 8,157,973 (510,000) 8,804,55	17,217,912
Expenditure on:	
Charitable activities:	
Academy trust educational	
operations 7 - 8,576,874 430,000 991,58	
Teaching schools - 20,291 -	20,291
Net income/(expenditure) 765,388 (439,192) (940,000) 7,812,96	8 7,199,164
Transfers between funds (267,217) 203,753 - 63,46	-
Other recognised gains and losses	
Actuarial (losses) / gains on	
defined benefit pension schemes 25 - 846,000	946,000
Schemes 25 - 846,000 Gains/losses on revaluation of	- 846,000
fixed assets 5,943,11	5,943,118
Net movement in funds/(deficit) 498,171 (235,439) (94,000) 13,819,55	0 13,988,282
Reconciliation of funds	
Total funds/(deficit) brought forward at 1 September 2017683,995527,594(1,706,000)13,804,95	8 13,310,547
Total funds/(deficit) carried forward at 31 August 2018	

# (Registration number: 09748195) Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	12	20,526	-
Tangible assets	13	27,279,269	27,404,717
		27,299,795	27,404,717
Current assets			
Debtors	14	4,682,417	449,103
Cash at bank and in hand		1,629,706	1,631,881
		6,312,123	2,080,984
Creditors: Amounts falling due within one year	15	(663,462)	(349,347)
Net current assets		5,648,661	1,731,637
Total assets less current liabilities		32,948,456	29,136,354
Creditors: Amounts falling due after more than one year	16	(37,525)	(37,525)
Net assets excluding pension liability		32,910,931	29,098,829
Defined benefit pension scheme liability	25	(3,777,000)	(1,800,000)
Net assets including pension liability		29,133,931	27,298,829
Funds of the Academy Trust:			
Restricted funds			
Restricted general fund	17	99,780	292,155
Restricted fixed asset fund	17	31,684,077	27,624,508
Restricted pension fund	17	(3,777,000)	(1,800,000)
		28,006,857	26,116,663
Unrestricted funds			
Unrestricted general fund	17	1,127,074	1,182,166
Total funds		29,133,931	27,298,829

The financial statements on pages 28 to 56 were approved by the Trustees, and authorised for issue on 10 December 2019 and signed on their behalf by:

THAIR PERSON OF THE TRUSTEES

Page 30

# Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 ₤
Cash flows from operating activities			
Net cash used in operating activities	21	(3,922,402)	(15,478)
Cash transferred on conversion to an academy trust		-	391,123
Cash flows from investing activities	22	3,920,227	34,422
Change in cash and cash equivalents in the year		(2,175)	410,067
Cash and cash equivalents at 1 September		1,631,881	1,221,814
Cash and cash equivalents at 31 August	23	1,629,706	1,631,881

# Notes to the Financial Statements for the Year Ended 31 August 2019

#### 1 Accounting policies

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

#### 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.

#### Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

### Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

#### Sponsorship income

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

#### **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

#### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

# Donated goods, facilities and services

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

#### Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred 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 as transfer on conversion within **Donations** and capital grant income to the net assets received.

#### Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

#### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

#### Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

#### Intangible fixed assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class Software **Amortisation method and rate** 33.33% Straight line

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 1 Accounting policies (continued)

# Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

#### Asset class

Leasehold land and buildings
Fixtures and fittings
Computer equipment
Plant and machinery

#### Depreciation method and rate

0.80% - 2% straight line 20% reducing balance 33.33% straight line 25% reducing balance

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

# 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.

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

#### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### Leased assets

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

#### 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 notes 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.

#### **Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

#### 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education & Skills Funding Agency/Department for Education.

# 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.

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (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 pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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 Donations and capital grants

	Restricted funds £	Restricted fixed asset funds	2018/19 Total £	2017/18 Total
Other voluntary income				
Educational trips and visits	50,586	-	50,586	45,964
Capital grants	-	4,733,904	4,733,904	450,840
Other donations				16,675
	50,586	4,733,904	4,784,490	513,479

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 3 Funding for the Academy Trust's educational operations

- 1 maning for the firementally 11 and 0 cancel of that	perations		
	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	6,310,155	6,310,155	6,380,800
Other DfE/ESFA grants	1,009,617	1,009,617	985,141
	7,319,772	7,319,772	7,365,941
Other government grants			
Local authority grants	973,102	973,102	703,452
Total grants	<u>8,292,874</u>	8,292,874	8,069,393
4 Other trading activities			
	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Catering income	171,141	171,141	204,339
Other sales	154,460	154,460	188,402
	325,601	325,601	392,741
5 Investment income			
	Unrestricted funds	2018/19 Total	2017/18 Total
Short term deposits	<b>£</b> 1,343	<b>£</b> 1,343	<b>£</b> 795
onore term deposits	1,343	1,373	193

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 6 Expenditure

	Non Pay Expenditure			77.4.1	T
	Staff costs	Premises £	Other costs	Total 2019 £	Total 2018 £
Academy's educational operations					
Direct costs	5,899,240	759,549	614,979	7,273,768	7,068,547
Allocated support costs	1,694,252	613,755	478,431	2,786,438	2,929,910
Teaching School					20,291
	7,593,492	1,373,304	1,093,410	10,060,206	10,018,748
Net income/(expenditure)	for the year inclu	ides:			
				2018/19 £	2017/18 £
Operating lease rentals				36,730	50,591
Depreciation				910,910	991,583
Amortisation of intangible	fixed assets			9,031	-
Fees payable to auditor - au	ıdit			9,350	8,200
- other audit services				5,850	6,225

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 7 Charitable activities

		Total 2019 ₤	Total 2018 £
Direct costs - educational operations		7,273,768	7,068,547
Support costs - educational operations		2,786,438	2,929,910
		10,060,206	9,998,457
	Educational operations £	2018/19 Total £	2017/18 Total ₤
Analysis of support costs			
Support staff costs	1,694,252	1,694,252	1,589,975
Depreciation	151,361	151,361	178,105
Technology costs	1,507	1,507	-
Premises costs	462,394	462,394	459,686
Other support costs	439,814	439,814	669,417
Governance costs	28,079	28,079	32,727
Amortisation	9,031	9,031	
Total support costs	2,786,438	2,786,438	2,929,910

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 8 Staff

~	-		
Sta	11	COS	TS

Staff costs		
	2018/19	2017/18
	£	£
Staff costs during the year were:		
Wages and salaries	5,599,967	5,304,011
Social security costs	473,653	446,624
Pension costs	1,305,962	1,207,957
	7,379,582	6,958,592
Agency staff costs	183,910	183,258
Staff restructuring costs	30,000	
	7,593,492	7,141,850
		2019 £
Staff restructuring costs comprise:		
Severance payments		30,000

# Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £30,000 (2018) £Nil). Individually, the payments were:

Non-statutory payments £30,000

# Staff numbers

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

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	94	85
Administration and support	219	226
Management	8	8
	321	319

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 8 Staff (continued)

# Higher paid staff

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

	2019 No	2018 No
£60,001 - £70,000	4	5
£70,001 - £80,000	I	-
£100,001 - £110,000	_	1
£120,001 - £130,000	1	

# Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £732,048 (2018: £721,745).

#### 9 Central services

The Academy Trust has provided the following central services to its academies during the year:

- Governance
- •HR/Payroll
- •Finance
- Staff development

The trust charges for these services on the following basis:

•flat percentage of General Annual Grant (GAG) income (7%)

This is higher than the average flat rate percentage of 5% due to the number of Service Level Agreements borne directly by the Trust.

The actual amounts charged during the year were as follows:

	2017
	£
Chorlton Park Primary School	169,164
Old Moat Junior School	122,118
Rolls Crescent Primary School	131,545
	422,827

2019

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 10 Related party transactions - trustees' remuneration and expenses

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

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

D Watson (Executive Headteacher):

Remuneration: £120,000 - £125,000 (2018 - £105,000 - £110,000)

Employer's pension contributions: £20,000 - £25,000 (2018 - £20,000 - £25,000)

Other related party transactions involving the trustees are set out in note 26.

#### 11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy 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 and the cost for the year ended 31 August 2019 was included in the total insurance cost.

#### 12 Intangible fixed assets

	Software £	Total £
Cost		
Additions	29,557	29,557
At 31 August 2019	29,557	29,557
Amortisation		
Charge for the year	9,031	9,031
At 31 August 2019	9,031	9,031
Net book value		
At 31 August 2019	20,526	20,526

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 13 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment	Computer hardware £	Total £
Cost				
At 1 September 2018	25,793,746	2,706,969	485,266	28,985,981
Additions	472,627	304,468	8,368	785,463
At 31 August 2019	26,266,373	3,011,437	493,634	29,771,444
Depreciation				
At 1 September 2018	640,282	694,217	246,765	1,581,264
Charge for the year	384,640	362,557	163,714	910,911
At 31 August 2019	1,024,922	1,056,774	410,479	2,492,175
Net book value				
At 31 August 2019	25,241,451	1,954,663	83,155	27,279,269
At 31 August 2018	25,153,464	2,012,752	238,501	27,404,717
14 Debtors				
			2019 £	2018 £
Trade debtors			6,799	14,142
VAT recoverable			70,991	36,782
Other debtors			42,204	42,373
Prepayments			113,499	136,360
Accrued grant and other income		_	4,448,924	219,446
		_	4,682,417	449,103

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 15 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	255,056	46,570
Other creditors	1,669	5,058
Accruals	281,302	172,676
Deferred income	125,435	125,043
	663,462	349,347
	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	125,043	86,239
Resources deferred in the period	125,435	125,043
Amounts released from previous periods	(125,043)	(86,239)
Deferred income at 31 August 2019	125,435	125,043

At the balance sheet date the academy trust was holding funds received in advance for dinner money, school trips and music lessons in September 2019, and UIFSM and rates relief received from the ESFA for 19/20.

# 16 Creditors: amounts falling due after one year

	2019	2018
	£	£
SALIX Loans	37,525_	37,525

Loans of £37,525 from SALIX which is provided on the following terms: Repayable over eight years following completion of the CIF boiler replacement works.

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 17 Funds

	Balance at 1 September 2018 £	Incoming resources	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General annual grant	81,049	6,310,155	(6,627,854)	336,430	99,780
Other DfE/ESFA gramts	-	1,009,617	(1,009,617)	_	, _
Local authority grants	200,000	973,102	(973,102)	(200,000)	_
Teaching School	11,106	_	(11,106)	_	_
Other restricted income		50,819	(50,819)		
	292,155	8,343,693	(8,672,498)	136,430	99,780
Restricted fixed asset funds					
Transferred on converstion	26,736,894	_	(750,447)	_	25,986,447
Capital grants	826,773	4,733,904	(166,419)	200,000	5,594,258
Capital expenditure from GAG	60,841		(3,075)	45,606	103,372
	27,624,508	4,733,904	(919,941)	245,606	31,684,077
Restricted pension funds					
Restricted pension fund	(1,800,000)		(468,000)	(1,509,000)	(3,777,000)
Total restricted funds	26,116,663	13,077,597	(10,060,439)	(1,126,964)	28,006,857
Unrestricted funds					
Unrestricted general funds	1,182,166	326,944		(382,036)	1,127,074
Total funds	27,298,829	13,404,541	(10,060,439)	(1,509,000)	29,133,931

Comparative information in respect of the preceding period is as follows:

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 17 Funds (continued)

	Balance at 1 September 2017 £	Incoming resources	Resources expended £	Gains, losses and transfers	Balance at 31 August 2018 £
Restricted general funds					
General annual grant	322,138	6,380,800	(6,825,642)	203,753	81,049
Donations	-	62,639	(62,639)	-	-
Other DfE/ESFA gramts	200,000	985,141	(1,185,141)	-	-
Local authority grants	-	703,452	(503,452)	-	200,000
Teaching School	5,456	25,941	(20,291)		11,106
	527,594	8,157,973	(8,597,165)	203,753	292,155
Restricted fixed asset funds					
Transferred on converstion	13,393,388	8,353,711	(953,323)	5,943,118	26,736,894
Capital grants	411,570	450,840	(35,637)	_	826,773
Capital expenditure from GAG			(2,623)	63,464	60,841
	13,804,958	8,804,551	(991,583)	6,006,582	27,624,508
Restricted pension funds					
Restricted pension fund	(1,706,000)	(510,000)	(430,000)	846,000	(1,800,000)
Total restricted funds	12,626,552	16,452,524	(10,018,748)	7,056,335	26,116,663
Unrestricted funds					
Unrestricted general funds	683,995	765,388		(267,217)	1,182,166
Total funds	13,310,547	17,217,912	(10,018,748)	6,789,118	27,298,829

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

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 17 Funds (continued)

# Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Chorlton Park Primary School	481,769	712,241
Old Moat Junior School	258,381	203,828
Rolls Crescent Primary School	394,408	491,889
Central services	92,296	66,363
Total before fixed assets and pension reserve	1,226,854	1,474,321
Restricted fixed asset fund	31,684,077	27,624,508
Restricted pension fund	(3,777,000)	(1,800,000)
Total	29,133,931	27,298,829

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Funds (continued)

Total cost analysis by academy

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

Total						٠	9,019,740
	Total 2019	<b>લ્સ</b>	3,254,72	2,301,19	2,664,14	452,43	8,672,49
Other Costs	(excluding Depreciation)	44	331,976	287,557	290,197	116,109	1,025,839
	Educational Supplies					ı	I
	Support Staff Costs					'	ı
Teaching and Educational	Support Staff Costs	ધ્ય	2,299,505	1,568,259	1,841,735	189,740	5,899,239
			Chorlton Park Primary School	Old Moat Junior School	Rolls Crescent Primary School	Central services	Academy Trust

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 18 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds	Restricted general funds £	Restricted fixed asset funds	Total funds £
Intangible fixed assets	-	-	20,526	20,526
Tangible fixed assets	-	-	27,279,269	27,279,269
Current assets	1,127,074	800,767	4,384,282	6,312,123
Current liabilities	-	(663,462)	_	(663,462)
Creditors over 1 year	-	(37,525)	-	(37,525)
Pension scheme liability		(3,777,000)		(3,777,000)
Total net assets	1,127,074	(3,677,220)	31,684,077	29,133,931
Comparative information in respect of the	e preceding period is	as follows;		
	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds	Total funds £
Tangible fixed assets	- -	-	27,404,717	27,404,717
Current assets	1,182,166	679,027	219,791	2,080,984
Current liabilities	-,,			
	-	,	217,771	
Creditors over 1 year	-	(349,347)	-	(349,347)
	- -	,		
Creditors over 1 year	1,182,166	(349,347) (37,525)	27,624,508	(349,347) (37,525)
Creditors over 1 year Pension scheme liability	1,182,166	(349,347) (37,525) (1,800,000)	-	(349,347) (37,525) (1,800,000)
Creditors over 1 year Pension scheme liability Total net assets	1,182,166	(349,347) (37,525) (1,800,000)	27,624,508	(349,347) (37,525) (1,800,000) 27,298,829
Creditors over 1 year Pension scheme liability Total net assets	1,182,166	(349,347) (37,525) (1,800,000)	27,624,508	(349,347) (37,525) (1,800,000) 27,298,829

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 20 Commitments under operating leases

# **Operating** leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	30,714	36,139
Amounts due between one and five years	672	21,602
	31,386	57,741
21 Reconciliation of net income to net cash inflow/(outflow) from operating ac	ctivities	
	2019 £	2018 £
Net income	3,344,102	7,199,164
Amortisation	9,031	7,177,101
Depreciation	910,911	991,582
Capital grants from DfE and other capital income	(4,733,904)	(450,840)
Interest receivable	(1,343)	(795)
Defined benefit pension scheme obligation inherited		510,000
Defined benefit pension scheme cost less contributions payable	414,000	370,000
Defined benefit pension scheme finance cost	54,000	60,000
(Increase)/decrease in debtors	(4,233,314)	42,403
Increase/(decrease) in creditors	314,115	(11,429)
Cash transferred on conversion to an academy trust	-	(391,123)
Inherited assets		(8,334,440)
Net cash used in Operating Activities	(3,922,402)	(15,478)
22 Cash flows from investing activities		
<b></b>	2019	2018
	£	£ 705
Dividends, interest and rents from investments	1,343	795
Purchase of intangible fixed assets	(29,557)	(417.212)
Purchase of tangible fixed assets	(785,463) 4,733,904	(417,213) 450,840
Capital funding received from sponsors and others		
Net cash provided by investing activities	3,920,227	34,422

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 23 Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	1,629,706	1,631,881
Total cash and cash equivalents	1,629,706	1,631,881

#### 24 Members' liability

Every member of the Company undertakes to contribute such amount as may be required (not exceeding £10) to the Company's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Company's debts and liabilities before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories amongst themselves.

#### 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 Tameside Metropolitan Borough Council. Both are multi-employer defined benefit schemes.

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.

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 25 Pension and similar obligations (continued)

#### Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- 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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £520,976 (2018: £481,742). 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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £498,000 (2018 - £470,000), of which employer's contributions totalled £381,000 (2018 - £358,000) and employees' contributions totalled £117,000 (2018 - £112,000). The agreed contribution rates for future years are 19.10 per cent for employers and 12.50 per cent for employees.

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

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 25 Pension and similar obligations (continued)

The state of the latest terms of the latest te	4 * 1	
Principal	actuarial	assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.10	3.20
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

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

<b>.</b>	2019	2018
Retiring today		
Males retiring today	20.60	21.50
Females retiring today	23.10	24.10
Retiring in 20 years		
Males retiring in 20 years	22.00	23.70
Females retiring in 20 years	24.80	26.20
Sensitivity analysis		
	2019	2018
	£	£
Discount rate -0.5%	1,401,000.00	997,000.00
Salary increase rate +0.5%	247,000.00	206,000.00
Pension increase rate +0.5%	1,120,000.00	775,000.00
The academy trust's share of the assets in the scheme were:		
	2019	2018
	£	£
Equities	4,265,000	3,740,000
Government bonds	941,000	880,000
Property	502,000	385,000
Cash and other liquid assets	564,000	494,000
Total market value of assets	6,272,000	5,499,000

The actual return on scheme assets was £275,000 (2018 - £124,000).

# Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

# 25 Pension and similar obligations (continued)

Amounts recognised	lin	the statement	of	financial	activities
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Amounts recognised in the statement of imanetal activities		
	2018/19 £	2017/18 £
Current service cost (net of employee contributions)	(414,000)	(370,000)
Interest income	161,000	124,000
Interest cost	(215,000)	(184,000)
Total amount recognized in the SOFA	(468,000)	(430,000)
Changes in the present value of defined benefit obligations were as follows:		
	2018/19 £	2017/18 £
At start of period	7,299,000	5,398,000
Conversion of academy trusts	-	1,575,000
Current service cost	795,000	728,000
Interest cost	215,000	184,000
Employee contributions	117,000	112,000
Actuarial (gain)/loss	1,623,000	(698,000)
At 31 August	10,049,000	7,299,000
Changes in the fair value of academy's share of scheme assets:		
	2018/19 £	2017/18 €
At start of period	5,499,000	3,692,000
Conversion of academy trusts	-	1,065,000
Interest income	161,000	124,000
Actuarial gain/(loss)	114,000	148,000
Employer contributions	381,000	358,000
Employee contributions	117,000	112,000
At 31 August	6,272,000	5,499,000

# 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 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.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.