

Company Registration No. 08168307 (England and Wales)

THE COLLABORATIVE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

THE COLLABORATIVE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

N Pope
M Abraham

- Ex-Officio

C Waterman (Chairman)

Trustees

A Campbell
C Waterman (Chairman)
C Hilliard
B Aujla (Appointed 10 July 2020)
P Harris Bridge (Resigned 01 June 2020)

Senior management team

- Chair	C Waterman
- Accounting Officer	J Giovanelli
- Chief Finance Officer	J Ricketts
- Headteacher	J Giovanelli
- Senior Deputy Headteacher	S Wade
- Deputy Headteacher	R Gant
- Deputy Headteacher	D Eddy
- Director of Operations	J Ricketts
- Assistant Headteacher	P Hancock
- Assistant Headteacher	K Hayward-Pretty
- Assistant Headteacher	S MacDonald
- Senior Strategic Leader	J Hartnett

Company registration number

08168307 (England and Wales)

Principal and registered office

C/O Kingsthorpe College
Boughton Green Road
Northampton
NN2 7HR

Academies operated

Kingsthorpe College

Location

Boughton Green Road, Northampton,
NN2 7HR

Headteacher

J Giovanelli

THE COLLABORATIVE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

RSM UK Audit LLP
Marlborough House
Victoria Road South
Chelmsford
Essex
CM1 1LN

Bankers

Barclays Bank Plc
99 Hatton Garden
London
EC1N 8DN

Lloyds Bank Plc
George Row
Northampton
NN1 1DJ

Solicitors

Stone King LLP
3rd Floor
Bateman House
82-88 Hills Road
Cambridge
CB2 1LQ

Internal auditor

SBM Services Ltd
12 Park Lane Business Centre
Park Lane, Langham
Colchester
C04 5WR

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT

The Trustees present their Annual Report, incorporating the Strategic Report, together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020. The Annual Report serves the purposes of both the Trustees' Report and the Directors' Report under company law.

The Academy Trust has one school, Kingsthorpe College in Northamptonshire as its only school and has 1,342 students in the autumn 2020 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of The Collaborative Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Collaborative Academies Trust (CAT).

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Academy Trust holds insurance that indemnifies Trustees and Governors against losses arising from claims made for maladministration or dishonest, fraudulent, criminal, or malicious act or omission subject to some principal exclusions and up to a value of £2,000,000.

Method of recruitment and appointment or election of Trustees

Trustees are appointed and inducted in accordance with the provisions set out in the Memorandum and Articles of Association.

The Memorandum and Articles of Association states that there shall be a minimum of three members, including the Chair of the Trustees, and there shall be not less than three or more than twelve Trustees. Two parent Trustees must be appointed if the Trust does not have Local Governing Bodies, currently this is not the case.

Method of recruitment and appointment or election of Local Governors

National support has been found through SGOSS, (School Governors' One-Stop Shop) a national charity for governor recruitment. Parent and Staff Governors are elected on the same basis as many maintained schools. At Trust Board level the Academy Trust have advertised via Academy Ambassadors for Trustees with a specific skill set. They are not able to do this currently as the Academy Trust does not meet the 3 schools' criteria. The current Trustees therefore rely on local and existing networks.

The most recent Trustee appointments have come from Kingsthorpe College and from the recommendation from the Regional Schools Commissioner.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of Trustees

The Trust Board meets at least once a term formally and Directors are in regular contact otherwise. Induction and training needs are identified as meetings take place. The Academy Trust provides all new Trustees with the opportunity to look around the school and provides an information pack that includes the Roles and Responsibilities of Trustees, the Terms of Reference, and information on the legal documentation that relate to the Academy Trust. The Board's procedures are set out in the Memorandum and Articles of Association.

Organisational structure

The Academy Trust commission a range of external providers for specific targeted interventions. A range of partner organisations has developed, most notably in the form of RSM UK Audit LLP to provide audit, Stone King to provide legal advice and EPM to provide HR and Payroll services. Kingsthorpe College has also established a retainer with a Northampton based group of HR Solicitors, Astons, who provide ongoing support. The Academy Trust and Kingsthorpe College are also supported with accounting services from SBM Services Ltd.

The Headteacher of Kingsthorpe College has assumed the position of Accounting Officer from the 14 September 2018 and the Director of Operations from Kingsthorpe College has assumed the role of Chief Finance Officer from 1 January 2019. This will be reviewed by the Board as the Academy Trust's strategic direction changes.

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust reviews pay and remuneration on an annual basis for the CEO, although currently there is not a CEO role and the Headteacher of KTC has been appointed as the Trust's Accounting Officer. Executive staff are asked to withdraw from this part of the meeting. Pay is set in line with the market rate for this role. The Accounting Officer and Chair of Trustees sets the objectives for the CFO. Pay is set by benchmarking the role using the external provider, EPM, and the market rate for this role is set. All school employed staff have their performance reviewed in line with Teachers pay and conditions and their pay determined by the Local Governing body.

Related parties and co-operation with other organisations

The trust works with a variety of local stakeholders and other institutions in the furtherance of its charitable objectives and has policies in place to ensure engagements with connected and related parties are identified and follow the "at cost" principles where appropriate. Full details of related party transactions are disclosed within note 29 to the financial statements.

OBJECTIVES AND ACTIVITIES

Knowing our students and believing that everything is possible is at the heart of our vision. CAT expects the best of everyone, and our core values are aspiration, respect, responsibility and care. We want all involved to dream big, work hard, and stay humble.

Our aim is to ensure that all our children are happy, confident resilient and self-critical learners who achieve their fullest personal and academic potential. We achieve this through:

- Providing high quality learning and teaching opportunities daily through effective classroom resourcing, extra-curricular opportunities, and pastoral care.
- Raising the standards of educational achievement of all pupils, and, closing the achievement gap between disadvantaged and non-disadvantaged pupils.
- Improving the effectiveness of the Academy Trust, by keeping the curriculum and organizational structure under continual review and complying with curriculum requirements.
- Providing value for money for the funds expended.
- Building and maintaining close links with local, national and international industry and commerce to impact on the learning experience of our pupils.
- Conducting the Academy Trust's business in accordance with the highest standards of professionalism, honesty and integrity.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Public benefit

During the year the Academy Trust Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission, in exercising their powers. The areas benefitting from the Academy Trust are the areas around Northampton Town.

Trade Union Facilities Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

Percentage of time - %	Number of employees
0	0
1- 50	2
51-99	0
100	0

Percentage of pay bill spent on facility time

	£000
Provide the total cost of facility time	4
Provide the total pay bill	6,088
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.66%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	3
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THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Kingsthorpe College is a popular and over-subscribed Academy in Northampton Town where students achieve well. We believe that we have fulfilled our charitable purpose for the public benefit in the year 2019-20. Year 11 students achieve in line, or above national average, in all key performance indicators. This represents good progress as the cohort is significantly weaker than the national average. The results at A level enabled almost all the cohort to go to the university of their choice. At both Key Stage 4 and Key Stage 5, the performance of the College has moved from below average to average and demonstrates an upwards trajectory of improvement. The Academy continued its wide range of extra-curricular provision, trips and tours both, locally, nationally and internationally - sporting, musical, cultural, language exchanges, and charitable in nature. We also continue to build close working partnerships with a range of businesses, both locally and nationally, to help ensure our pupils are fully prepared to compete in a global market. Kingsthorpe College received a full section 5 visit from Ofsted during December 2019 and was judged to be a Good school.

Key Performance Indicators and Achievement

The College took a fair and robust approach towards the 2020 Centre Assessed grade methodology, and based students' final grades on the previous 3 years' attainment, which is reflected in the % of students achieving grades 4+ and 5+ in both English and mathematics in the results table below. National headlines tell us that national standards significantly increased this year (showing that many schools did not follow the DfE guidelines of maintaining the historic 3 year trend) and therefore has had an impact on our Progress 8 score, which has decreased compared to last year, due to being a comparison figure with other schools nationally.

Headline Summary

The College's headline results are mostly in line with Summer 2019. An increase in progress has been seen in English, bringing it in line with math's at -0.4. Ebacc subjects' progress figure is calculate at -0.24, whilst the open bucket has a progress figure of 0. This is in line with previous years.

Shadow Data

Internal shadow data from 2019 gives a Progress 8 score of 0.03. This has been calculated by including 33 students without KS2 prior attainment and therefore do not feature in our published score.

In 2020, again the cohort included 27 (13%) students without KS2 prior attainment, once again meaning that they do not feature in our published progress 8 score. Of these 27 students, 10 students scored higher than the average point score, 7 achieved a pass in English and Maths, and the progress compared to their in-school targets based upon CAT tests, was positive.

	2017 Result	2018 Result	2019 Result	2020 Result
Number of Students	-	97	94	109
A-Level Cohort				
Number of students	-	86	72	67
Average Point Score per entry	27.8	26.11	25.77	31.55
Average Grade	C-	C-	C-	C
A-Level Value Added score	-0.04	-0.22	-0.16	0.21
Academic cohort				
Number of students	-	86	72	67
Average Point Score per entry	28.12	26.28	25.83	31.55
Average Grade	C-	C-	C-	C
Academic Value-Added score	-0.02	-0.21	-0.16	0.21
Applied General				
Number of students	-	40	29	55
Average Point Score per entry	43.24	31.4	31.13	33.01
Average Grade	Dist*-	Dist*-	Dist-	Dist-
Applied General Value-Added score	0.14	0.07	0.1	0.64

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Financial review

Income is mostly obtained from the Department for Education (DfE)/Education and Skills Funding Agency (ESFA) in the form of General Annual Grants (GAG), the use of which is restricted to the Academy Trust's educational objectives. The grants from the DfE/ESFA and the associated expenditure can be seen in the restricted funds of the Statement of Financial Activities.

Kingsthorpe College has their own delegated authority to make capital purchases from their budget using their Devolved Formula Capital Grant or budgeted revenue reserves. During the period, Kingsthorpe College sought advice from the Academy Trust before initiating any major investments.

Kingsthorpe College did not have their land and buildings transferred into the Academy Trust because they are part of the Northamptonshire PFI project. The commitments to PFI costs can be seen in note 20 of the financial statements.

The restricted fixed asset fund has been reduced by the annual depreciation charge.

The Statement of Financial Activities shows a deficit of £633,000 (2019: Deficit £14,631,000). The prior year included a significant recognised deficit on the transfer out of the schools amounting to £13,417,000 which did not arise in the current reporting period. The deficit includes an actuarial loss on the defined benefit pension scheme of £258,000 (2019 deficit: £981,000). The overall in-year deficit on the defined benefit pension scheme is £600,000 (2019: £1,683,000). The overall deficit on funds held on the Balance Sheet amounts to £3,462,000 (2019: £2,829,000).

The Academy Trust uses the following key performance indicators for financial elements of school organisation:

- The reserves held and the expected commitment to use them
- Total payroll as a % of revenue income
- % payroll split between teaching and non-teaching costs
- Cashflow balance

These are reviewed by the senior leadership team via monthly management accounts and in a summary dashboard for the Trustees at Board meetings.

General reserves on the Balance Sheet show general restricted and unrestricted reserves of £344,000 (2019: £448,000). The Trust believes this level of reserves is appropriate.

An analysis of staff costs can be seen in notes 8 and 9 to the financial statements.

At the yearend total staff costs as a percentage of income was 78% (2019: 80%), 73% (2018: 80%) of these costs were spent in direct teacher costs. The Academy Trust expects a spend between 75-80% of income in staff costs, and although the percentage has fallen since last year, the Academy Trust has had to continually invest in temporary staff to cover long term sickness. Due to COVID, further investment in staffing will continue in 2020/21 to significantly reduce the reliance on temporary staff.

The total cash balance was £964,000 (2019: £779,000) including capital funding of £84,000 (2019: £119,000). The Balance Sheet position at the yearend was (£3,462,000) (2019: (£2,829,000)).

THE COLLABORATIVE ACADEMIES TRUST TRUSTEES' REPORT (CONTINUED)

Reserves policy

It is the Academy Trust's view not to hold reserves unnecessarily and to support Kingsthorpe College to achieve their outcomes for today's children. In reviewing reserves the Academy Trust has taken into account the requirement for Kingsthorpe College to have a working reserve of at least £300,000. These expectations have been met. The total funds of the Academy Trust amounted to (£3,462,000) (2019: £2,829,000) with £344,000 (2019: £448,000) being freely available, the balance being invested in fixed assets, or having restriction, including the deficit on the local pension scheme of £4,113,000 (2019: £3,513,000). Funds notes 18 and 19 set out the carry forward for the central trust and Kingsthorpe College separately, and the analysis between restricted and unrestricted reserves.

Like most Academy Trusts, the Board takes the advice of the Local Government Pension Scheme (LGPS) Actuary to meet its obligations in relation to the LGPS deficit it holds.

Investment policy

The Trustees maximise income by investing in short term cash deposits, if applicable.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Going concern

The Academy Trust successfully re-brokered its 8 primary schools with effect from 1 September 2018. Full details of the financial impact of the re-brokerage were disclosed as a post balance sheet disclosure within the 2018 financial statements and all amounts relating to the transfer were settled in the year. Following the re-brokerage, only Kingsthorpe College has remained in the Academy Trust and the Academy Trust's Senior Leadership Team and Board of Trustees have been restructured around Kingsthorpe College (details of the current composition and method of appointment are summarised in the Governance Statement and Trustees' Report).

The Trustees, Accounting Officer and Local Governing Board (LGB) have engaged in discussions with the Regional Schools Commissioner of the Department for Education (DfE) and representatives of a number of Trusts in relation to the future of the Trust. The Trustees, Accounting Officer and LGB all believe that it would be in the best long-term interests of the students and communities served by Kingsthorpe College for the Kingsthorpe College to join another Trust rather than remain within The Collaborative Academies Trust with just one school. Due Diligence has been undertaken by the Trustees in consultation with the Headteacher/Accounting Officer and the LGB and having considered the options available to the Academy Trust, the Trustees submitted an application for Kingsthorpe College to join the Orbis Education Trust to the NWLSC Headteacher board. The application was then subsequently approved by the Regional Schools Commissioner on the 17th December 2020.

It is anticipated that Kingsthorpe College will join Orbis Education Trust by September 2021. At the point of this transfer, The Collaborative Academies Trust will no longer have any schools and will be a dormant entity.

COVID 19 continues to place additional pressure to ensure that the College meets its budget forecast commitment. To support students working remotely from home the College has invested in mobile devices for all teaching staff to ensure that in the event of a partial or total lock down, that learning can continue remotely. This increased use and reliance of technology will see the need for further investment in hardware, software, infrastructure and staff training. This could place additional pressure on the budget commitments if no further government COVID grants or funding are announced. The position is monitored by the Trustees and LGB.

The trust is also reporting net liabilities of £3,462k, which includes the trust's assessed defined benefit pension scheme liability of £4,113k. The trust has reviewed the expected contribution levels for the years to 31 August 2021 and 2022 and have reflected the forecast contribution levels into the trust's budgets and forecasts. The trustees are of the view that the trust has sufficient liquid resources to ensure liabilities can be met as they fall due, including contributions in respect of the LGPS, however due to the proposed transfer to Orbis the accounts are not being prepared on a going concern basis.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

The Academy Trust will strive to continue to raise the levels of performance of its students at all levels beyond national averages and will continue to ensure its students find employment, training or a place in higher education once they leave. The school will also continue to attract high quality teachers, trainees and support staff, who can deliver the Academy Trust's vision and aspirations.

The Academy Trust has reviewed its procedures to provide financial support for students whose families are in need, with a view to facilitating the participation of all of our students in the full range of activities and opportunities on offer. The Academy will undertake consultation with parents regarding the increased financial support through Pupil Premium and targeted resources to support learning for the students concerned.

The Trust is realising its strategic plans to strengthen its resources and both maintain and improve upon its Good status as judged by Ofsted.

Discussions continue between senior school leaders of both schools within CAT and the Orbis Education Trust to develop shared thinking around three possible themes for an Orbis Education Trust Improvement Plan namely;

- Theme 1 - School improvement and developing people
- Theme 2 - Governance and risk management
- Theme 3 - Finance and school resource management

Our school is not custodian Trustees on behalf of others.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

The Board continues to review risk through its risk register. The main risks going forward are set out below:

Warranties and Indemnities - the warranties given to transferees were fully risk assessed and approved by the Board. They were all considered to have a minimal / low level of risk. One transfer included an indemnity to the transferee, this was also risk assessed as having a minimal / low level of risk.

Financial - The risk that current funding pressures and uncertainty affect the ability of the Academy Trust to meet its goals. The Academy Trust reviews management accounts monthly and three-year budget forecasts annually.

COVID 19 continues to place additional pressure to ensure that the college meets its budget forecast commitment. To support students working remotely from home the college has invested in mobile devices for all teaching staff to ensure that in the event of a partial or total lock down, that learning can continue remotely. This increased use and reliance of technology will see the need for further investment in hardware, software, infrastructure and staff training. This could place additional pressure on the budget commitments if no further government COVID grants or funding are announced.

As the College is a PFI school, a large amount of the additional costs associated with ensuring that the site is COVID secure, e.g. additional cleaning staff and cleaning chemicals have been absorbed as part of the current contract. If the situation should continue these costs maybe passed onto the college. Other costs associated with ensuring a COVID secure site are being monitored closely and cost savings are being made in other areas such as staff travel and partial refunds from Exam boards to reduce the overall risk.

Staffing levels will continue to be monitored as the college has reduced the use of supply staff to ensure the site is COVID secure and has also seen a risk in the number of maternities.

COVID 19 continues to be an area of uncertainty as it is not known how long the global pandemic will continue and if further government funding will be available to support the additional costs.

Health & Safety - COVID 19 continues to represent a health and safety risk nationally and to the school community. School Leaders have engaged the services of AJ Gallagher to support with the whole school risk assessment, and reviews considering changes to guidance issued by the Department for Education. Kingsthorpe College are working with local Public Health England and Environmental Health Officers closely to ensure the continued safety of the school community.

Academic Performance - The academic performance of the Academy Trust shows an improving picture at Key Stage 4 and 5. At present external data does not reflect a true picture of the school's performance in 2019 or 2020 for the following reasons.

In 2019, the data does not take account of the entirety of the cohort - particularly at KS4 where 20% of the cohort are not included in the Progress 8 figure as they have no Key Stage 2 data. In 2020, again 13% of the cohort without KS2 prior attainment impacted on this Progress 8 outcome. Furthermore, the College took a fair and robust approach towards the 2020 Centre Assessed grade methodology, which due to comparisons with national headlines has impacted on our estimated Progress 8 score.

At both Key Stage 4 and 5 the College has moved from below average performance to average performance and the Academy Trust is looking individually at the investment needed in the school to continue to support this upward trajectory.

Safeguarding - The risk that pupils and staff are not safe. The school has a named Safeguarding Governor and Staff and a named Safeguarding Trustee. DBS checks are renewed every three years. There is an Academy Trust wide policy on safeguarding and confirmation is requested from the school on an annual audit checklist. The safeguarding policy is assured to the Board having been reviewed annually by an external safeguarding professional. Safeguarding is reported on at all Board meetings.

Succession Planning - The risk the Academy Trust would be affected by the loss of a key Board or staff members. The Board regularly reviews its skill base at Board level. At a staff level it has connections with recruitment agencies and assesses its internal ability to promote. It has appointed Jennifer Giovanelli to the position of Accounting Officer/CEO on the departure of the CEO. The Academy Trust has appointed Julie Ricketts to the position of Chief Financial Officer, and she is supported by local networks and other professionals to ensure compliance and best practice.

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Compliance - The risk the Academy Trust fails to comply with statutory regulation. The Academy Trust has policies and processes in place to ensure compliance some of these are at a local level and others are at an Academy Trust level. The Board has appointed internal and external auditors to review finance and regularity. Audit findings continue to be monitored. Health and Safety is reported on at all Board meetings and risk associated with COVID 19 are monitored closely. Kingsthorpe College were supported by AJ Gallagher in relation to the whole school risk assessment process for COVID 19 and will continue to do so as appropriate.

Fundraising

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

THE COLLABORATIVE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

AUDITOR

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

Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 13 January 2021 and signed on its behalf by:



C Waterman
Chairman

13 January 2021

THE COLLABORATIVE ACADEMIES

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 The Collaborative Academies Trust and the Secretary of State for Education. She is also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control. The previous CEO stood down on the 14 September 2018 and the Headteacher of Kingsthorpe College took up the position of Accounting Officer following the transfer of the eight primary schools to other trusts.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trust Board has formally met five times during the year. Attendance during the year at meetings of the Trust Board was as follows:

Trustees	Meetings attended	Out of possible
A Campbell	5	5
C Waterman (Chairman)	4	5
C Hilliard	5	5
B Aujla (Appointed 10 July 2020)	2	2
P Harris Bridge (Resigned 1 June 2020)	1	2

Governance reviews

The Board composition and governance is regularly reviewed at meetings

In the year Kingsthorpe College had a local governing body and minutes are submitted to the CEO and circulated to the CFO as necessary.

The Academy Trust's governance, risk management, internal control and value for money framework, including the receipt of reports from both internal and external auditors is assumed within the main Trust Board Committee.

The finance and general purposes committee is a sub-committee of the main Board of Trustees. Its purpose is to:

THE COLLABORATIVE ACADEMIES GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

The Accounting Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for taxpayers' resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available.

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 priorities 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 The Collaborative Academies Trust for the year to 31 August 2020 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Trust Board 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 year to 31 August 2020 and up to the date 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 Local Governing Body and the Trust Board;
- regular reviews by Kingsthorpe Governing Body Staffing and Resource/Finance committees are undertaken followed by full reports at Full Governing Body meetings, which indicate financial performance against the forecasts and of major purchase plans;
- updates from the Full Governing Body are given to the Trustee board each time they meet by the Chair of the local Kingsthorpe College Governing Body on all matters from the Staff and Resources/Finance Committee and the Achievement Committee.
- 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 COLLABORATIVE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

The Board of Trustees has considered the need for specific internal audit function and appoints SBM Services Ltd as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The checks carried out in the current period included:

Governance

- The Trust Board
- Register of Business Interests
- Business Continuity
- Risk Management
- Financial Regulations
- Financial Management Skills of the Trust

Income

- Funding Reconciliations
- Lettings
- Debt Management
- Income Collection

Purchasing & Creditors

- Value for Money
- Procurement Processes
- Purchase Ledger
- Charge/Purchase Cards
- Account Signatories & Payments

Bank & Cash

- Bank Reconciliations
- Petty Cash
- Payment Authorisation
- Cash Flow Management

Fixed Assets

- Fixed Asset Register
- Equipment Inventory

The reports from SBM Services Ltd were reviewed by the Trust Board and the school local governing bodies. No significant issues arose.

Review of effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been performed by:

- The work of the Internal Auditor
- 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

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the Finance and Audit Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 13 January 2021 and signed on its behalf by:



C Waterman
Chairman



J Giovanelli
Accounting Officer

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Collaborative Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and 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 2019.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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



J Giovanelli
Accounting Officer

13 January 2021

THE COLLABORATIVE ACADEMIES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of The Collaborative Academies Trust for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgements 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 13 January 2021 and signed on its behalf by:



C Waterman
Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COLLABORATIVE ACADEMIES TRUST

Opinion

We have audited the financial statements of The Collaborative Academies Trust (the “charitable company”) for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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, United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 August 2020 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 Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Emphasis of matter – Non-going concern basis of accounting

We draw attention to the Trust’s going concern accounting policy within note 1 of the financial statements which describes the preparation of the financial statements on a non-going concern basis. As described in the going concern accounting policy, the Board has approved the decision to transfer the last remaining school (Kingsthorpe College) out of the trust by 1 September 2021, after which the trust will cease trading and the Trustees have concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

Other information

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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees’ Report, and the incorporated Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees’ Report and the incorporated Strategic Report included within the Trustees’ Report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COLLABORATIVE ACADEMIES TRUST

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 19, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

RSM UK AUDIT LLP

Nicholas Cattini (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
Essex, CM1 1LN
Date: 17 January 2021

Statement of Financial Activities for the Year Ended 31 August 2020

(including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2020 Total	2019 Total
	Note	£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	3	1	-	28	29	118
					-	
Charitable activities:						
Funding for the Trust's educational operations	4	-	8,069	-	8,069	7,130
Other trading activities	5	7	15	-	22	52
Investments	6	2	-	-	2	3
Total		10	8,084	28	8,122	7,303
Expenditure on:						
Raising Funds	7	13	15	-	28	29
Charitable Activities:						
Academy trust educational operations	7,8	-	8,369	100	8,469	7,507
Transfer of existing academies out of Trust			-		-	13,417
Total	7	13	8,384	100	8,497	20,953
Net income/ (expenditure)		(3)	(300)	(72)	(375)	(13,650)
Transfers between funds	18	(101)	(44)	145	-	-
Other recognised gains / (losses)						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(258)	-	(258)	(981)
Net movement in funds		(104)	(602)	73	(633)	(14,631)
Reconciliation of funds						
Total funds brought forward	18	448	(3,511)	234	(2,829)	11,802
FUNDS CARRIED FORWARD		344	(4,113)	307	(3,462)	(2,829)

All activities derive from continuing operations during the above two financial periods.

Balance Sheet

as at 31 August 2020

Company registration number: 08168307

	Note	2020		2019	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	13		223		115
Current assets					
Stocks	14	-		24	
Debtors	15	283		267	
Cash at bank and in hand		964		779	
		<u>1,247</u>		<u>1,070</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(819)</u>		<u>(501)</u>	
Net current assets			<u>428</u>		<u>569</u>
Creditors: Amounts falling after more than one year			<u>-</u>		<u>-</u>
Total assets less current liabilities			651		684
Net assets excluding pension liability			<u>651</u>		<u>684</u>
Defined benefit pension scheme liability			(4,113)		(3,513)
Total net assets			<u><u>(3,462)</u></u>	£	<u><u>(2,829)</u></u>
Funds of the academy trust					
Restricted funds					
Fixed asset fund	18		307		234
Restricted income fund	18		-		2
Pension reserve	18		(4,113)		(3,513)
Total restricted funds			<u>(3,806)</u>		<u>(3,277)</u>
Unrestricted income funds	18		<u>344</u>		448
			<u>344</u>		448
Total funds			<u><u>(3,462)</u></u>	£	<u><u>(2,829)</u></u>

These financial statements were approved by the Board on 13th January 2021 and are signed on their behalf by:



Chairman

Statement of Cash Flows for the Year Ended 31 August 2020

	Notes	<u>2020</u> £000	<u>2019</u> £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	351	(384)
Cash flows from financing activities			
	22	(2)	(2)
Cash flows from investing activities			
	23	(164)	(653)
Change in cash and cash equivalents in the reporting period		<u>185</u>	<u>(1,039)</u>
Cash and cash equivalents at 1 September 2019		779	1,818
Cash and cash equivalents at 31 August 2020	24	<u><u>964</u></u>	<u><u>779</u></u>

Notes to the Financial Statements for the Year Ended 31 August 2020

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 Collaborative Academies Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard which is applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2019 to 2020 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

The Collaborative Academies Trust meets the definition of a public benefit entity under FRS102.

Going Concern

The Academy Trust successfully re-brokered its 8 primary schools with effect from 1 September 2018. Full details of the financial impact of the re-brokerage were disclosed as a post balance sheet disclosure within the 2018 financial statements and all amounts relating to the transfer were settled in that year. Following the re-brokerage, only Kingsthorpe College has remained in the Academy Trust and the Academy Trust's Senior Leadership Team and Board of Trustees have been restructured around Kingsthorpe College (details of the current composition and method of appointment are summarised in the Governance Statement and Trustees' Report).

The Trustees, Accounting Officer and Local Governing Board (LGB) have engaged in discussions with the Regional Schools Commissioner of the Department for Education (DfE) and representatives of a number of Trusts in relation to the future of the Trust. The Trustees, Accounting Officer and LGB all believe that it would be in the best long-term interests of the students and communities served by Kingsthorpe College for the Kingsthorpe College to join another Trust rather than remain within The Collaborative Academies Trust with just one school. Due Diligence has been undertaken by the Trustees in consultation with the Headteacher/Accounting Officer and the LGB, and having considered the options available to the Academy Trust, the Trustees submitted an application for Kingsthorpe College to join the Orbis Education Trust to the NWLSC Headteacher board. The application was then subsequently approved by the Regional Schools Commissioner on the 17th December 2020.

It is anticipated that Kingsthorpe College will join Orbis Education Trust by September 2021. At the point of this transfer, The Collaborative Academies Trust will no longer have any schools and will be a dormant entity. The accounts have therefore been prepared on a non-going concern basis. There have been no adjustments to the financial statements as a result of the application of the non-going concern basis of accounting.

Income

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

Grants

Grants receivable 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 year 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 the 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.

Notes to the Financial Statements for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES (continued)

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

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.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

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.

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.

All resources expended are inclusive of irrecoverable VAT.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Leasehold land and buildings	Over the life of the lease
Fixtures, fittings and equipment	3 years

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.

Notes to the Financial Statements for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES (continued)

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.

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 FRS102. The financial assets and financial liabilities of the academy trust are detailed in note 17 and their measurement bases 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.

Cash at bank - is classified as a basic financial instruments and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or other financial instrument.

Taxation

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

Notes to the Financial Statements for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES (continued)

Pensions Benefits

Retirement benefits to employees of the Academies Enterprise Trust are provided by the Teacher's Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes and the assets are held separately from those of the academy trust.

Teachers' Pension Scheme

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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Local Government Pension Scheme

The LGPS is a funded multi-employer 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 net income/(expenditure) 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 gains and losses.

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

Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

Fund Accounting

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

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

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

Notes to the Financial Statements for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES (continued)

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.

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 26, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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. Events after the end of the reporting period

There were no significant events after the reporting period that affect the ability of users to evaluate the accounts.

3. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	2020 £000	2019 £000
Capital grants	-	28	28	94
Donations	1		1	24
	<u>1</u>	<u>28</u>	<u>29</u>	<u>118</u>

The income from donations and capital grants was £42,000 (2019: £118,000) of which £14,000 was unrestricted (2019: £24,000) and £28,000 was restricted fixed asset funds (2019: £94,000).

4. Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	TOTAL 2020 £000	Total 2019 £000
DfE / ESFA grants				
General Annual Grant (GAG)	-	7,284	7,284	6,077
Other DfE / ESFA grants	-	695	695	531
	<u>-</u>	<u>7,979</u>	<u>7,979</u>	<u>6,608</u>
Other Government grants				
Local authority grants	-	58	58	484
Other incoming resources	-	32	32	38
	<u>-</u>	<u>90</u>	<u>90</u>	<u>522</u>
	<u>-</u>	<u>8,069</u>	<u>8,069</u>	<u>7,130</u>

The income from funding for the Academy Trust's educational operations was £8,069,000 (2019: £7,130,000) of which £8,069,000 was restricted (2019: £7,130,000).

5. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	TOTAL 2020 £000	Total 2019 £000
Commission	1	-	1	1
Staff services		15	15	47
Fundraising	1	-	1	4
Sale of goods and services	5		5	-
	<u>7</u>	<u>15</u>	<u>22</u>	<u>52</u>

The income from other trading activities was £22,000 (2019: £52,000) of which £7,000 was unrestricted (2019: £5,000) and £15,000 was restricted (2019: £47,000).

6. Investment Income

	Unrestricted Funds £000	Restricted Funds £000	2020 £000	2019 £000
Interest from short term deposits	2	-	2	3
	<u>2</u>	<u>-</u>	<u>2</u>	<u>3</u>

The investment income was £2,000 (2019: £3,000) of which £2,000 was unrestricted (2019: £3,000).

7. Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£000	Premises £000	Other £000	2020 £000	2019 £000
Expenditure on raising funds					
• Direct and allocated support costs	15		13	28	29
Academy's educational operations					
• Direct costs	5,467	-	433	5,900	5,295
• Allocated support costs	1,031	1,171	367	2,569	2,212
	<u>6,513</u>	<u>1,171</u>	<u>813</u>	<u>8,497</u>	<u>7,536</u>

The expenditure on raising funds was £28,000 (2019: £29,000) of which £13,000 was unrestricted (2019: £nil) and £15,000 was restricted (2019: £29,000).

Net (income)/expenditure for the year includes:

	2020 £000	2019 £000
Operating lease rentals	505	494
Depreciation of tangible fixed assets	86	56
Bank and loan interest	2	2
Net interest on defined benefit pension liability	69	67
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as		
Audit	23	17
Other services	-	7

8. Charitable activities

	Unrestricted	Restricted	Total	2019 £000
	Funds £000	Funds £000	2020 £000	
Direct costs - educational operations		5,900	5,900	5,295
Support costs - educational operations		2,569	2,569	2,212
	<u>-</u>	<u>8,469</u>	<u>8,469</u>	<u>7,507</u>

The expenditure on charitable activities was £8,469,000 (2019: £7,507,000) of which £nil was unrestricted (2019: £28,000), £8,369,000 was restricted (2019: £7,423,000) and £100,000 was restricted fixed assets (2019: £56,000).

	2020 £000	2019 £000
Analysis of support costs		
Support staff costs	1,031	1,024
Depreciation	86	56
Technology costs	31	20
Premises costs	1,085	762
Legal costs - other	13	7
Other support costs	192	200
Governance costs	131	143
Total support costs	<u>2,569</u>	<u>2,212</u>

9. Staff costs

a. Staff costs during the period were:

	2020 £000	2019 £000
Wages and salaries	4,615	4,330
Social security costs	458	418
Pension costs	1,287	887
	<u>6,360</u>	<u>5,635</u>
Agency staff costs	105	109
Staff restructuring costs	29	24
	<u>6,494</u>	<u>5,768</u>
Staff development and other staff-related costs	19	22
	<u>6,513</u>	<u>5,790</u>
Staff restructuring costs comprise:		
Redundancy payments	-	11
Severance payments	29	13
	<u>29</u>	<u>24</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £17,600 (2019: £13,000).

c. Staff numbers

The average number of persons employed by the Academy Trust during the year ended 31 August 2020 was as follows:

	2020 No.	2019 No.
Teachers	81	80
Administration and support	58	63
Management	10	11
	<u>149</u>	<u>154</u>

d. Higher paid staff

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

	2020 No.	2019 No.
£60,001-£70,000	2	2
£70,001-£80,000	1	1
£80,001-£90,000	-	1
£90,000-£100,000	1	-

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 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 £708,166 (2019: £623,470)

f. Gifts and hospitality

During the year the academy trust authorised £252 (2019: £416) from restricted funds that could be classified as 'gifts'.

10. Central Services

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

- * educational support services
- * governance support
- * financial accounting support services
- * legal support services

The amounts charged during the year were as follows:

	2020 £000	2019 £000
Kingsthorpe College	213	210

11. Trustees' remuneration and expenses

No trustees have been paid remuneration or have received other benefits from 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:

S Peck (Chief Executive Officer, resigned)
Remuneration £nil (2019: £30,000-£40,000)
Employer's pension contributions paid £nil (2019: £1,000-£5,000)

During the period ended 31 August 2020 travel and subsistence expenses totalling nil were reimbursed or paid directly trustees (2019: £874 to 2 trustees).

Other related party transactions involving the trustees are set out in note 29.

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31st August 2020 was £206 (2019: £209). The cost of this insurance is included in the total insurance cost.

13. Tangible Fixed Assets

	Fixtures, fittings & Equipment £000	TOTAL £000
COST:		
At 1 September 2019	402	402
Additions	194	194
Impairment	-	-
At 31 August 2020	<u>596</u>	<u>596</u>
DEPRECIATION:		
At 1 September 2019	287	287
Charge in year	86	86
Impairment	-	-
At 31 August 2020	<u>373</u>	<u>373</u>
NET BOOK VALUE:		
At 31 August 2020	<u><u>223</u></u>	<u><u>223</u></u>
At 31 August 2019	<u><u>115</u></u>	<u><u>115</u></u>

14. Stocks

	2020 £000	2019 £000
Resources and stationery	<u><u>-</u></u>	<u><u>24</u></u>

15. Debtors	2020	2019
	£000	£000
Trade debtors	1	2
VAT recoverable	94	102
Other debtors	12	-
Prepayments and accrued income	176	163
	283	267

16. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	488	281
Taxation and social security	119	110
Other creditors	143	28
Accruals and deferred income	69	82
	819	501

Deferred income

	2020	2019
	£000	£000
Deferred income at 1 September 2019	4	142
Released from previous years	(4)	(142)
Resources deferred in the year	-	4
Deferred income at 31 August 2020	-	4

In 2019 deferred income of £3,850 related to Career guidance advances.

17. Financial Instruments

	2020	2019
	£000	£000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	166	97
Carrying amount of financial liabilities		
Measured at amortised cost	700	493

18. Funds

The income funds of the Trust comprise the following balances of grants to be applied for specific purposes.

	Balance at 01 September 2019	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	-	7,284	(7,240)	(44)	-
Other DfE/ESFA grants	-	695	(695)	-	-
Other government grants	-	90	(90)	-	-
Other restricted funds	2	15	(17)	-	-
Pension reserve	(3,513)	-	(342)	(258)	(4,113)
	(3,511)	8,084	(8,384)	(302)	(4,113)
Restricted fixed asset funds					
Transfer on conversion	-	-	-	-	-
DfE/ESFA capital grants	55	28	-	-	83
Capital expenditure from GAG	179	-	(100)	145	224
	234	28	(100)	145	307
Total restricted funds	(3,277)	8,112	(8,484)	(157)	(3,806)
Total unrestricted funds	448	10	(13)	(101)	344
Total funds	(2,829)	8,122	(8,497)	(258)	(3,462)

18. Funds (continued)

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

General Annual Grant (GAG) represents the core funding for the educational activities of the academy trust. This has been provided via the ESFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the Trust's academy.

The Pension reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Other DfE/ESFA fund has been created to recognise the restricted grant funding received from the DfE/ESFA which fall outside the scope of core funding.

The Other government grants fund has been created to recognise the funding received from Northamptonshire County Council. The associated expenditure has been allocated to this fund.

Other restricted funds recognise the donations received by the academy trust that have a restriction requiring them to be spent for educational purposes.

The DfE group capital grants fund represents the total amount of capital grants received. The monies spent on fixed assets and refurbishment works are allocated to this fund. A transfer is made between the restricted general funds to the restricted fixed asset fund to meet the difference between the amount spent on capital and the capital funding available, Depreciation charged on the fixed asset purchases is allocated to the fund. The fund balance carried forward represents the carrying value of the fixed assets purchased together with the value of any unspent capital grants at the reporting date.

Capital expenditure from GAG fund has been created to reflect the value of tangible fixed assets purchased from GAG funding. Depreciation charge do the aassets purchased with GAG funding is allocated to this fund.

The movement in unrestricted reserves represents the additional investment in schools over and above the GAG.

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

	Balance at 01 September 2018	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2019
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	-	6,077	(6,118)	41	-
Other DfE/ESFA grants	-	531	(531)	-	-
Other government grants	-	484	(484)	-	-
Other restricted funds	-	85	(83)	-	2
Pension reserve	(6,106)	-	3,574	(981)	(3,513)
	(6,106)	7,177	(3,642)	(940)	(3,511)
Restricted fixed asset funds					
Inherited on conversion	15,358	-	(15,253)	(105)	-
DfE/ESFA capital grants	1,183	94	(1,195)	(27)	55
Capital expenditure from GAG	434	-	(111)	(144)	179
	16,975	94	(16,559)	(276)	234
Total restricted funds	10,869	7,271	(20,201)	(1,216)	(3,277)
Total unrestricted funds	933	32	(752)	235	448
Total funds	11,802	7,303	(20,953)	(981)	(2,829)

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	Total 2020 £000	Total 2019 £000
Kingsthorpe College	302	356
Central Services	42	94
Total before fixed assets and pension reserve	344	450
Restricted fixed asset fund	307	234
Pension reserve	(4,113)	(3,513)
Total	(3,462)	(2,829)

18. Funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs (excluding depreciation) £000	Total 2020 £000	Total 2019 £000
Kingsthope College	5,482	679	388	1,311	7,860	7,292
Central Services	25	29	60	81	195	255
Academy Trust	5,507	708	448	1,392	8,055	7,547

In addition to those costs disclosed above, included in the costs for the period was an amount of £342k which related to the LGPS finance cost for the Trust.

19. Analysis of Net Assets between Funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Fund £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	223	223
Current assets	344	819	84	1,247
Current liabilities	-	(819)	-	(819)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(4,113)	-	(4,113)
Total net assets	344	(4,113)	307	(3,462)

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

	Unrestricted Fund £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	115	115
Current assets	448	437	185	1,070
Current liabilities	-	(435)	(66)	(501)
Pension scheme liability	-	(3,513)	-	(3,513)
Total net assets	448	(3,511)	234	(2,829)

20. Commitments under operating leases

Operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £000	2019 £000
Amounts due within one year	521	489
Amounts due between one and five years	2,084	1,958
Amounts due after five years	6,252	6,444
	8,857	8,891

21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £000	2019 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(375)	(13,650)
Adjusted for:		
Net deficit on transfer of academy out of Trust	-	13,417
Depreciation (note 13)	86	56
Interest receivable (note 5)	(2)	(3)
Interest payable	2	2
Capital grants from DfE and other capital income	(28)	(94)
Defined benefit pension scheme cost less contributions payable	273	169
Defined benefit pension scheme finance cost	69	67
Decrease/(increase) in stocks	24	16
(Increase) in debtors	(16)	(573)
Increase in creditors	318	(474)
Cash transferred out of trust on re-brokerage	-	683
Net cash provided by / (used in) operating activities	351	(384)

22. Cash Flows from Financing Activities

	2020 £000	2019 £000
Finance costs	(2)	(2)
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	(2)	(2)

23. Cash Flows from Investing Activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	2	3
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(194)	(67)
Capital grants from DfE/ESFA	28	94
Cash transferred out of the trust on re-brokerage	-	(683)
Net cash provided by / (used in) investing activities	(164)	(653)

24. Analysis of cash and cash equivalents

	At 31 August 2020 £000	At 31 August 2019 £000
Cash in hand and at bank	964	779
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	964	779

25. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	779	185	964
Cash equivalents	-	-	-
Loans falling due within one year	-	-	-
Total	779	185	964

26. Members' Liability

Each member of the charitable company undertakes to contribute such amount as may be required (such amount not exceeding £10) to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, for the payment of the Trust's debts and liabilities contracted 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 contributories amongst themselves.

27. Pensions 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 Northamptonshire County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £111,588 were payable to the schemes at 31 August 2020 (2019: £88,203) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010 (as amended) and the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and the employer make contributions as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Services Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- Total scheme liabilities for service (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023

The employer's pension costs paid to TPS in the period amounted to £713,479 (2019: £601,561).

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.

27. Pensions and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £298,000 (2019: £284,000), of which employer's contributions totalled £230,000 (2019: £225,000) and employees' contributions totalled £68,000 (2019: £59,000). The agreed contribution rates for future years are 21.6-22.6% for employers and between 5.5% and 12.5% for employees.

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

Principal Actuarial Assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	2.2%	2.3%
Rate of increase for pensions in payment / inflation	2.7%	2.6%
Discount rate for scheme liabilities	1.7%	1.9%

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>	<i>years</i>	<i>years</i>
Males	21.5	21.2
Females	23.7	23.3
<i>Retiring in 20 years</i>		
Males	22.3	22.3
Females	25.1	24.7

Sensitivity

	At 31 August 2020 £000	At 31 August 2019 £000
Discount rate -0.5%	944	870
Mortality assumption: 1 year increase	204-340	175-292
CPI rate +0.5%	828	683
Salary increase rate +0.5%	100	167

The Academy Trust's share of the assets of the scheme were:

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equities	1,856	1,674
Bonds	431	395
Property	323	209
Other assets	81	46
Total market value of assets	2,691	2,324

The actual return on the scheme assets in the year was £107,000 (2019: £103,000)

27. Pensions and similar obligations (continued)
Local Government Pension Scheme (continued)

Amounts recognised in the Statement of Financial Activities

	2020 £000	2019 £000
Current service cost (net of employee contributions)	503	375
Interest cost	69	67
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	19
Total amount recognised in the SOFA	572	461

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

	2020 £000	2019 £000
At 1 September	5,837	4,254
Conversion of academy trusts	-	-
Current service cost	503	375
Past service cost including curtailments	-	19
Interest cost	116	125
Employee contributions	68	59
Actuarial (gain)/loss	318	1,026
Benefits paid	(38)	(21)
At 31 August	6,804	5,837

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

	2020 £000	2019 £000
At 1 September	2,324	1,958
Conversion of academy trusts	-	-
Interest income	47	58
Return on assets less interest	60	45
Actuarial gain / (loss)	-	-
Employer contributions	230	225
Employee contributions	68	59
Plan introductions, benefit changes and settlements	(38)	(21)
At 31 August	2,691	2,324

28. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agency for the ESFA. The balance brought forward on 1 September 2019 was a creditor of £24,832. In the accounting period ended 31 August 2020 the academy trust received £23,807 (2019: £23,838) and disbursed £22,766 (2019: £17,705) including an admin fee of £1,190 (2019: £1,191), with an amount of £26,583 included in other creditors at 31 August 2020.

29. Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. No such transactions took place within the period.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE COLLABORATIVE ACADEMIES TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated July 2018 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2019 to 2020, to obtain limited assurance about whether the expenditure disbursed and income received by The Collaborative Academies Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2019 to 2020 Part 9: Regularity Reporting. We are independent of The Collaborative Academies Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of The Collaborative Academies Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of The Collaborative Academies Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2019, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of The Collaborative Academies Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 2019 to 2020.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2019 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures

that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2019 to 2020.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to The Collaborative Academies Trust and the ESFA in accordance with the terms of our engagement letter dated [date]. Our work has been undertaken so that we might state to the The Collaborative Academies Trust 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 The Collaborative Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK AUDIT LLP

RSM UK AUDIT LLP
Chartered Accountants
Marlborough House
Victoria Road South
Chelmsford
Essex, CM1 1LN

Date: 17 January 2021