Achievement through Collaboration Trust

Registered number: 07678864 (Registered in England & Wales)

Trustees report and financial statements

For the year ended 31 August 2018

ACHIEVEMENT THROUGH COLLABORATION TRUST
(A company limited by guarantee)

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ACHIEVEMENT THROUGH COLLABORATION TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr S Lancaster
Mr D Morris
Mrs V Townson
Mr J Houldsworth (resigned 02 February 2018)

Trustees

Mr J Robinson, Chair of Trustees
Mr D Hollings, Vice Chairman
Mr R Duncan
Ms S Wignall
Mr D Logan (resigned 4 July 2018)
Mr J Tarbox (resigned 4 July 2018)
Ms S Birchall (resigned 9 May 2018)
Mrs M Battersby

Company secretary

Mr P Atkinson (resigned 3 October 2017)
Mr N Woodworth (appointed 3 October 2017, resigned 4 December 2017)
Mrs J Goy (appointed 4 December 2017)

Trust Executive Team

Mr D Logan, Joint CEO to 31 August 2018, CEO from 1 September 2018
Mr J Tarbox, Joint CEO to 31 August 2018, Deputy CEO from 1 September 2018
Mrs J Goy, Director of Finance and Operations from 4 December 2017

Company name

Achievement through Collaboration Trust

Principal and registered office

Bowland High, Riversmead, Grindleton, Clitheroe, Lancashire, BB7 4QS

Company registered number

07678864 (Registered in England & Wales

Independent auditor

Mazars LLP, One St Peters Square, Manchester, M2 3DE

Bankers

Lloyds Bank, PO Box 6, 94 Fishergate, Preston, Lancashire, PR1 2JB

ACHIEVEMENT THROUGH COLLABORATION TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The academy trust operates two secondary academies serving a catchment area in the Ribble Valley and Blackburn. Its academies have a combined pupil capacity of 1775 and had a role of 1565 in the school census in May 2018 (2017: 1491).

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the academy trust. The Trustees of Achievement through Collaboration Trust (AtC) are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 3.

b. 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.

c. Trustees' Indemnities

In accordance with normal practice, the Academy has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omission occurring whist on Academy business. The insurance provides cover of up to £10,000,000 (2017: £10,000,000) on any one claim.

d. Method of Recruitment and Appointment or Election of Trustees

Trust board members, who are the directors of the Charitable Company for the purpose of company law, are nominated by all of the existing members. The Articles of Association require the Trust board members to appoint up to 19 Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Trust. The Articles of Association contain provisions for the appointment of additional Trustees including Parent Trustees and Co-opted Trustees.

Trustees are appointed for a fixed term of 4 years but are eligible for re-election at the end of the fixed term.

The Trustees appoint a Local Governing Body (LGB) for each academy in Achievement through Collaboration Multi-Academy Trust. The Trustees will ensure that any Local Governing Body shall include at least 2 Parent Local Governors and 1 Staff Governor.

e. Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees and Local Governors receive induction training and support from the Chief Executive and Chair of the Trustees or the Academy Headteacher and Chair of LGB as appropriate. Trustees and LGBs complete a skills audit and highlight their training needs annually. These are then addressed by sourcing relevant provision either from within the Trust or externally.

f. Organisational Structure

The Trustees and governing body roles and responsibilities were reviewed in March 2018. A detailed Scheme of Delegation is available via the Trust website.

g. Arrangements for setting pay and remuneration of key management personnel

Trustees have delegated responsibility for setting pay policies and levels to the Trust's Resources Committee. The Achievement through Collaboration Trust has adopted a single Pay policy and Appraisal policy for the whole trust.

The pay levels for central trust staff have been set by Trustees to reflect the level of responsibility and the size of the academies (and their individual pay structures) within the Achievement through Collaboration Trust.

h. Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

Relevant Union Officials	1 (0.1 fte)

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£5,508
Provide the total pay bill	£7,099,972
Provide the percentage of the total pay bill spent on facility time	0.08%

i. Related Parties and other Connected Charities and Organisations

Achievement through Collaboration Trust currently consists of two academies, Bowland High and Witton Park Academy. The Trust does not receive sponsorship, though it is approved as a Sponsor Academy Trust by the Department for Education.

Objectives and Activities

a. Objects and aims

1. We base our policies, curriculum and decisions on three core principles:
    a. Children come first, and are at the heart of all we do
    b. Positive relationships underpin all of our work
    c. High expectations and no barriers – everybody can achieve
2. Schools collaborate to achieve excellence in all areas, but individual school identity matters
3. We promote traditional values of respect, honesty, diligence and responsibility
4. The development of the whole child drives the learning experience
5. Every learner has equal value in our community
6. Our learners should achieve higher standards than others from similar contexts.

b. Objectives, Strategies and Activities

Three guiding principles drive all of our work and decision-making:

a. **Children come first, and are at the heart of all we do.**
Our academies exist for our learners. In formulating our policies and development priorities, the desire to create the best possible learning environment, deliver the best possible provision, and achieve the best possible outcomes for our young people is fundamental.

b. **Positive relationships underpin all of our work.**
Young people respond most positively and learn best, when their social and emotional development is strong. The craft of the classroom is multi-faceted, but we believe the most effective teachers have an ability to connect with learners and create a positive environment founded on encouragement. We work hard to create a climate in our schools where all members are respectful, providing safe and meaningful opportunities for students to develop positive relationships with one another so that they fully engage in learning.

c. **High expectations and no barriers – everybody can achieve.**
There is an expectation that all pupils will make progress relative to their starting points over the course of their time in our schools. We are committed to meeting the needs of all our learners, having very high expectations of our staff and the young people themselves. Barriers to learning cannot be viewed as excuses for underachievement and we will work with young people and their parents/carers to provide the support and challenge whatever the need.

b. Public benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidelines on public benefit.

STRATEGIC REPORT

Achievements and performance

a. Review of activities

Most of the AtC's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ending 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

AtC has also received grants for fixed assets from the ESFA. In accordance with the charities recommended practice such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fund balance is reduced by annual depreciation charges over the expected useful life of the asset concerned.

During the period ended 31 August 2018, the total income was £10,016k (2017: £17,958k) and expenditure was £11,035k (2017: £5,943k). The loss for the 12 months to 31st August 2018 before actuarial gains and losses was £1,019k (2017: Surplus: £12,015k). The 2017 figures reflect that on 1 May 2017 Witton Park Academy transferred its net assets of £12,634k to the trust.

At 31 August 2018 the net book value of fixed assets was £20,684k (2017: £20,830k) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets are used exclusively for providing education and associated support services to pupils.

AtC held fund balances at 31 August 2018 of £19,498k (2017: £19,795k). This comprised of restricted fixed asset funds of £20,684k (2017: £20,831k), negative restricted income funds of (£708k) (2017: £102k), unrestricted funds of £2,352k (2017: £2,378k), and a pension reserve deficit of £2,830k (2017: £3,312k) which relates to the Local Government Pension Scheme "LGPS".

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

b. Key Performance Indicators

In light of our objectives above, as well as national expectations for all schools, our main indicators are:

- Academic outcomes for all pupil groups. Pupil outcomes are highlighted in the DfE performance tables, published annually.
- Attendance and welfare data; including absence and persistent absence levels for all pupil groups; pupil exclusion information and the level of reported bullying and racist incidents.
- Feedback from parents and pupils about specific aspects of our provision and overall satisfaction with their experience of each school.

AtC is growing and Roseacre Primary Academy (Blackpool) joined Achievement through Collaboration multi-academy Trust on 1st December 2018. The Trust now has an executive leadership structure, with a dedicated CEO, Deputy CEO and Director of Finance and Operations. A Director for Primary Development will be added in the New Year.

AtC has clear governance structures and a committed group of Trustees. All trustees have undertaken training in core financial and standards relating to academies and there is a detailed scheme of delegation in place as well as terms of reference and responsibility for the Board and its committees. A detailed Trust Year Plan ensures all core responsibilities are addressed at some point of the academic year.

Performance of AtC schools has remained consistently strong both in terms of attainment and progress. Pupils in our schools perform well compared to their counterparts locally, regionally and nationally. Capacity within AtC is strong and support provided to other schools and trusts has been well received.

Schools within the trust attract large numbers of pupils from the communities they serve and from further afield with a combined published admission number of 355, we routinely receive double this number of pupils expressing our schools as a preference. We expect demand for places to remain high. Trustees will consider potential strategies to meet increase places during 2019.

Amongst other priorities, AtC aims to grow with the addition of another academy during 2019 and a free school by September 2021. The Trust also expects to support up to two schools in raising achievement in the core subjects or through support for whole school leadership.

c. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

a. Reserves Policy

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

The Trustees updated the Reserves and Investments Policy in March 2018 and in doing so established an appropriate level of free reserves for each academy within the trust. This is to provide sufficient working capital to cover delays between and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. All other reserves are held by the trust.

AtC's current level of free reserves is as disclosed in note 17. Monitoring of cash flow during the year indicated that there was never a significant measure of concern relating to cash flow or the level of free reserves.

b. Investments Policy

All investments are agreed by the Trustees who have regard to the Charity Commission guidance in relation to charity investment policy. The trust does not have any investments other than cash, which is held in normal operations. The Trustees have adopted a low risk strategy to its cash balances. Surplus cash is held in short fixed term deposit accounts, this allows the amount to be reviewed and reduced or increased depending on the cash flow required whilst earning a competitive rate.

c. Principle Risks and Uncertainties

The Trustees have assessed the major risks to which the Trust is exposed. In particular those relating to the operational areas of the sites, facilities and of teaching and the finances. The Trustees have implemented a system to assess the risks the Trust faces especially in the operational areas which include teaching, health and safety and the control of finance. The Trustees have introduced systems including operational procedures and internal controls in order to minimize risk. Where significant financial risk remains they have adequate insurance cover. The Trust has an effective system of internal financial control.

Plans for future periods

a. Future Developments

Achievement through Collaboration Trust has identified the following plans for the future:

- Ensure high levels of academic progress for all pupil groups in all academies and address specific areas where performance has declined or is in need of further improvement in individual academies.
- Increase central services provision to provide a consistent approach to identified areas. These include HR (including all HR related policies, which are in the process of review through consultation with relevant trade unions), financial management, procurement, IT and marketing and publicity.
- Significantly increase collaboration between teachers across the Trust to support the development of teaching and learning and embed the most effective practice. Embed Trust-wide quality assurance systems for standards at both primary and secondary level.
- Further improve the Trust's governance – review the effectiveness of the current model and the working of committees, methods of communication and the quality of data presented to trustees. Recruit additional members and trustees to fill vacancies.
- Appoint a Director for Primary Education and develop plans and capacity to support another or other primary schools through sponsorship or other collaborative work.
- Implement the plan for growth (developed this year) over the next three years. The Trust has the capacity to support, and hopes to secure, a sponsored school, if the need arises in an appropriate geographical area.
- Ensure all schools operate a three year balanced budget.
- Increase interaction between pupils and provide common experiences so that we facilitate meaningful integration across the school communities.
- Roseacre Primary Academy (Blackpool) joined the trust on 1 December 2018.

Funds held as Custodian Trustee on Behalf of Others

There are no funds which Achievement through Collaboration Trust hold as a custodian.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 4 December 2018 and signed on its behalf by:

John Robinson
Chair of Trustees
4 December 2018

GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Achievement through Collaboration 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 Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Achievement through Collaboration Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Robinson, Chair of Trustees	3	3
Mr D Hollings, Vice Chairman	3	3
Mr R Duncan	0	3
Ms S Wignall	2	3
Mr D Logan (resigned 4 July 2018)	3	3
Mr J Tarbox (resigned 4 July 2018)	3	3
Ms S Birchall (resigned 9 May 2018)	1	2
Mrs M Battersby	3	3

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to:
- Agree a funding model across the Trust,
- Establish a scheme of financial delegation, including relevant policies,
- Formulate and set the Trust budget and approve significant variances,
- Agree investment policy for the Trust,
- Establish systems for stakeholder engagement across the Trust,
- Ensure effective H&S systems are in place for the Trust,
- Property and asset management,
- Set Trust Pay and appraisal policies,
- Determine central services provided to academies,
- Establish effective financial controls,
- Establish Trust HR policies, including recruitment, discipline, capability, absence, grievance policies,
- Establish process for appointing CEO and cross-trust staff,
- Approve relevant Trust policies,
- Set term dates parameters for the Trust,
- Ensure effective systems for safeguarding are in place and,
- Set common admissions criteria/philosophy.

GOVERNANCE STATEMENT

During the year Mr J Robinson joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Duncan (Chair)	2	3
Ms S Wignall	3	3
Mr J Tarbox	3	3
Mr J Robinson	2	2

The Audit Committee is also a sub-committee of the main board of trustees. Its purposes are as follows:

- Appoint external auditor
- Review performance of external auditor
- Review the internal audit programme
- Keep trust financial management and reporting processes under review
- Review policies regarding fraud, whistleblowing and compliance
- Review effectiveness of risk management policies and governance generally
- Ensure compliance with Academies Financial Handbook
- Ensure compliance with other regulations
- Monitor effectiveness of stakeholder engagement

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Hollings (Chair)	2	3
Mr R Duncan	1	2
Mrs M Battersby	2	2

Review of Value for Money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Reviewing the curriculum at Witton Park Academy and reducing overall deliver costs
- Reviewing service level agreements in order to identify cost savings
- Centralising IT management across the trust to reduce duplication of effort and identify efficiencies through economies of scale
- Improve financial planning systems to identify areas where efficiencies can be made
- Increase benchmarking opportunities within the trust and with other comparable schools

GOVERNANCE STATEMENT

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 ongoing process designed to identify and prioritise the risks to the achievement of 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 Achievement through Collaboration Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy 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 ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

GOVERNANCE STATEMENT

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

- to appoint Mazars LLP as internal auditor from September 2017
- to appoint Redrambler Limited as internal auditor from September 2018

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

- Budget planning, monitoring and reporting,
- Financial oversight and control,
- Governance,
- Risk management,
- Purchasing,
- Income,
- Payroll,
- Cash and control,
- Assets Leases,
- Catering,
- Lettings,
- Pupil premium, and
- Benchmarking.

Three times each year, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer, the Joint CEO (Mr J Tarbox) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 4 December 2018 and signed on their behalf, by:

Mr J Robinson
Chair of Trustees

Mr D Logan
Accounting Officer

ACHIEVEMENT THROUGH COLLABORATION TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Achievement through Collaboration 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 the ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

Mr D Logan
Accounting Officer

Date: **4 December 2018**

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as governors of Achievement through Collaboration Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction 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 of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 4 December 2018 and signed on its behalf by:

Mr D Logan
Accounting Officer

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES OF ACHIEVEMENT THROUGH COLLABORATION TRUST

We have audited the financial statements of Achievement through Collaboration Multi Academy Trust ("the 'trust') for the year ended 31 August 2018 which comprise of the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs at 31.August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES OF ACHIEVEMENT THROUGH COLLABORATION TRUST

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 16, the Trustees (who are directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES OF ACHIEVEMENT THROUGH COLLABORATION TRUST

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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

Neil Barton

Neil Barton (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
1 St Peter's Square
Manchester
M2 3DE

Date: 4 December 2018

ACHIEVEMENT THROUGH COLLABORATION TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACHIEVEMENT THROUGH COLLABORATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Achievement through Collaboration Multi Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Achievement through Collaboration Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Achievement through Collaboration Multi Academy Trust and the ESFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Achievement through Collaboration Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Achievement through Collaboration Multi Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Achievement through Collaboration Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

ACHIEVEMENT THROUGH COLLABORATION TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACHIEVEMENT THROUGH COLLABORATION TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.
The work undertaken to raw to our conclusion includes:

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

Conclusion

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

Mazars LLP

Mazars LLP
Chartered Accountants
1 St Peter's Square
Manchester
M2 3DE

Date: 4 December 2018

ACHIEVEMENT THROUGH COLLABORATION TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2017/18 Total	2016/17 Total
		£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	3					
Transfer from local authority on conversion		-	-	-	-	12,634
Other donations and capital grants		-	-	452	452	44
Charitable activities:						
Funding for the academy trust's educational operations	4	31	9,092	-	9,123	4,813
Other trading activities	5	395	44	-	439	466
Investments	6	2	-	-	2	1
Total		428	9,136	452	10,016	17,958
Expenditure on:						
Charitable activities:						
Academy trust educational operations	7	474	10,036	525	11,035	5,943
Total Expenditure	7	474	10,036	525	11,035	5,943
Net income / (expenditure)		(46)	(900)	(73)	(1,019)	12,015
Transfer between funds	17	-	74	(74)	-	-
Other recognised gains / (losses)						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	722	-	722	173
Net movement in funds		(46)	(104)	(147)	(297)	12,188
Reconciliation of funds						
Total funds brought forward		2,378	(3,414)	20,831	19,795	7,607
Total funds carried forward		2,332	(3,518)	20,684	19,498	19,795

The notes on pages 25 to 47 form part of these financial statements.

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

ACHIEVEMENT THROUGH COLLABORATION TRUST

Registered number: 07678864 (Registered in England & Wales)

(A company limited by guarantee)

BALANCE SHEET

AS AT 31 AUGUST 2018

	Note	**2018 £000**	**2018 £000**	2017 £000	2017 £000
Fixed assets					
Tangible assets	13		20,684		20,831
Current assets					
Debtors	14	176		182	
Cash at bank and in hand		1,764		2,586	
		1,940		2,768	
Liabilities					
Creditors: Amounts falling due within one year	15	(271)		(492)	
Net current assets			1,669		2,276
Total assets less current liabilities			22,353		23,107
Creditors: Amounts falling due after more than one year	16		(25)		-
Net assets excluding pension liability			22,328		23,107
Defined benefit pension scheme liability	23		(2,830)		(3,312)
Total net assets			19,498		19,795
Funds for the academy trust:					
Restricted funds	17				
Fixed asset fund	17	20,684		20,831	
Restricted income fund	17	(688)		(102)	
Pension reserve	23	(2,830)		(3,312)	
Total restricted funds			17,166		17,417
Unrestricted income funds	17		2,332		2,378
Total funds			19,498		19,795

The financial statements on pages 25 to 47 were approved by the Trustees, and authorised for issue, on 04 December 2018 and are signed on their behalf, by:

Mr J Robinson
Chair of Trustees

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	20	(898)	2,083
Cash flows from investing activities			
Dividends, interest and rents from investments		2	1
Purchase of tangible fixed assets		(378)	(66)
Capital grants from DfE/ESFA		452	32
Net cash provided by / (used in) investing activities		76	(33)
Change in cash and cash equivalents in the reporting period		(822)	2,050
Cash and cash equivalents at 1 September 2017		2,586	536
Cash and cash equivalents at 31 August 2018		1,764	2,586

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Achievement through Collaboration Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

1.4 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 charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Turnover

Turnover comprises revenue recognised by the Academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.6 Tangible fixed assets and depreciation

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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold buildings	-	2% straight line
Leasehold land	-	125 years straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

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 incorporating income and expenditure account.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered.

Prepayments are valued at the amount repaid net of any trade discounts due.

1.8 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.9 Liabilities and provisions

Liabilities and provisions 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 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 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.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

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

1.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 Fund accounting

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

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

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

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments 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.

Pension Scheme

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgement. Depreciation is charged to profit or loss based on the useful economic life selected, which requires an estimation of the period and profile over which the Academy Trust expects to consume the future economic benefits embodied in the assets.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2 % could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

3. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000	2016/17 Total £000
Capital grants	-	452	**452**	44
Other donations	-	-	**-**	12,634
	-	452	**452**	12,678

The income from donations and capital grants was £452,000 (2017: £12,678,000) of which £nil was unrestricted (2017: £1,992,000), £452,000 restricted (2017: (£2,096,000)) and £nil restricted fixed assets (2017: £12,782,000).

4. Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000	2016/17 Total £000
DfE / ESFA grants				
General Annual Grant (GAG)	-	8,266	**8,266**	4,409
Other DfE Group grants	-	536	**536**	315
	-	8,802	**8,802**	4,724
Other Government grants				
Higher needs funding	-	132	**132**	61
Other grants non capital	-	9	**9**	-
	-	141	**141**	61
Other income from the academy trust's educational operations	31	149	**180**	28
	31	9,092	**9,123**	4,813

The funding for the academy trust's educational operations was £9,123,000 (2017: £4,813,000) of which £31,000 was unrestricted (2017: £nil) and £9,092,000 was restricted (2017: £4,813,000).

5. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000	2016/17 Total £000
Catering income	354	-	354	458
Hire of facilities	7	-	7	8
Consultancy / support	34	44	78	-
	395	44	439	466

The income from other trading activities was £439,000 (2017: £466,000) of which £395,000 was unrestricted (2017: £233,000) and £44,000 was restricted (2017: £233,000).

6. Investment income

	Unrestricted Funds £000	Restricted Funds £000	2017/18 Total £000	2016/17 Total £000
Bank interest	2	-	2	1
	2	-	2	1

Investment income was £2,000 (2017: £1,000) of which £2,000 was unrestricted (2017: £1,000) and £nil was restricted (2017: £nil).

7. Expenditure

	Staff Costs £000	Premises £000	Other £000	Total 2017/18 £000	Total 2016/17 £000
Academy's educational operations					
Direct costs	6,654	-	666	7,320	3,805
Allocated support costs	884	1,269	1,562	3,715	2,138
	7,538	1,269	2,228	11,035	5,943

Net income / (expenditure) for the period includes:

	2017/18 £000	2016/17 £000
Operating lease rentals	21	11
Depreciation	524	353
(Gain)/loss on disposal of fixed assets	-	46
Fees payable to auditor for:		
- audit	12	12
- other services	19	14

8. Charitable activities

	2017/18 £000	2016/17 £000
Direct costs – educational operations	7,320	3,805
Support costs – educational operations	3,715	2,138
	11,035	5,943

Analysis of support costs

	2017/18 Total £000	2016/17 Total £000
Support staff costs	884	625
Depreciation	524	353
Technology costs	91	-
Premises costs	1,269	576
Other support costs	895	584
Governance costs	52	-
Total support costs	**3,715**	2,138

9. Staff costs

a. Staff costs

Staff costs during the period were:

	2017/18 £000	2016/17 £000
Wages and salaries	5,860	3,134
Social security costs	594	314
Pension costs	973	628
	7,427	4,076
Agency staff costs	111	27
	7,538	4,103

b. Staff numbers

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

	2017/18 No.	2016/17 No.
Teachers	97	95
Administration and support	98	97
Management	15	14
	210	206

c. Higher paid staff

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

	2017/18 No.	2016/17 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	2	2
£80,001 - £90,000	1	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	-

d. Key management personnel

The key management personnel of the academy trust comprises of the trustees and the executive team as listed on page 3. The total amount of employee benefits received by key management personnel for their services to the academy trust was £306,561 (2017: £552,895). The 2017 figure includes members of the senior leadership teams.

10. Central Services

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

- Human resources
- Financial services
- Legal services
- Educational support services; and
- Other services as and when arising

The academy trust charges for these services on the following basis:
- Flat 3% of GAG income

The actual amounts charged during the year were as follows:

	2017/18 £000	2016/17 £000
Bowland High	77	74
Witton Park	171	167
	248	241

11. Related Party Transactions – Trustees' remuneration and expenses

One of more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The Chief Executive Officer 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:

	2017/18 £000	2016/17 £000
J Tarbox (Joint Chief Executive Officer and trustee until 4 July 2018):		
Remuneration	70-75	70-75
Employer's pension contributions paid	10-15	10-15
D Logan (Joint Chief Executive Officer and trustee until 4 July 2018):		
Remuneration	90-95	30-35
Employer's pension contributions paid	15-20	5-10

During the period ended 31 August 2018, travel and subsistence expenses totalling £806 were reimbursed or paid directly to 2 trustees (2017: £184 to 2 trustees).

12. Trustees and officers insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 (2017: £10,000,000) on any one claim and the cost for the year ended 31 August 2018 was £29,900 (2017: £14,986).

The cost of this insurance is included in the total insurance cost.

13. Tangible fixed assets

	Leasehold land and buildings £000	Furniture and Fixtures £000	Computer Equipment £000	Motor Vehicles £000	Assets under construction £000	Total £000
Cost						
At 1 September 2017	21,463	83	287	17	-	**21,850**
Additions	121	14	67	-	176	**378**
Disposals	-	-	-	-	-	**-**
At 31 August 2018	21,584	97	354	17	176	**22,228**
Depreciation						
At 1 September 2017	819	56	128	16	-	**1,019**
Charged in year	415	23	86	1	-	**525**
Disposals	-	-	-	-	-	**-**
At 31 August 2018	1,234	79	214	17	-	**1,544**
Net book values						
At 31 August 2017	20,644	27	159	1	-	**20,831**
At 31 August 2018	20,350	18	140	-	176	**20,684**

14. Debtors

	2018 £000	2017 £000
Trade debtors	5	-
Other debtors	49	5
Prepayments and accrued income	122	177
	176	**182**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

15. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Trade creditors	43	140
Other taxation and social security	23	93
Other creditors	-	80
Loans	4	-
Accruals and deferred income	201	179
	271	**492**

The note below shows the deferred income element of the accruals and deferred income balance above.

Deferred Income

	2018	2017
	£000	£000
Deferred income at 1 September 2017	72	-
Released from previous years	(72)	-
Resources deferred in the year	100	72
Deferred income at 31 August 2018	**100**	**72**

16. Creditors: Amounts falling due in greater than one year

	2018	2017
	£000	£000
Salix loan	25	-
	25	**-**

The Salix loan received to fund energy efficient projects in the trust is funded via the ESFA Salix scheme with no interest charged on the balance outstanding. The cost of repaying the loan will be offset by the energy cost savings resulting from the works carried out. Loan repayments are made in September and March of each year for the life of the loan. The total amount repayable in two to five years is £20,357. The total amount repayable after more than five years on this balance is £4,070. The final repayment date is 1 March 2025.

17. Funds

	Balance at 1 September 2017	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£000	£000	£000	£000	£000
Restricted general funds					
General annual grant (GAG)	(174)	8,266	(8,961)	-	**(869)**
Pupil Premium	-	446	(446)	-	-
Other ESFA and DFE grants	-	231	(260)	-	**(29)**
Other restricted funds	(9)	193	(129)	-	**55**
Transfer from Witton Park Academy Trust	69	-	-	-	**69**
Other donations and capital grants	12	-	-	74	**86**
Pension reserve	(3,312)	722	(240)	-	**(2,830)**
	(3,414)	9,858	(10,036)	74	**(3,518)**
Restricted fixed asset funds					
Transfer on conversion	5,233	-	-	-	**5,233**
DFE/ESFA capital grants	2,755	452	(525)	(74)	**2,608**
Capital expenditure from GAG	12,843	-	-	-	**12,843**
	20,831	452	(525)	(74)	**20,684**
Total restricted funds	**17,417**	**10,310**	**(10,561)**	**-**	**17,166**
Total unrestricted funds	2,378	428	(474)	-	**2,332**
Total funds	**19,795**	**10,738**	**(11,035)**	**-**	**19,498**

Analysis of academies by fund balance

	2018	2017
	£000	£000
Central trust funds	401	-
Bowland High	6,620	7,389
Witton Park Academy	12,477	12,406
	19,498	**19,795**

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

	Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2017
	£000	£000	£000	£000	£000
Restricted general funds					
General annual grant (GAG)	-	4,408	(4,582)	-	**(174)**
Pupil Premium	-	-	-	-	-
Other ESFA and DFE grants	-	315	(315)	-	-
Other restricted funds	42	322	(339)	(34)	**(9)**
Transfer from Witton Park Academy Trust	-	69	-	-	**69**
Other donations and capital grants	-	12	-	-	**12**
Pension reserve	(1,170)	(2,176)	(139)	173	**(3,312)**
	(1,128)	2,950	(5,375)	139	**(3,414)**
Restricted fixed asset funds					
Transfer on conversion	5,233	-	-	-	**5,233**
DFE/ESFA capital grants	3,042	32	(353)	34	**2,755**
Capital expenditure from GAG	93	12,750	-	-	**12,843**
	8,368	12,782	(353)	34	**20,831**
Total restricted funds	**7,240**	**15,732**	**(5,728)**	-	**17,417**
Total unrestricted funds	367	2,226	(215)	-	**2,378**
Total funds	**7,607**	**17,958**	**(5,943)**	**173**	**19,795**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2018
	£000	£000	£000	£000	£000
Restricted general funds					
General annual grant (GAG)	-	12,674	(13,543)	-	**(869)**
Pupil Premium	-	446	(446)	-	**-**
Other ESFA and DFE grants	-	546	(575)	-	**(29)**
Other restricted funds	42	515	(468)	(34)	**55**
Transfer from Witton Park Academy Trust	-	69	-	-	**69**
Other donations and capital grants	-	12	-	74	**86**
Pension reserve	(1,170)	(1,454)	(379)	173	**(2,830)**
	(1,128)	12,808	(15,411)	213	**(3,518)**
Restricted fixed asset funds					
Transfer on conversion	5,233	-	-	-	**5,233**
DFE/ESFA capital grants	3,042	484	(878)	(40)	**2,608**
Capital expenditure from GAG	93	12,750	-	-	**12,843**
	8,368	13,234	(878)	(40)	**20,684**
Total restricted funds	**7,240**	**26,042**	**(16,289)**	**173**	**17,166**
Total unrestricted funds	**367**	**2,654**	**(689)**	**-**	**2,332**
Total funds	**7,607**	**28,696**	**(16,978)**	**173**	**19,498**

18. Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	**Total Funds**
	£000	£000	£000	**£000**
Tangible fixed assets	-	-	20,684	**20,684**
Current assets	2,628	(688)	-	**1,940**
Creditors due within one year	(271)	-	-	**(271)**
Creditors due after more than one year	(25)	-	-	**(25)**
Provisions for liabilities and charges	-	(2,830)	-	**(2,830)**
Total net assets	**2,332**	**(3,518)**	**20,684**	**19,498**

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	**Total Funds**
	£000	£000	£000	**£000**
Tangible fixed assets	-	-	20,831	**20,831**
Current assets	2,870	(102)	-	**2,768**
Creditors due within one year	(492)	-	-	**(492)**
Provisions for liabilities and charges	-	(3,312)	-	**(3,312)**
Total net assets	**2,378**	**(3,414)**	**20,831**	**19,795**

19. Commitments under operating leases

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

	2018	**2017**
	£000	**£000**
Amounts due within one year	**16**	23
Amounts due between one to five years	**24**	19
Amounts due after five years	**40**	42

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

	2017/18 £000	2016/17 £000
Net (expenditure)/income for the reporting period (as per Statement of Financial Activities)	(1,019)	12,015
Adjusted for:		
Depreciation	524	353
Capital grants from DfE	(452)	(32)
Interest receivable	(2)	(1)
Defined benefit pension scheme cost less contributions paid	157	98
Defined benefit pension scheme finance cost	83	46
Transfer of Witton Park assets and liabilities	-	(10,510)
Income donated from Witton Park	-	(69)
Decrease/(Increase) in debtors	6	(143)
(Decrease)/Increase in creditors	(195)	326
Net cash used in operating activities	**(898)**	(2,083)

21. Analysis of cash equivalents

	2017/18 £000	2016/17 £000
Cash in hand and at bank	1,764	2,586
Total cash and cash equivalent	**1,764**	**2,586**

22. Members Liability

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

23. Pension and similar obligations

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £703,374 (2017 - £364,024).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £295,170 (2017 - *£218,000*), of which employer's contributions totalled £216,980 (2017 - *£173,000*) and employees' contributions totalled £78,190 (2017 - *£45,000*). The agreed contribution rates for future years are 15.9% for employers and range from 5.5% to 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.

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

Principal actuarial assumptions:

	2018	**2017**
Rate of increase in salaries	3.6%	3.70%
Rate of increase for pensions in payment/inflation	2.1%	2.20%
Discount rate for scheme liabilities	2.8%	2.40%
Inflation assumption (CPI)	2.1%	2.20%

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

	2018	**2017**
Retiring today		
Males	22.7	22.6
Females	25.4	25.2
Retiring in 20 years		
Males	24.9	24.9
Females	28	27.9

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

	2018	**2017**
	£000	**£000**
Equities	1,659	1,407
Government bonds	128	61
Other bonds	23	74
Property	347	334
Cash and other liquid assets	34	148
Other	1,586	1,184
Total market value of assets	**3,777**	**3,208**

The actual return on scheme assets was £204k (2017: £249k)

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Amount recognised in the Statement of Financial Activities

	2018 £000	2017 £000
Current service cost	459	266
Interest cost	76	42
Admin expenses	7	4
Total amount recognised in the SOFA	**542**	**312**

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

	2018 £000	2017 £000
At 1 September	6,520	2,240
Transfer in on existing academies joining the trust	-	3,958
Current service cost	459	266
Interest cost	157	82
Employee contributions	78	45
Benefits paid	(8)	(49)
Actuarial (gain)/loss	(599)	(22)
At 31 August	**6,607**	**6,520**

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

	2018 £000	2017 £000
At 1 September	3,208	1,070
Transferred in on existing academies joining the trust	-	1,782
Expected return on assets	81	40
Employer contributions	302	173
Employee contribution	78	45
Benefits paid	(8)	(49)
Administration costs	(7)	(4)
Actuarial gain/(loss)	123	151
At 31 August	**3,777**	**3,208**

Sensitivity Analysis as at 31 August 2018

Disclosure item	Central	Sensitivity 1 +0.1% p.a. discount rate	Sensitivity 2 +0.1% p.a. inflation	Sensitivity 3 +0.1% p.a. pay growth	Sensitivity 4 1 year increase in life expectancy
	£000s	£000s	£000s	£000s	£000s
Liabilities	6,607	6,477	6,741	6,625	6,728
Assets	(3,777)	(3,777)	(3,777)	(3,777)	(3,777)
Deficit/(surplus)	2,830	2,700	2,964	2,848	2,951
Projected Service Cost for next year	408	397	419	408	417
Projected Net Interest Cost for next year	75	74	79	75	78

Sensitivity Analysis as at 31 August 2017

Disclosure item	Central	Sensitivity 1 +0.1% p.a. discount rate	Sensitivity 2 +0.1% p.a. inflation	Sensitivity 3 +0.1% p.a. pay growth	Sensitivity 4 1 year increase in life expectancy
	£000s	£000s	£000s	£000s	£000s
Liabilities	6,520	6,391	6,651	6,578	6,639
Assets	(3,208)	(3,208)	(3,208)	(3,208)	(3,208)
Deficit/(surplus)	3,312	3,183	3,443	3,370	3,431
Projected Service Cost for next year	452	441	464	452	461
Projected Net Interest Cost for next year	76	76	79	76	79

24. Other financial commitments

The Academy has a commitment to make a unitary payment to Blackburn and Darwen Council. The term of the agreement which commenced on 1 May 2014 is for 25 years. The commitment for the period 1 April 2018 to 31 March 2019 is £888,612 and is set to increase each year in line with the Retail Price Index. The commitment was transferred to the Trust upon the transfer of Witton Park Academy into the Trust.

The trust has a commitment to complete the window replacement scheme at Bowland High. The commitment for the period 1 September 2018 to 31 August 2019 is £164k. The school secured Condition Improvement Funding of £340k for this scheme and at 31 August 2018 had incurred costs of £176k.

25. Related party transactions

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

Trustee's remuneration and expenses disclosures are included in note 11.

Bowland High School Related Party Transactions

The Academy Trust entered into transactions with The Grand at Clitheroe, a company in which Mr S Lancaster (a Trustee of the Trust) is a Director. During the 2017/18 there have been payments totalling £7,787 (2017: £3,014) in relation to events and catering services. There are no amounts outstanding at the year end (2017: NIL).

No other related party transactions took place in the period of accounts, other than certain Trustee's remuneration and expenses already disclosed within the financial statements.

Witton Park Related Party Transactions

No related party transactions took place in the period of the accounts, other than certain Trustee's remuneration and expenses already disclosed within the financial statements.

26. Events after the reporting period

On 1 December 2018 the assets and liabilities of Roseacre Primary Academy were transferred to Achievement through Collaboration Trust.