

Company Registration Number: 08058921 (England & Wales)

The Collegiate Trust

(A company limited by guarantee)

Annual report and financial statements

for the year ended 31 August 2019

The Collegiate Trust
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr S Chaudhri (appointed 18 March 2019) Mr P R Hogan (appointed 26 January 2019) Mr P Khan (resigned 17 January 2019) Mrs S Lewis Mrs K Myring (resigned 11 January 2019) Group Capt D North Mr W Whitmarsh
Trustees	Ms J Akala (appointed 14 May 2019) Mr K Beattie Mr P R Hogan, Chair Mr P Khan (resigned 17 January 2019) Mrs F McSorley Mrs S Moys MBE Mr T Rodwell (appointed 26 March 2019) Mr A Roseweir (appointed 1 September 2018, resigned 5 November 2019) Mr S Rowley (appointed 14 May 2019) Mr G Smith, Chief Executive & Accounting Officer
Company registered number	08058921
Company name	The Collegiate Trust
Principal and registered office	Riddlesdown Collegiate Honister Heights Purley Surrey CR8 1EX
Company secretary	Mr D Clarke
Chief executive officer	Mr G H Smith
Senior management team	Mr G H Smith, Chief Executive Officer & Accounting Officer Mr D Clarke, Chief Operating Officer Mrs L Dey, Chief Finance Officer (from 1 October 2018) Mrs K Turner, Head of Education Mr S Dey, Principal - Riddlesdown Collegiate Mrs P Farrelly, Principal - Gossops Green Dr H Hope, Principal - Waterfield Primary School (from 23 April 2019) Mr A Crofts, Principal - Quest Academy Mrs N Grant, Principal - Courtwood Primary School Mr P Thomas, Principal - Gilbert Scott Primary School
Independent auditors	Kreston Reeves LLP Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
for the year ended 31 August 2019

Bankers	Lloyds Bank 95 George Street Town Centre Croydon CR9 2NS
Solicitors	Veale Wasbrough Vizards LLP Barnards Inn 86 Fetter Lane London EC4A 1AD
Member Schools	Riddlesdown Collegiate Gossops Green Primary School Waterfield Primary School The Quest Academy Courtwood Primary School (from 1 September 2018) Gilbert Scott Primary School (from 1 September 2018)

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Executive Summary
for the year ended 31 August 2019

The Collegiate Trust enjoyed a successful year in 2018/19.

- The Trust has successfully grown to six academies, with each one fully integrated into central education and business support functions. We now have responsibility for over four thousand children and young people, and over six hundred employees.
- Standards in every key accountability area have improved as a result of the work of each academy and the implementation of the Trust's Improvement Strategy.
- The Trust has effectively restructured education support staff in two of our primary academies where costs were beyond the means of the academy; this will deliver annual savings of £200k.
- The Trust has further reduced costs through changing the copying / printing contract, and saved money through a lease agreement on new minibuses
- The central team of the Trust has been enhanced by the addition of a dedicated HR Manager.
- The Trust has increased its unrestricted reserves by a £190k.

The year ahead will be particularly challenging as a result of increasing cost pressures.



Chair of Trustees
Date: 10 December 2019

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Trustees' report
for the year ended 31 August 2019

Introduction

The Trustees of The Collegiate Trust ("the Trust", "TCT") present this Annual Report together with the Financial Statements and Auditors' Report of the charitable company for the year beginning 1st September 2018 and ending 31st August 2019. This Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

TCT operates four primary and two secondary academies in the London Borough of Croydon and in West Sussex. These academies have a combined pupil capacity of 4,555 and had a roll of 4,090 in the school census in October 2019.

Structure, Governance and Management

Constitution

The Collegiate Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The Trustees of The Collegiate Trust are also the directors of the charitable company for the purposes of company law. The charitable company is also known as The Collegiate Trust.

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 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 Trust indemnifies Trustees through the Risk Protection Arrangement.

Method of Recruitment and Appointment or Election of Trustees

Members appoint by ordinary resolution six trustees. Trustees co-opt three further trustees to ensure a correct balance of skill.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are issued with a detailed Induction Pack, which includes required online training modules; they are supported by the Trust's Governance Manager. Trustees can access on-going training through NGA, Academy Ambassadors and Octavo Partnership. The Trust holds an annual Governance Day which brings together Members, Trustees and Local Governors.

Trustees complete an annual Skills Audit which informs training plans.

Organisational Structure

TCT is a multi-academy trust.

The CEO is the Accounting Officer of the Trust. He works with an Executive Leadership Group (ELG) made up of COO, CFO, Head of Education, Governance Manager and Principals of each academy. ELG develops short- and medium-term plans for the management and development of the Trust.

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Trustees' report (continued)
for the year ended 31 August 2019

The Members have delegated the strategic leadership and monitoring of the Trust to a Board of nine Trustees / Directors ("the Board"). The Board operated an Audit and Finance Committee (AFC) in 2018/19 which provided detailed oversight of relevant issues. The Board has added a Learning and Quality Committee (LQC) in 2019/20 to enhance oversight of educational standards across the Trust.

Each academy in the Trust has a Local Governing Body (LGB) which operates through a Scheme of Delegation and Terms of Reference approved by the Board.

Arrangements for setting pay and remuneration of key management personnel

CEO

The CEO is paid on a 5-point scale as shown in the contract of employment; no other benefits (other than a mobile phone and laptop), mileage or expenses are paid to the CEO (other than employer's contributions to the Teachers' Pension Scheme).

The CEO is subject to an annual performance review, conducted by a subcommittee of two non-executive Board members. In reviewing performance and salary, this Performance & Remuneration Committee (PRC) considers:

- Educational outcomes across the Trust
- Leadership of the Trust
- Growth and complexity of the Trust

This is within the context of the Trust's annual Strategic Plan and agreed Trust objectives. This subcommittee makes a recommendation to the full Board – from which discussion the CEO is excluded – about quality of performance and salary level.

Senior Trust Staff

Senior Trust staff (COO, CFO, Head of Education, and Directors of School Improvement) are paid on a 7-point range within the national Leadership Scale. These staff are subject to an annual performance review, conducted by the CEO. The outcomes of this and decisions on salary are reported to the Trust PRC.

Principals

Each Principal is paid on a 7-point range within the Leadership Scale which may be amended in line with provisions within STPCD. Each Principal is subject to an annual performance review, conducted by a subcommittee of two LGB members, advised by the CEO or his nominee on the LGB. In reviewing performance and salary, this committee considers:

- Educational outcomes in the academy
- Leadership of the academy
- Contribution as a leader across the wider Trust

This subcommittee makes a recommendation to the full LGB – from which discussion the Principal is excluded – about quality of performance and salary level.

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Trustees' report (continued)
for the year ended 31 August 2019

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent number employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£10,367
Provide the total pay bill	£14,549,085
Percentage of the total pay bill spent on facility time	0.07%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.06%
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Related Parties and other Connected Charities and Organisations

TCT owns 100% of the share capital of The Collegiate Trust Trading Limited. The Trust provides management support through the CEO and COO, who are also the Directors of the Trading Company; no financial support is provided. Profits from the Trading Company, which are subject to corporation tax, will be made a charitable donation to the Trust.

The CEO is a Director of the Octavo Business Partnership and the Croydon Headteachers' Association. These are voluntary and unremunerated positions for the benefit of wider education provision within the London Borough of Croydon. The CEO is also the sole owner and Director of Education-Leadership Ltd, a dormant company.

Objectives and Activities

Objects and Aims

The Collegiate Trust exists to improve education in Croydon and Crawley for children and young people up to the age of eighteen, thereby preparing them from an early age to be successful adults. We have built a local partnership of six academies which work collaboratively to deliver our vision of exceptional education for all.

We define an exceptional education as one that delivers wonderful academic learning and progress, but puts right alongside this the development of wider skills and qualities that come through a balanced focus on creative, cultural and physical learning, as well as personal development.

This is driven by strong LGBs in each academy operating to a clear scheme of delegation, working with an expert principal and team of staff. The successful learners developed in our academies become confident individuals and responsible citizens in our modern British society.

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Trustees' report (continued)
for the year ended 31 August 2019

Objectives, Strategies and Activities

The Trust Board approved a Strategic Plan for 2018/19 which focused on the following key drivers:

- Student learning and development
- Teaching and support for students
- Sustainable leadership
- Recruitment and retention
- Business functions

Each of these drivers was delivered through a set of agreed actions, with key outcomes identified across the Trust and within each academy. The Strategic Plan is then complemented at academy level by the Academy Development Plan.

Public Benefit

In setting our objectives and planning our activities the Trustees have carefully considered the Charity Commission's general guidance on public benefit.

Each academy within the Trust has its own specific admissions arrangements, which are set in line with the Statutory Admissions Code. Most pupils and students live locally to our academies.

Strategic Report

Achievements and Performance

Primary

The key public accountability measure at primary level is the percentage of pupils achieving the expected standard in each of reading, writing and maths at the end of Year 6. This measure improved from 60% in 2017/18 to 62% in 2018/19.

Three out of four academies improved on this measure, with all four academies improving the associated progress measures.

Secondary

The key public accountability measures at secondary level relate to GCSE outcomes; the percentage of students achieving grade 5 in each of English and maths at the end of Year 11 improved from 53% in 2017/18 to 55% in 2018/19; the percentage of students achieving the EBACC suite of qualifications improved from 27% in 2017/18 to 36% in 2018/19; Progress 8 improved across the trust to +0.32.

Post 16

A generally accepted measure of success at post-16 is in the percentage of top grades (A*-B) at A Level; this improved from 42% in 2017/18 to 51% in 2018/19.

OFSTED

No academy in the Trust was subject to an OFSTED inspection in 2018/19. However, Gossops Green Primary has been inspected early in 2019/20 and been judged good. Prior to joining the Trust this school had received consecutive requires improvement judgements.

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Trustees' report (continued)
for the year ended 31 August 2019

Key Financial Performance Indicators

The Trust's financial position is under ongoing review; monthly management accounts are provided to each academy Principal, with consolidated Trust accounts provided to each Trustee and considered at the Audit & Finance Committee. The key financial performance measure is to set and then to deliver a balanced budget.

To support this work, the percentage of staff costs in proportion to total income and the average teacher cost are monitored through our approach to integrated curriculum and financial planning. Further, self-assessment toolkits for each academy provide RAG ratings against which benchmarking can be performed. The results are used alongside non-financial performance indicators to make informed decisions on the direct impact of teaching and learning.

Going Concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the 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

The Trust adheres to the requirements of the Academies Financial Handbook (AFH). The Trust's Financial Policy and Procedures informs day-to-day practice.

The financial performance of the Trust for the period ending 31st August 2019 is as follows:

In-year surplus / (deficit)	£190,201
Reserves – restricted	£50,005,669
Reserves – unrestricted	£1,055,680

The majority of income that the Trust receives is from the ESFA in the form of recurrent grant funding. The use of this funding is restricted to educational purposes. All grants received during the year are shown in the Statement of Financial Activities.

In the year ending 31st August 2019 total expenditure of £25,860,779 was covered by the grant funding with additional incoming resources.

At 31st August 2019 the net book value of fixed assets was £57,393,498 and movements are shown in note 14. All assets are used primarily for providing education and associated support services to the pupils and students of the Trust.

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Trustees' report (continued)
for the year ended 31 August 2019

Reserves Policy

The Trust operates annually to a balanced budget, uses reserves to support multi-year payback investment activity, builds and maintains adequate reserves to enable the Trust Board to ensure continuity of operation in event of unmitigated / unforeseen risks.

Investment Policy

The Trust holds no investments other than funds held in the Trust's bank accounts.

Principal Risks and Uncertainties

The Trust has identified four areas of risk: strategic (ST), operational (OP), compliance (CO), financial (FI). Details of these risks are set out in the Risk Management Plan which is overseen by the AFC. The following table summarises the areas of risk which are managed through the plan:

Ref	Risk
ST1	The <i>Strategic Plan</i> is not a relevant and robust response to the needs of the Trust
ST2	The <i>Budget Plan</i> does not provide a realistic or effective response to the income or needs of the Trust
ST3	The Trust does not respond effectively to falling or static income
ST4	Individual academies do not recruit sufficient learners to make them viable
ST5	The <i>Development Plans</i> of individual academies are not relevant to the needs of the academies.
ST6	The Trust Board does not have a robust organisational approach in place to deliver effective local governance of each academy
ST7	The CEO or an academy Principal is absent for a prolonged period
ST8	Accurate <i>Due Diligence</i> of applicants to join the Trust has not been carried out
ST9	Quality of work in the two primary ELPs not high
OP1	Management Information (on t&I) produced by individual academies is of a poor quality and is inadequate for informing decision-making
OP2	The Trust has insufficient Directors who possess the capacity, skills and experience required to run the Trust
OP3	Academy staff at key levels do not possess the skills and experience required to lead and manage the academies
OP4	The Trust fails to manage its growth and development effectively
OP5	Quality assurance work does not effectively identify areas of weakness and strength
OP6	The Trust has inadequate insurance cover
OP7	The Trust suffers a catastrophic IT failure
OP8	The Trust suffers major damage to or loss of a site
OP9	Individual academies do not have enough quality teaching staff or curriculum leaders to deliver the curriculum
CO1	The Trust does not comply with employee legislation
CO2	The Trust does not comply with financial reporting requirements
CO3	The Trust does not comply with GDPR, Data Protection and FOI requirements
CO4	The Trust does not comply with safeguarding requirements
FI1	The Trust does not maintain overall financial control in relation to its income and expenditure
FI2	Income falls unexpectedly
FI3	The financial systems of the Trust are not suitable and maintained
FI4	There is no adequate <i>Disaster Recovery Plan</i> in place in relation to the Trust's financial systems
FI5	The Trust fails to anticipate risk of adequate funding of pensions

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Trustees' report (continued)
for the year ended 31 August 2019

Fundraising

The Trust does not undertake any fundraising through commercial or professional fundraisers.

Each academy within the Trust raises a limited amount of funds through voluntary parental donations and through school events. All such funds are recorded in the Trust's finance system.

Plans for Future Periods

The Trust has agreed five strategic drivers (SD1-5) to inform the work and development of TCT over the period 2019-2022.

SD1 Educational Standards

Aims:

A broad and inspiring curriculum in each academy, delivering the key features for our vision of exceptional education: academic rigour; creative, cultural and physical learning; personal development
Accelerate progress in all areas so that no group of pupils or students is left behind
Improve progress in reading, writing and maths
Pupil and student well-being enhanced through staff training

SD2 Staff Development

Aims:

Staff well-being key driver in all leadership work
Clear pedagogical approach in each academy informed by research / best practice and driving the CPD programme
Collaboration across the Trust drives improvement work
Collaboration impacts positively on workload through sharing of expertise and resources

SD3 Building Leadership

Aims:

Leaders focused on impact on learners
LGBs take lead role in development of their academies
Talent Register developed and informing leadership development
Leadership Development Programme impacting on learners

SD4 Recruitment & Retention

Aims:

Marketing promotes benefits of working within the Trust
Retention strategies developed and evaluated
Each academy fully staffed with qualified teachers and support staff
Proposal for SCITT submitted

SD5 Business Management

Aims:

Maintain financial stability across each academy and the Trust
Budget Plan & monthly monitoring delivering strong financial control
Capital plan improving learning environment
Central systems delivering high quality support to academies
Planned strategy delivering effective growth of Trust

TCT will grow with careful thought and planning in the coming years, to ensure that growth continues to add value to our work.

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Trustees' report (continued)
for the year ended 31 August 2019

Funds held as Custodian Trustee on behalf of others

The Trust holds funds on behalf of the Croydon Headteachers' Association (CHTA). This supports the development of educational aims across Croydon. The funds are held in a dedicated bank account which is recorded on the Trust's system. CHTA is an incorporated organisation with its own set of Directors, who are accountable for these funds, and holds a 40% share ownership in the Octavo Business Partnership.

Employees and disabled persons

The Trust recognises and values our duty under the Equality Act 2010 to eliminate discrimination, advance equality of opportunity and foster good relations in regard to age, disability, ethnicity, gender, religion and sexual identity. This is set out in the Trust's Equalities Policy & Statement of Objectives. This includes;

- Compliance with the public sector equality duty (PSED) set out in clause 149 of the Equality Act 2010
- Provision of equality of opportunity for all and ensuring that all stages of recruitment and selection are fair
- Job descriptions, person specifications and advertisements do not discriminate against disabled persons, either directly or indirectly
- Disabled persons who are judged by the manager/panel to meet all essential shortlisting criteria must be included on the shortlist
- Decisions as to who is the best person for the job should be taken on the basis of the criteria in the person specification alone
- Once the panel has selected the best candidate(s) for the post they should consider the effect of the disability and determine whether it can be overcome by adaptation of the working environment at a reasonable cost
- All new members of staff are required to complete a health questionnaire and submit this to the Occupational Health Services (OHS). OHS in its report recommends any adjustments required for the individual. Adaptations may include adjustments to the working arrangements of the existing team where appropriate
- If a current member of staff becomes disabled or experiences a change in their pre-existing disability, the Trust will consider and implement reasonable adjustments to enable the colleague to continue in their role. As part of this, a referral to OHS may be initiated if further assessment is required
- The Trust considers and reviews the developmental needs of disabled colleagues regularly and provides relevant training and support in this respect.
- Disability must not prevent colleagues from getting promoted and they should be given the same opportunities as others. We regularly analyse salary levels and comparisons, applications and promotion opportunities to ensure that there are no anomalies or barriers to equality.

The Trust has an established system for consulting with employees on a regular basis on matters which affect them. Standard practices include:

- Weekly staff briefing meetings
- Team meetings
- 1:1 with line managers
- Interim and annual staff appraisal process for formal feedback on performance
- Following appropriate policies and ACAS guidelines for any change management, such as amendments to contracts of employment.

In addition, this year a restructuring process was undertaken to consolidate and increase effectiveness of some support roles. As part of this, an extensive employee consultation process was implemented as set out in the Trust Redundancy Policy.

Political donations

The Trust made no political donations in 2018/19.

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Trustees' report (continued)
for the year ended 31 August 2019

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Trust's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

The auditor, Kreston Reeves LLP, has indicated its willingness to continue in office. The Trustees will propose a motion re-appointing the auditor at a meeting of the Members.

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



Mr P R Hogan
Chair of Trustees

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Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Collegiate 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 CEO 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 The Collegiate Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Annual Report and in the Statement of Trustee's Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board was as follows:

Trustee	In-year Change		Meetings attended	Out of a possible
Ms J Akala	Appointed:	14.5.2019	1	1
Mr K Beattie			3	7
Mr P Hogan	Chair from:	26.1.2019	5	7
Mr P Khan	Chair & Trustee to:	17.1.2019	3	3
Mrs F McSorley			7	7
Mrs S Moys			6	7
Mr T Rodwell	Appointed:	26.3.2019	2	2
Mr A Roseweir	Trustee to:	5.11.2019	7	7
Mr S Rowley	Appointed:	14.5.2019	1	1
Mr G Smith			7	7

Members made the decision to increase the Board increased to nine Trustees in May 2019 to reflect the growth of the Trust and provide additional capacity.

The Board ensures clarity of vision, ethos and strategic direction of the Trust and holds the CEO to account for the educational and financial performance of the organisation.

At the end summer term all Trustees completed a self-evaluation which highlights areas for development to improve the Board's performance. Over the year the Board has challenged on the key area of financial control to ensure that robust systems are in place to respond to the growth of the Trust.

Trustees receive:

- Monthly management accounts from the Chief Finance Officer
- Termly data dashboards from the Head of Education
- Termly CEO report
- Annual Academy Evaluation Reports from each academy
- Annual Academy Development Plan from each academy
- Teaching, Learning & Leadership Reviews on those academies on which completed from the Head of Education.

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Governance Statement (continued)

(continued)

Self-Evaluation of the Trust

a. Definitions

- Stabilise* significant weaknesses identified in systems and approaches which are undermining the quality of work and are impacting adversely on pupils, students or staff
- Repair* activity is focused purely on addressing weaknesses, in order to create an environment for improvement
- Improve* effective systems and people are leading clear improvement work; capacity is strong to deliver further improvement, with capability for growth
- Sustain* qualitative and quantitative impact clear, with capacity developing rapidly from within academies, complementing the work of the central team

b. Evaluation

Key Area	Stabilise	Repair	Improve	Sustain
i. Overall Performance			X	
ii. Disadvantaged Pupils' Performance			X	
iii. School Improvement				X
iv. Governance				X
v. People & Leadership			X	
vi. Financial Sustainability			X	

Committees

The Audit & Finance Committee is a sub-committee of the main Board of Trustees.

Attendance during the year at meetings of the AFC was as follows:

Trustee	In-year Change	Meetings attended	Out of a possible
Mr P Hogan	Chair to: 4.3.2019	4	4
Mr G Smith	To: 17.1.2019	6	6
Mr A Roseweir	Chair from: 4.3.2019 Chair to: 5.11.2019	6	6
Mr S Rowley	Appointed: 14.5.2019 Chair from: 5.11.2019	1	1

The Learning & Quality Committee is a sub-committee of the main Board of Trustees which will be introduced in 2019/20. Its purpose is to monitor and evaluate the educational performance of academies within the Trust and of the Trust overall.

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Governance Statement (continued)

Review of Value for Money

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Trust has delivered improved value for money during the year by:

- Implementing a restructure of education support staff in two primary academies, reducing annual costs by £200k
- Implementing an integrated curriculum and financial planning approach in secondary academies
- Implementing a review of contracts on printing and copying, reducing costs across the Trust

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 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 Collegiate Trust for the period 1st September 2018 to 31st August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1st September 2018 to 31st August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The Risk and Control Framework

The 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. 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 AFC 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.

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Governance Statement (continued)

Purpose of the System of Internal Control (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Kreston Reeves as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The checks carried out in the current period included:

- Payroll
- Purchases
- Income (including DFE income)
- Accounting systems
- Governance

The review of each area involved recording and evaluating the systems and controls in place within the area, including reference to the Academies Financial Handbook. Testing took place to evaluate whether the systems operated as recorded and to establish whether the control procedures within the system were operating effectively. In any instance of non-compliance with the trust's controls, the samples were extended to ascertain scale of an issues.

On an annual basis the auditor reports to the Board of Trustees, through the AFC on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The internal auditor has delivered the agreed programme of work as planned. There are no material control issues arising as a result of their work.

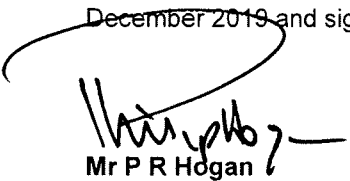
Review of Effectiveness

As accounting officer, the CEO 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 financial management and governance self-assessment process
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the AFC and a plan to address weaknesses and ensure continuous improvement of the system is in place.

This Governance Statement was approved by order of the Board of Trustees, as the company's Directors, on 10 December 2019 and signed on its behalf by:



Mr P R Hogan
Chair of Trustees



Mr G H Smith
Accounting Officer


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Statement on Regularity, Propriety and Compliance

As accounting officer of The Collegiate Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



Mr G H Smith
Accounting Officer
Date: 10 December 2019

The Collegiate Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
for the year ended 31 August 2019

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

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

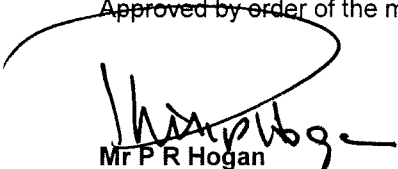
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and 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 their conduct and operation the Group and the charitable company apply 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 group'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 10 December 2019 and signed on its behalf by:



Mr P R Hogan
Chair of Trustees

The Collegiate Trust
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of The Collegiate Trust

Opinion

We have audited the financial statements of The Collegiate Trust (the 'parent Academy Trust') and its subsidiaries (the 'Group') for the year ended 31 August 2019 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Academy Trust balance sheet, the Consolidated statement of cash flows and the related notes, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy Trust's affairs as at 31 August 2019 and of the Group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Collegiate Trust
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of The Collegiate Trust
(continued)

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 Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the 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:

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust 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.

The Collegiate Trust
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of The Collegiate Trust
(continued)

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

Auditors' 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 Auditors' 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.

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

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

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

The Collegiate Trust
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of The Collegiate Trust
(continued)

Use of our report

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



Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury

11 December 2019

The Collegiate Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Collegiate Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 5 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Collegiate Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Collegiate Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Collegiate Trust's funding agreement with the Secretary of State for Education dated 29 May 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

The Collegiate Trust
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Collegiate Trust and the Education & Skills Funding Agency (continued)

Approach

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

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

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

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

Work undertaken

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Trust Board minutes for declaration of interests
- Reviewed Governance arrangements
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kreston Reeves LL0

Kreston Reeves LLP
Reporting Accountant
Chartered Accountants

Canterbury

Date: 11 December 2019

The Collegiate Trust
(A company limited by guarantee)

Consolidated Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	3					
Transferred on conversion		381,890	(1,038,000)	10,910,000	10,253,890	4,915,000
Inherited from other Academy Trusts		-	-	-	-	12,088,575
Other donations and capital grants		4,123	-	874,692	878,815	146,177
Charitable activities	4	-	21,277,843	-	21,277,843	13,787,516
Other trading activities	5	2,044,703	-	-	2,044,703	1,494,005
Investments	6	878	-	-	878	572
Total income		2,431,594	20,239,843	11,784,692	34,456,129	32,431,845
Expenditure on:						
Raising funds:	7					
Subsidiary trading expenses		721,349	-	-	721,349	703,938
Charitable activities	7	1,039,779	22,139,537	1,960,114	25,139,430	16,083,017
Total expenditure		1,761,128	22,139,537	1,960,114	25,860,779	16,786,955
Net income/(expenditure)		670,466	(1,899,694)	9,824,578	8,595,350	15,644,890
Transfers between funds	18	(480,265)	30,694	449,571	-	-
Net movement in funds before other recognised gains/(losses)		190,201	(1,869,000)	10,274,149	8,595,350	15,644,890
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(2,152,000)	-	(2,152,000)	984,000
Net movement in funds		190,201	(4,021,000)	10,274,149	6,443,350	16,628,890
Reconciliation of funds:						
Total funds brought forward		865,479	(3,570,000)	47,322,520	44,617,999	27,989,109
Net movement in funds		190,201	(4,021,000)	10,274,149	6,443,350	16,628,890
Total funds carried forward		1,055,680	(7,591,000)	57,596,669	51,061,349	44,617,999

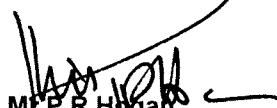
The notes on pages 29 to 58 form part of these financial statements.

The Collegiate Trust
(A company limited by guarantee)
Registered number: 08058921

Consolidated balance sheet
as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	57,393,498	47,309,845
Current assets			
Stocks	15	11,722	12,393
Debtors	16	2,510,053	502,446
Cash at bank and in hand		1,936,486	1,864,558
		<u>4,458,261</u>	<u>2,379,397</u>
Creditors: amounts falling due within one year	17	(3,199,410)	(1,501,243)
Net current assets		<u>1,258,851</u>	<u>878,154</u>
Total assets less current liabilities		<u>58,652,349</u>	<u>48,187,999</u>
Defined benefit pension scheme liability	24	(7,591,000)	(3,570,000)
Total net assets		<u><u>51,061,349</u></u>	<u><u>44,617,999</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	57,596,669	47,322,520
Restricted funds excluding pension asset	18	57,596,669	47,322,520
Pension reserve	18	(7,591,000)	(3,570,000)
Total restricted funds	18	<u>50,005,669</u>	<u>43,752,520</u>
Unrestricted income funds			
Unrestricted funds	18	1,055,680	865,479
Total unrestricted income funds	18	<u>1,055,680</u>	<u>865,479</u>
Total funds		<u><u>51,061,349</u></u>	<u><u>44,617,999</u></u>

The financial statements on pages 25 to 58 were approved by the Trustees, and authorised for issue on 10 December 2019 and are signed on their behalf, by:


M P R Hogan
 Chair of Trustees


The notes on pages 29 to 58 form part of these financial statements.

The Collegiate Trust
(A company limited by guarantee)
Registered number: 08058921

Academy Trust Statement of financial position
as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	57,393,498	47,309,845
Current assets			
Debtors	16	2,340,625	855,974
Cash at bank and in hand		1,878,806	1,635,582
		<u>4,219,431</u>	<u>2,491,556</u>
Creditors: amounts falling due within one year	17	(2,967,930)	(1,644,725)
Net current assets		<u>1,251,501</u>	<u>846,831</u>
Total assets less current liabilities		<u>58,644,999</u>	<u>48,156,676</u>
Defined benefit pension scheme liability	24	(7,591,000)	(3,570,000)
Total net assets		<u><u>51,053,999</u></u>	<u><u>44,586,676</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	57,596,669	47,322,520
Pension reserve	18	(7,591,000)	(3,570,000)
Total restricted funds	18	<u>50,005,669</u>	<u>43,752,520</u>
Unrestricted income funds	18	<u>1,048,330</u>	<u>834,156</u>
Total funds		<u><u>51,053,999</u></u>	<u><u>44,586,676</u></u>

The financial statements on pages 25 to 58 were approved by the Trustees, and authorised for issue on 10 December 2019 and are signed on their behalf, by:


Mr P R Hogan
Chair of Trustees

The Collegiate Trust
(A company limited by guarantee)

Consolidated statement of cash flows
for the year ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	20	(714,703)	(87,275)
Cash flows from investing activities	21	786,631	617,213
Change in cash and cash equivalents in the year		71,928	529,938
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year		1,864,558	1,334,620
Cash and cash equivalents at the end of the year	22	1,936,486	1,864,558
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 29 to 58 form part of these financial statements

The Collegiate Trust
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2019

1. Accounting policies

The Collegiate Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Riddlesdown Collegiate, Honister Heights, Purley, Surrey, CR8 1EX. The principal activity of the Academy Trust is to provide education for pupils that satisfies the requirements of the Education Act 2002.

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 historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Collegiate Trust meets the definition of a public benefit entity under FRS 102.

The Consolidated statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Academy Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Academy Trust has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The Academy Trust's functional and presentational currency is Pounds Sterling.

The Academy Trust's financial statements are presented to the nearest £.

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 Trust 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 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

Notes to the financial statements
for the year ended 31 August 2019

1. Accounting policies (continued)

1.4 Income

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy Trust has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy Trust, can be reliably measured.

- **Grants**

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

General Annual Grant is recognised in full in the Consolidated statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are 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 year it is receivable and to the extent the Academy Trust has provided the goods or services.

- **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

- **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

Notes to the financial statements
for the year ended 31 August 2019

1. Accounting policies (continued)

1.5 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 Group 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 Group's educational operations, including support costs and costs relating to the governance of the Group apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.7 Taxation

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

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

Notes to the financial statements
for the year ended 31 August 2019

1. Accounting policies (continued)

1.8 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 Consolidated 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 Consolidated statement of financial activities. 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 and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- 2% Straight Line
Leasehold property	- 2% Straight Line
Freehold Improvements	- 2% Straight Line
Computer equipment	- 25% Straight Line
Plant and equipment	- 20% Reducing Balance
Fixtures and fittings	- 20% Reducing Balance
Motor vehicles	- 25% Reducing Balance

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 Consolidated statement of financial activities.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 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.

Notes to the financial statements
for the year ended 31 August 2019

1. Accounting policies (continued)

1.12 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.

1.13 Provisions

Provisions are recognised when the Group 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.

1.14 Financial instruments

The Group only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Group 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 16. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

Notes to the financial statements
for the year ended 31 August 2019

1. Accounting policies (continued)

1.16 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.17 Conversion to an academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Courtwood Primary School and Gilbert Scott Primary School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Consolidated statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23.

Notes to the financial statements
for the year ended 31 August 2019

2. Critical accounting estimates and areas of judgement

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 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.

Multi-employer defined benefit 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £57,393,498 at the reporting date (see note 16). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the trustees consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Critical areas of judgment:

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the governors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Multi-employer defined benefit pension scheme

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Notes to the financial statements
for the year ended 31 August 2019

2. Critical accounting estimates and areas of judgement (continued)

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the governors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme. See note 24 for further details.

ITransferred assets on conversion

During the year, the Academy Trust recognised tangible fixed assets worth £10,910,000 upon conversion of Courtwood Primary School and Gilbert Scott Primary School in to the trust.

During the year, the Academy Trust recognised a deficit of £1,380,000 relating to the LGPS pension scheme being the estimated fair value of assets and liabilities upon conversion of Courtwood Primary School and Gilbert Scott Primary School in to the trust. See note 23 for further details.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations					
Transferred on conversion	381,890	(1,038,000)	10,910,000	10,253,890	4,915,000
Inherited from other Academy Trusts	-	-	-	-	12,088,575
Subtotal detailed disclosure	381,890	(1,038,000)	10,910,000	10,253,890	17,003,575
Donations	4,123	-	-	4,123	79,239
Capital Grants	-	-	874,692	874,692	66,938
Subtotal	4,123	-	874,692	878,815	146,177
	386,013	(1,038,000)	11,784,692	11,132,705	17,149,752
Total 2018	183,097	(1,102,000)	18,068,655	17,149,752	

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Notes to the financial statements
for the year ended 31 August 2019

4. Funding for the Academy Trust's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	18,253,094	18,253,094	12,271,693
Other DfE/ESFA Grants	1,282,162	1,282,162	910,418
	<u>19,535,256</u>	<u>19,535,256</u>	<u>13,182,111</u>
Other government grants			
Local Authority Grants	1,742,587	1,742,587	605,405
	<u>21,277,843</u>	<u>21,277,843</u>	<u>13,787,516</u>

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from facilities/services	325,077	325,077	185,065
Catering	807,959	807,959	533,840
School fund	60,182	60,182	11,953
School trips	497,523	497,523	374,370
Music lessons	58,944	58,944	48,296
Breakfast club	23,753	23,753	18,533
Exam fees	18,283	18,283	10,036
Income from subsidiary trading activities	252,982	252,982	311,912
	<u>2,044,703</u>	<u>2,044,703</u>	<u>1,494,005</u>

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest received	878	878	572

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Notes to the financial statements
for the year ended 31 August 2019

6. Investment income (continued)

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading:					
Support costs	-	-	721,349	721,349	703,938
Activities:					
Direct costs	16,641,194	-	818,575	17,459,769	11,156,985
Support costs	2,977,217	1,572,852	3,129,592	7,679,661	4,926,032
	<u>19,618,411</u>	<u>1,572,852</u>	<u>4,669,516</u>	<u>25,860,779</u>	<u>16,786,955</u>
Total 2018	<u>12,410,384</u>	<u>953,850</u>	<u>3,422,721</u>	<u>16,786,955</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	<u>17,459,769</u>	<u>7,679,661</u>	<u>25,139,430</u>	<u>16,083,017</u>
Total 2018	<u>11,156,985</u>	<u>4,926,032</u>	<u>16,083,017</u>	

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Notes to the financial statements
for the year ended 31 August 2019

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	16,641,194	10,423,027
Educational supplies	420,221	343,253
Staff development	88,494	82,923
Examination fees	274,780	206,045
Curriculum fees	35,080	101,737
	17,459,769	11,156,985

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance cost	140,000	80,000
Staff costs	2,977,217	1,987,357
Depreciation	1,297,176	828,724
Premises costs	1,578,871	953,850
Technology costs	39,619	39,489
Other support costs	826,856	440,954
Professional services	38,734	24,950
Licences and subscriptions	238,588	110,680
Computer maintenance	12,764	107,438
School trip costs	452,675	342,903
School fund costs	76,754	9,687
Loss on disposal of assets	407	-
	7,679,661	4,926,032

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Notes to the financial statements
for the year ended 31 August 2019

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Depreciation of tangible fixed assets	1,297,176	828,724
Loss on disposal of fixed assets	407	-
Fees paid to auditors for:		
- audit	20,750	18,000
- other services	13,400	6,950
	<u>13,400</u>	<u>6,950</u>

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Notes to the financial statements
for the year ended 31 August 2019

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Wages and salaries	14,737,447	9,427,555	14,737,447	9,427,555
Social security costs	1,490,003	927,473	1,490,003	927,473
Pension costs	3,058,840	1,860,575	3,058,840	1,860,575
	19,286,290	12,215,603	19,286,290	12,215,603
Agency staff costs	185,486	194,781	185,486	194,781
Staff restructuring costs	146,635	-	146,635	-
	19,618,411	12,410,384	19,618,411	12,410,384

Staff restructuring costs comprise:

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Redundancy payments	97,266	-	97,266	-
Severance payments	49,369	-	49,369	-
	146,635	-	146,635	-

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

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £49,369 (2018: £NIL)

c. Staff numbers

The average number of persons employed by the Group and the Academy Trust during the year was as follows:

	Group 2019 No.	Group 2018 No.	Academy 2019 No.	Academy 2018 No.
Teachers	271	171	271	171
Administration and Support	292	202	292	202
Management	12	6	12	6
	575	379	575	379

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Notes to the financial statements
for the year ended 31 August 2019

10. Staff costs (continued)

d. Higher paid staff

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

	Group 2019 No.	Group 2018 No.
In the band £60,001 - £70,000	10	6
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	2	-
In the band £180,001 - £190,000	1	1
	=====	=====

Fifteen of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2019, pension contributions for these employees amounted to £206,419 (2018: £125,239). One employee participated in the Local Government Pension Scheme, pension contributions amounted to £16,392 (2018: £15,461).

e. Key management personnel

The key management personnel of the Academy Trust comprise the trustees and senior management team as listed on page 1. The number of management personnel has increased following a reorganisation and the additional new schools that joined the Trust. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £1,142,464 (2018: £670,548).

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Notes to the financial statements
for the year ended 31 August 2019

11. Central services

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

- Finance, HR and school improvement services
- Management services

The Group charges for these services on the following basis:

4% of GAG income

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Riddlesdown Collegiate	434,930	361,847
Gossops Green Primary School	80,751	76,896
Waterfield Primary	45,471	26,250
The Quest Academy	147,085	-
Courtwood Primary School	45,655	-
Gilbert Scott Primary School	48,191	-
Total	802,083	464,993

12. Trustees' remuneration and expenses

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

		2019 £	2018 £
Mr G H Smith, Chief Executive & Accounting Officer	Remuneration	180,000 -	180,000 -
		185,000	185,000
	Pension contributions paid	25,000 -	25,000 -
		30,000	30,000
Mr D Clarke (resigned 31 December 2017)	Remuneration		25,000 -
			30,000
	Pension contributions paid		5,000 -
			10,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Group 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. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

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Notes to the financial statements
for the year ended 31 August 2019

14. Tangible fixed assets

Group and Academy

	Land and Buildings £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost						
At 1 September 2018	49,506,296	451,844	342,072	760,885	43,122	51,104,219
Additions	116,525	78,138	70,561	214,216	8,171	487,611
Inherited assets on conversion	10,910,000	-	-	-	-	10,910,000
Disposals	-	-	-	-	(35,772)	(35,772)
At 31 August 2019	<u>60,532,821</u>	<u>529,982</u>	<u>412,633</u>	<u>975,101</u>	<u>15,521</u>	<u>62,466,058</u>
Depreciation						
At 1 September 2018	2,962,815	42,688	194,624	571,603	22,644	3,794,374
Charge for the year	1,113,911	93,821	36,513	50,257	2,674	1,297,176
On disposals	-	-	-	-	(18,990)	(18,990)
At 31 August 2019	<u>4,076,726</u>	<u>136,509</u>	<u>231,137</u>	<u>621,860</u>	<u>6,328</u>	<u>5,072,560</u>
Net book value						
At 31 August 2019	<u>56,456,095</u>	<u>393,473</u>	<u>181,496</u>	<u>353,241</u>	<u>9,193</u>	<u>57,393,498</u>
At 31 August 2018	<u>46,543,481</u>	<u>409,156</u>	<u>147,448</u>	<u>189,282</u>	<u>20,478</u>	<u>47,309,845</u>

Included in land and buildings is freehold land at valuation of £11,234,000 (2018: £5,664,000) which is not depreciated.

During the year, the Academy Trust recognised leasehold land and buildings of £3,575,000 in respect of Courtwood Primary School on transfer to The Collegiate Trust and freehold land and buildings of £7,335,000 in respect of Gilbert School Primary School at the date of conversion.

The valuations were undertaken by Stiles Harrold Williams Partnership LLP who are regulated by the Royal Institute of Chartered Surveyors on a depreciated replacement cost basis.

15. Stocks

	Group 2019 £	Group 2018 £
Catering stock	<u>11,722</u>	<u>12,393</u>

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Notes to the financial statements
for the year ended 31 August 2019

16. Debtors

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Due within one year				
Trade debtors	214,715	43,940	142,962	20,059
Amounts owed by group undertakings	-	-	96,731	226,924
Other debtors	991,346	130,058	796,940	284,602
Prepayments and accrued income	1,303,992	328,448	1,303,992	324,389
	2,510,053	502,446	2,340,625	855,974

17. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Trade creditors	633,596	172,676	625,781	176,107
Amounts owed to group undertakings	-	-	36,504	20,806
Other taxation and social security	1,155,314	301,956	958,175	301,956
Other creditors	631,212	235,853	622,651	418,297
Accruals and deferred income	779,288	790,758	724,819	727,559
	3,199,410	1,501,243	2,967,930	1,644,725

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Deferred income at 1 September 2018	251,497	275,650	251,497	275,650
Resources deferred during the year	294,717	251,497	294,717	251,497
Amounts released from previous periods	(251,497)	(275,650)	(251,497)	(275,650)
	294,717	251,497	294,717	251,497

The deferred income above relates to money received in advance of the year to which it relates for trips and from the ESFA in relation to Universal Infant Free School Meals and start up funding.

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Notes to the financial statements
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18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	834,157	2,178,612	(1,039,779)	(924,659)	-	1,048,331
Trading Company	31,322	252,982	(721,349)	444,394	-	7,349
	<u>865,479</u>	<u>2,431,594</u>	<u>(1,761,128)</u>	<u>(480,265)</u>	<u>-</u>	<u>1,055,680</u>
Restricted general funds						
General Annual Grant (GAG)	-	18,253,094	(18,283,788)	30,694	-	-
Other DfE / ESFA Grants	-	1,282,162	(1,282,162)	-	-	-
Local Authority Grants	-	1,742,587	(1,742,587)	-	-	-
Pension reserve	(3,570,000)	(1,038,000)	(831,000)	-	(2,152,000)	(7,591,000)
	<u>(3,570,000)</u>	<u>20,239,843</u>	<u>(22,139,537)</u>	<u>30,694</u>	<u>(2,152,000)</u>	<u>(7,591,000)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	47,309,845	10,910,000	(1,297,176)	470,829	-	57,393,498
DfE / ESFA Capital Grants	12,675	852,064	(662,938)	(12,675)	-	189,126
Local Authority Capital Grants	-	22,628	-	(8,583)	-	14,045
	<u>47,322,520</u>	<u>11,784,692</u>	<u>(1,960,114)</u>	<u>449,571</u>	<u>-</u>	<u>57,596,669</u>
Total Restricted funds	<u>43,752,520</u>	<u>32,024,535</u>	<u>(24,099,651)</u>	<u>480,265</u>	<u>(2,152,000)</u>	<u>50,005,669</u>
Total funds	<u><u>44,617,999</u></u>	<u><u>34,456,129</u></u>	<u><u>(25,860,779)</u></u>	<u><u>-</u></u>	<u><u>(2,152,000)</u></u>	<u><u>51,061,349</u></u>

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

Restricted funds:

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

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Notes to the financial statements
for the year ended 31 August 2019

18. Statement of funds (continued)

Other DfE/ESFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

The Restricted fixed asset fund represents the leasehold land and buildings and other assets which were donated upon conversion to academy status, the value of fixed assets purchased since conversion including depreciation to the balance sheet date.

DfE/ESFA capital grants funds is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities. The balance on the fund represents the value of fixed assets purchased in the financial year including depreciation to the balance sheet date and unspent capital grant money to be spent in 2018/19.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Riddlesdown Collegiate (including Central Trust)	631,696	593,337
Gossops Green Primary School	147,495	120,262
The Collegiate Trust Trading Limited	7,349	31,322
Waterfield Primary School	(124,970)	22,193
The Quest Academy	152,825	98,365
Courtwood Primary School	182,456	-
Gilbert Scott Primary School	58,829	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,055,680	865,479
Restricted fixed asset fund	57,596,669	47,322,520
Pension reserve	(7,591,000)	(3,570,000)
	<hr/>	<hr/>
Total	51,061,349	44,617,999
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Waterfield Primary School	(124,970)
	<hr/> <hr/>

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Notes to the financial statements
for the year ended 31 August 2019

18. Statement of funds (continued)

The deficit at Waterfield Primary School was as a result of unexpected exceptional costs arising in the year including severance pay and redundancy costs associated with a staffing restructure.

The Academy Trust is taking the following action to return the academy to surplus:

The Academy Trust has set a clearer surplus budget for the next academic year and does not foresee such exceptional costs to be incurred again. A new Principal is in post and he has a firm grip on the financial status of the academy and clear vision on how a surplus is to be achieved in the coming year.

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Riddlesdown Collegiate (including Central Trust)	7,991,248	2,004,055	371,545	1,431,359	11,798,207	11,117,825
Gossops Green Primary School	1,762,573	166,244	71,915	349,888	2,350,620	2,653,845
Waterfield Primary School	1,192,325	143,200	31,602	250,144	1,617,271	1,323,986
The Quest Academy	3,301,655	371,460	275,921	1,013,155	4,962,191	846,398
Courtwood Primary School	1,046,096	85,276	38,447	188,974	1,358,793	-
Gilbert Scott Primary School	1,347,297	206,982	29,704	171,189	1,755,172	-
Academy Trust	16,641,194	2,977,217	819,134	3,404,709	23,842,254	15,942,054

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Notes to the financial statements
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18. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	738,304	1,365,762	(110,717)	(1,159,192)	-	834,157
Trading Company	71,151	311,912	(703,938)	352,197	-	31,322
	<u>809,455</u>	<u>1,677,674</u>	<u>(814,655)</u>	<u>(806,995)</u>	<u>-</u>	<u>865,479</u>
Restricted general funds						
General Annual Grant (GAG)	31,065	12,271,693	(13,109,753)	806,995	-	-
Other DfE / ESFA Grants	-	910,418	(910,418)	-	-	-
Local Authority Grants	-	605,405	(605,405)	-	-	-
Pension Reserve	(2,934,000)	(1,102,000)	(518,000)	-	984,000	(3,570,000)
	<u>(2,902,935)</u>	<u>12,685,516</u>	<u>(15,143,576)</u>	<u>806,995</u>	<u>984,000</u>	<u>(3,570,000)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	30,082,589	18,001,717	(828,724)	54,263	-	47,309,845
DfE / ESFA Capital Grants	-	66,938	-	(54,263)	-	12,675
	<u>30,082,589</u>	<u>18,068,655</u>	<u>(828,724)</u>	<u>-</u>	<u>-</u>	<u>47,322,520</u>
Total Restricted funds	<u>27,179,654</u>	<u>30,754,171</u>	<u>(15,972,300)</u>	<u>806,995</u>	<u>984,000</u>	<u>43,752,520</u>
Total funds	<u>27,989,109</u>	<u>32,431,845</u>	<u>(16,786,955)</u>	<u>-</u>	<u>984,000</u>	<u>44,617,999</u>

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Notes to the financial statements
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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	57,393,498	57,393,498
Current assets	4,255,090	-	203,171	4,458,261
Creditors due within one year	(3,199,410)	-	-	(3,199,410)
Provisions for liabilities and charges	-	(7,591,000)	-	(7,591,000)
Total	1,055,680	(7,591,000)	57,596,669	51,061,349

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	47,309,845	47,309,845
Current assets	2,366,722	-	12,675	2,379,397
Creditors due within one year	(1,501,243)	-	-	(1,501,243)
Provisions for liabilities and charges	-	(3,570,000)	-	(3,570,000)
Total	865,479	(3,570,000)	47,322,520	44,617,999

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Notes to the financial statements
for the year ended 31 August 2019

20. Reconciliation of net income to net cash flow from operating activities

	Group 2019 £	Group 2018 £
Net income for the year (as per Statement of financial activities)	8,595,350	15,644,890
Adjustments for:		
Depreciation	1,297,176	828,724
Capital grants from DfE and other capital income	(874,692)	(66,938)
Interest receivable	(878)	(572)
Defined benefit pension scheme obligation inherited	1,038,000	1,102,000
Defined benefit pension scheme cost less contributions payable	691,000	438,000
Defined benefit pension scheme finance cost	140,000	80,000
Decrease/(increase) in stocks	671	(4,102)
Increase in debtors	(2,007,607)	(115,081)
Increase in creditors	1,698,167	611,487
Assets from Academy on transfer to Academy Trust	-	(13,565,683)
Assets transferred from local authority on conversion	(10,910,000)	(5,040,000)
Cash transferred from local authority on conversion	(381,890)	-
Net cash used in operating activities	(714,703)	(87,275)

21. Cash flows from investing activities

	Group 2019 £	Group 2018 £
Dividends, interest and rents from investments	878	572
Purchase of tangible fixed assets	(487,611)	(54,263)
Proceeds from the sale of tangible fixed assets	16,782	-
Capital grants from DfE Group	874,692	66,938
Cash transferred from local authority on conversion	381,890	603,966
Net cash provided by investing activities	786,631	617,213

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Notes to the financial statements
for the year ended 31 August 2019

22. Analysis of cash and cash equivalents

	Group 2019 £	Group 2018 £
Cash in hand	1,936,486	1,864,558
Total cash and cash equivalents	1,936,486	1,864,558

23. Conversion to an academy trust

On 1 September 2018 Courtwood Primary School (CP) and Gilbert Scott Primary School (GSP) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Collegiate Trust from Croydon London Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Consolidated balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Consolidated statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Consolidated statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Freehold land and buildings - GSP	-	-	7,335,000	7,335,000
Courtwood Primary School - CP	-	-	3,575,000	3,575,000
Current assets				
Cash - representing budget surplus on LA funds - GSP	228,187	-	-	228,187
Cash - representing budget surplus on LA funds - CP	153,703	-	-	153,703
Non-current liabilities				
LGPS pension surplus/(deficit) - GSP	-	(581,000)	-	(581,000)
LGPS pension surplus/(deficit) - CP	-	(457,000)	-	(457,000)
Net assets/(liabilities)	381,890	(1,038,000)	10,910,000	10,253,890

Notes to the financial statements
for the year ended 31 August 2019

24. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Croydon and West Sussex 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 £285,020 were payable to the schemes at 31 August 2019 (2018 - £236,781) 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 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 (amended) 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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). 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% employer administration charge)
- total scheme liabilities (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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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 is 4.45%.

Notes to the financial statements
for the year ended 31 August 2019

24. Pension commitments (continued)

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the year amounted to £1,979,019 (2018 - £1,267,948).

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 Group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Group has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,071,000 (2018 - £590,000), of which employer's contributions totalled £823,000 (2018 - £456,000) and employees' contributions totalled £ 248,000 (2018 - £134,000). The agreed contribution rates for future years are 15.1 to 24.7 per cent for employers and 5.5 to 12.5 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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

	2019	2018
	%	%
Rate of increase in salaries	2.80 - 3.00	2.90 - 3.00
Rate of increase for pensions in payment/inflation	2.30	2.30 - 2.40
Discount rate for scheme liabilities	1.80 - 1.90	2.80

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.8 - 22.3	22.3 - 23.6
Females	23.6 - 24.4	24.4 - 25.0
<i>Retiring in 20 years</i>		
Males	23.0 - 24.0	24.0 - 26.0
Females	25.5 - 26.2	26.2 - 27.8

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Notes to the financial statements
for the year ended 31 August 2019

24. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.5%	2,193	1,282
Mortality assumption - 1 year increase	235	168
CPI rate +0.5%	1,919	1,103
	<hr/> <hr/>	<hr/> <hr/>

The Group's share of the assets in the scheme was:

	2019 £	2018 £
Equities	5,002,000	4,156,000
Corporate bonds	2,318,000	1,419,000
Property	1,047,000	679,000
Cash and other liquid assets	186,000	106,000
Total market value of assets	<hr/> 8,553,000 <hr/>	<hr/> 6,360,000 <hr/>

The actual return on scheme assets was £596,000 (2018 - £399,000).

The amounts recognised in the Consolidated statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(1,482,000)	(894,000)
Past service cost	(32,000)	-
Interest income	206,000	104,000
Interest cost	(346,000)	(184,000)
Transfer in on conversion from Local Authority	(1,038,000)	(125,000)
Transfer in on existing academies joining the Trust	-	(977,000)
Total amount recognised in the Consolidated statement of financial activities	<hr/> (2,692,000) <hr/>	<hr/> (2,076,000) <hr/>

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Notes to the financial statements
for the year ended 31 August 2019

24. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	9,930,000	6,432,000
Transferred in on existing academies joining the trust	1,599,000	3,082,000
Service costs	1,514,000	894,000
Interest cost	346,000	184,000
Employee contributions	248,000	134,000
Actuarial losses/(gains)	2,593,000	(745,000)
Benefits paid	(86,000)	(51,000)
At 31 August	16,144,000	9,930,000

Changes in the fair value of the Group's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	6,360,000	3,498,000
Transferred in on existing academies joining the trust	561,000	1,980,000
Interest income	206,000	104,000
Actuarial gains	441,000	239,000
Employee contributions	248,000	134,000
Benefits paid	(86,000)	(51,000)
Employer contributions	823,000	456,000
At 31 August	8,553,000	6,360,000

The valuation allows for the estimated impact of the recent McCloud judgement as a past service cost for those academies under the administration of West Sussex County Council only. The estimated impact on the total liabilities for this fund as at 31 August 2019 is £32,000 (or 0.2% as a percentage of total liabilities). The impact of the McCloud judgement for the Trust's academies under the administration of Croydon London Borough Council has not been recorded in the financial statements on the grounds of immateriality.

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25. Operating lease commitments

At 31 August 2019 the Group and the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Academy 2019 £	Academy 2018 £
Not later than 1 year	25,848	18,055	25,848	18,055
Later than 1 year and not later than 5 years	103,392	-	103,392	-
Later than 5 years	6,462	-	6,462	-
	135,702	18,055	135,702	18,055

26. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

27. Related party transactions

Owing to the nature of the Academy Trust'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 a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Octavo Business Partnership

A mutual trading company owned by the Croydon Headteachers Association (CHTA), Croydon Council and Octavo staff to provide support, services and training to education providers in London. The Chief Executive and Accounting Officer of the Academy Trust, Mr G H Smith is a director of Octavo Business Partnership.

During the year the Academy Trust paid £2,142 for services provided (2018: £3,040). There were amounts of £3,333 (2018: £nil) due to Octavo Business Partnership as at the year end.

Croydon Headteachers Association (CHTA)

A network to provide networking, support and training to the Headteachers of education providers in Croydon. The Chief Executive and Accounting Officer, Mr G H Smith is a director of the CHTA. The Principal of The Quest Academy, Mr A Crofts, is also a director of the CHTA.

During the year the Academy Trust paid £1,445 (2018: £3,050) for their services. There were no amounts due to the Association as at the year end.

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27. Related party transactions (continued)

Beaumont Primary School

A community school located in Purley. The Chief Executive and Accounting Officer, Mr G H Smith is a governor of Beaumont Primary School. During the year the Academy Trust paid £2,045 for recruitment expenses on Beaumont Primary School's behalf. There were no amounts due to the School as at the year end.

28. Controlling party

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Trustees. There is no ultimate controlling party.

29. Principal subsidiaries

The following was a subsidiary undertaking of the Academy Trust:

Name	Company number	Registered office or principal place of business	Principal activity
The Collegiate Trust Trading Limited	09317797	Honister Heights, Purley, Surrey, CR8 1EX	Provision of catering services
Class of shares	Holding	Included in consolidation	
Ordinary	100%	Yes	

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
The Collegiate Trust Trading Limited	1,096,212	1,120,185	(23,973)	7,349