

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2015**

**Company Registration Number:**  
**06336693 (England and Wales)**

**THE COLLEGIATE ACADEMY TRUST  
(Company limited by guarantee)**

**CONTENTS**

<b>Reference and administrative information</b>	<b>3</b>
<b>Report of the Trustees</b>	<b>5</b>
<b>Governance Statement</b>	<b>18</b>
<b>Statement of Regularity, Propriety and Compliance</b>	<b>23</b>
<b>Statement of Trustees' Responsibilities</b>	<b>24</b>
<b>Independent auditors' report on the Financial Statements</b>	<b>25</b>
<b>Independent auditors' report on regularity</b>	<b>27</b>
<b>Consolidated statement of financial activities</b>	<b>29</b>
<b>Charitable company statement of financial activities</b>	<b>30</b>
<b>Consolidated balance sheet</b>	<b>31</b>
<b>Charitable company balance sheet</b>	<b>32</b>
<b>Consolidated cash flow statement</b>	<b>33</b>
<b>Principal accounting policies</b>	<b>34</b>
<b>Notes to the financial statements</b>	<b>38</b>

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS**

**MEMBERS**

A Savell-Boss

Sir M Grundy

A Price

<b>Trustee</b>	<b>Status</b>	<b>Committees</b>	<b>Appointed</b>	<b>Resigned</b>
A Savell-Boss Board Chair	Academy Trustee	Resources Remuneration and Performance Management Local Governing Body		
N Hussain	Community	Local Governing Body Audit		
S R Malhi	Community	Local Governing Body Remuneration and Performance Management Audit		01/05/15
M Conway-Jones	Family	Local Governing Body Audit Resources Remuneration and Performance Management		
Sir M Grundy	Ex-Officio	Resources Local Governing Body		
T Mulla	Family	Local Governing Body Resources Audit		
Z Akhtar	Co- Opted	Local Governing Body Audit		
J Nair	Co-opted	Audit Resources	Appointed 18/03/15	
K Egan	Co-opted	Audit Resources		

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Company Secretary**

I Foyle

**Senior Management Team**

J Kellas	Director of Finance
D Irish	Senior Vice Principal
M Kelay	Vice Principal (resigned 12 April 2015)
G Faux	Vice-Principal (appointed 19 March 2015)
M Adams	HR Director

**Principal and Registered Office** Waterloo Road  
Smethwick  
West Midlands  
B66 4ND

**Company Registration Number** 06336693 (England and Wales)

**Independent Auditor** Moore Stephens  
35 Calthorpe Road  
Edgbaston  
West Midlands  
B15 1TS

**Bankers** The Co-operative Bank Plc  
118 – 120 Colmore Row  
Birmingham  
B3 3BA

**Solicitors** Browne Jacobson  
44 Castle Gate  
Nottingham  
NG1 7BJ

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE TRUSTEES**  
**31 August 2015**

The Trustees present their report together with the financial statements of the charitable company for the year ending 31st August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies on pages 34 to 53 and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 (SORP 2005).

The Collegiate Academy Trust's head office is at Shireland Collegiate Academy. The Articles of Association which govern the Trust allows for more than one Academy. Shireland Collegiate Academy is an 11 -19 school with a pre-school nursery providing child care for 0-4 year olds. It has a pupil capacity of 1,225 and had a roll of 1,168 in the school census on October 2014. The pupil capacity will increase over the next 3 years by 15 pupils each year in year 7 until the Academy reaches its capacity number, as agreed with the Local Authority.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Collegiate Academy Trust (CAT) is the legal entity which governs Shireland Collegiate Academy (SCA) and a subsidiary company Shireland Learning Ltd (SLL).

The Collegiate Academy Trust is a company limited by guarantee with no share capital. It was incorporated on 7 August 2007 and was registered as a charity on 6 February 2008. The CAT is an exempt charity whose Principal Regulator is the Secretary of State for Education. The CAT commenced operations on 1 September 2007. The charitable company's Memorandum and Articles of Association are its primary governing documents. The current Articles of Association were adopted from 1 September 2011 following the de-federation of George Salter Collegiate Academy (GSCA) from the Trust, its transfer to the Ormiston Academies Trust, and the ending of the Ormiston Trust's role as Academy Trust sponsor. Members of the charitable company are a nominee of the Secretary of State for Education (should s/he chose to appoint), the Chair of the Board of Trustees, the original signatories of the Memorandum of Association who are still Members and any persons appointed unanimously by the Members.

The Trustees are directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation. The details of the Trustees who served throughout the year are included in the references and administrative details on page 3.

The Articles of Association enable the Collegiate Academy Trust to operate on a federal basis and to include more than one Academy. The Articles allow the Trust to establish Local Governing Bodies for each Academy within its control. Shireland Collegiate Academy has a local governing body whose role includes the monitoring of the performance of the Academy and the implementation of policies agreed by the Collegiate Academy Trust Board. The Local Governing Body has a membership of 12 Governors which include trustees, family and staff members.

### **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 he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a Member.

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE TRUSTEES**  
**31 August 2015**

**Trustees Indemnities**

Subject to the provisions of the Companies Act 2006, every Governor or other officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy. The Academy has a third party indemnity in place for all Trustees.

**Principal Activities**

The Articles of Association describe the Academy Trust's purposes as: 'to advance education by establishing and managing schools offering a broad curriculum and to provide facilities for recreational and other leisure time occupation for community benefit at large in the interests of social welfare and with the object of improving the conditions of life of the community'.

Under the terms of the Funding Agreement agreed with the Department for Education (DFE) in 2007, the Academy provides a broad educational curriculum for pupils of different abilities who are drawn mainly from the local area. The Academy's Raising Achievement Plan describes the Academy's educational aims, objectives and targets and is approved annually by the Board of Trustees which fulfils largely strategic role in the running of the Academy. The Raising Achievement Plan states how the Academy will unlock the potential of pupils, promote their well-being, raise aspirations and self-esteem and achieve high standards. The Academy is at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community, developing new directions for teaching and learning and establishing continuous improvements in standards. The admissions policy and arrangements for the Academy are in accordance with admissions law and the DfE Code of Practice, as they apply to maintained schools.

The Collegiate Academy Trust has developed two key statements upon which the vision for the trust is based,

These are:

- *"Leading Learning, Changing Attitudes, Promoting Cohesion"*;
- *"Aim Higher, See Further, Be Concerned for Everyone"*.

The first statement broadly aims to guide the work of the Academy's staff and the second has been developed for students.

**Method of Recruitment and Appointment or election of Trustees**

Trustees were appointed to ensure the objects of the trust as set out in the Articles of Association and Funding Agreement are adhered to.

The Trustees were appointed following consultation with the current Board, the local community and parents, depending on the positions available. The Collegiate Academy Trust Board constitution determines the need for up to 3 Community Trustees, up to 3 Academy Trustees, the Executive Principal, and 2 Parent (Family) Trustees. In addition the Board may appoint up to 3 Co-opted Trustees, and 1 Primary School Head Teacher. The Secretary of State for Education may appoint Additional and Further Trustees. The Articles of Association say that Family Trustees shall be elected by the Family Committee. All Trustees, with the exception of Family Trustees are asked to attend an induction interview with the Chair of the Board, the Executive Principal and the Finance Director. On this advice the Trustees appointment is then either endorsed by the Board or rejected.

During the year under review the Trust held 4 Board meetings; 3 Resources Committee meetings and 3 Governing Body meetings. There were 2 meetings of the Shireland Learning Board (the subsidiary company) and 3 Audit Committee meetings.

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE TRUSTEES**  
**31 August 2015**

All Trustees are asked to complete an inventory of their skills and experience on appointment and thereafter periodically. The resulting overall profile of Board expertise enables Trustees to appoint persons who will ensure that the Board can discharge its duties efficiently and effectively. When a vacancy arises, the skills inventory is reviewed to ensure the advert for a Governor is linked to the required skill set.

The Board has continued this year to use SGOSS – Governors for Schools Service, this year, to ensure that any skills gaps that have been identified can be filled accordingly. We have successfully recruited one Trustee in 2014-15 via this route and have also made one further appointment to commence in 2015/2016.

**Procedures adopted for the induction and training of Trustees**

The Trust has made efforts over the past three years to work towards a “paperless system” and has invested in an “Online” Governance Portal. All Trustees and Governors have access to relevant policies and procedures by using the governance portal on a “24/7” basis. Each Trustee/Governor on appointment is issued with a notebook computer, guidance on use, an Induction Pack and a summary of Key Documents folder. Both the Induction pack and key documents are updated annually or as and when required. Each new Trustee/Governor is also asked to complete a training needs questionnaire.

New trustees are also given the opportunity to attend an induction training session, and/or a one to one induction session with the Executive Principal and/or the Company Secretary. The induction training covers the role and responsibilities of a charity Trustee/governor and support on use of the Governance Portal.

The Key Documents folder supplied, contains information about the Academy, its constitution, the Board and its Committees, the responsibilities of Trustees and Governors, the role of the Chair, safeguarding, training available and sources of relevant information with website links. This information complements the on-going training programme.

Trustees/Governors are encouraged to attend training when and as often as possible. The Trust has signed a contract with both Sandwell MBC and SSAT to allow Trustees/Governors access to their on line training. In addition to this Sandwell MBC provide a comprehensive training schedule throughout the year, which all Trustees/Governors are reminded to access and sign up to. The Trust is also a member of the National Governors Association (NGA) and member of Key Educational, which holds a wealth of information and support for Trustees and Governors.

In addition to the external training on offer and the resources that are available online via Sandwell and SSAT, Trustees/Governors are encouraged to sign up to SGOSS support and the National Governors Association Support Network. As a Trust we also provide a mini training session before each Board meeting during the year (30 to 40 minutes). This year the training has covered; Understanding the use of public funds, code of conduct for Trustees and the 7 principles of public life; strategic planning; Understanding data and key indicators; self-evaluation within governance; Understanding funding; the role of a link Trustee/Governor, exclusion training, Changes to the SEN framework and the implications of a MAT and Free school The Local Governing Body has also received training on the 7 Principles of Public Life, the role of the link governor and exclusions and SEN. At the beginning of the financial year all Trustees and Governors were trained in the use of the Governors on line area and the use of the devices they have been issued with.

All Trustees and Governors were also given the opportunity to tour the Academy and the new building, to meet with staff and students. Most Trustees and Governors have taken these opportunities and reported accordingly.

At the end of each year we review with Trustees/Governors the training programme. This information is used to plan future training programmes.

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE TRUSTEES**  
**31 August 2015**

In addition to the in year training courses, the governance portal has been regularly updated so that Trustees and Governors can be informed of national developments in education and related legislation. The portal stores all relevant information for Trustees and Governors, information on training sessions, and updates on weekly events in the Academy, current news and links to areas of interest.

**Organisational structure**

The management structure allows for support of more than one academy.

The organisational structure is comprised of four levels which are the:

- Collegiate Academy Trust Board of Trustees;
- Academy Local Governing Body;
- Executive Leadership Team and
- Senior Leadership Team.

The aim of this structure is to give clear management accountability that allows the relevant responsibilities to be devolved and encourage involvement in decision making at all levels.

The Governance Structure and its associated Scheme of Delegation are approved annually at the first meeting of the Board of Trustees in the autumn term. These documents state the responsibilities of the Board and the powers delegated to its Committees. The Executive Principal is the Accounting Officer. The Scheme of Delegation describes the Executive Principal's financial responsibilities and powers and those that have been delegated to Committees and senior staff.

The governance structure is reviewed annually before being submitted to the Board for approval. A summary of the key changes are presented to Trustees. Trustees are encouraged to propose ways in which the governance arrangements can be improved and how to increase the level and effectiveness of challenge and support to the Executive Leadership Team.

The Trustees are responsible for ensuring compliance with the Trust's duties under company and charity law and the agreement made with the DfE, including the funding agreement; for approving all policies (unless otherwise delegated to a Committee); the annual budget and monitoring the work of the Academy. They also take major decisions about the direction of the Academy, capital expenditure and the appointment and dismissal of the Executive Principal and the Director of Finance.

The Local Governing Body has the responsibility to ensure that the direction set by the Collegiate Academy Trustees is maintained and relevant monitoring systems are in place to ensure adherence.

The Executive Leadership Team consists of 5 staff; the Executive Principal, the Director of Finance, Director of Human Resources, one Senior Vice-Principal and one Vice Principal.

These individuals have responsibility for the implementation of decisions made by the Collegiate Trust Board in relation to any aspect of the Academy's management and organisation, but in particular in respect of the curriculum, financial management, human resources and the development of extended services.

The Executive Leadership Team meets on a weekly basis to plan, deliver and evaluate the provision of the work of the Trust.

The Senior Leadership Team meets twice a week and provides the day to day operational management of the Academy. The Senior Management Team consists of 8 senior staff with emphasis on Curriculum and data, site management, behaviour, Achievement, Attainment and Progress, E- Learning, Study Support and personalised learning via Achievement Weeks and Focus Days.



**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE TRUSTEES**  
**31 August 2015**

**Subsidiary company**

The Collegiate Academy Trust is the sole member of Shireland Learning Limited (SLL), a company incorporated in England (registration no. 6052021). As reported in the audited accounts for the year ended 31 August 2015, SLL made a profit of £nil (year ended 31 August 2014: £nil profit).

Shireland Learning Ltd provides a school improvement function. For this year and last year SLL has not traded.

**Connected Organisations (including Related Party Relationships)**

The Collegiate Academy Trust entered into a collaborative working agreement with Victoria Park Primary Academy, company number 07887796 whose registered office is at Ballot Street, Smethwick, West Midlands, B66. The Collegiate Academy Trust and Victoria Park Primary Academy are the initial subscribers and Members of the Smethwick Learning Partnership. The Partnership was incorporated on 30 May 2012 with company number 08089402 and registered office c/o Shireland Collegiate Academy Waterloo Road Smethwick West Midlands B66 4ND. The Smethwick Learning Partnership was established to supply education related services and facilities to schools, colleges, local authorities, children, young people, adult learners, companies, corporations, trusts, associations and institutions. It was established to provide school improvement and related services to schools, colleges, local authorities, companies, corporations, trusts, associations and institutions.

The objective of the Partnership was to

- (a) improve the quality of education for young people in Sandwell and the surrounding area;
- (b) improve the quality of education for young people in member schools;
- (c) work in partnership to support learning continuity, personnel development and family engagement across the local area;
- (d) create a structure of mutual support by using the skills and expertise across the partnership which will support all of the schools' staff, students and families;
- (e) improve teaching and learning;
- (f) create a local led and delivered support system;
- (g) support areas of weakness as identified collectively to raise standards;
- (h) develop an agreed vision and strategy for the delivery of school improvement activity to the benefit of member schools;
- (i) share examples of best practice across member schools; and
- (j) achieve improved value for money for member schools.

The organisation should have a minimum of 3 directors who are representative of the establishments who entered into the agreement. Each establishment was entitled to appoint up to 2 directors. Victoria Park Academy and Shireland Collegiate Academy appointed the following directors:

Sir Mark Grundy-- Executive Principal of the Collegiate Academy Trust  
Ashley Savell-Boss-- Chair of the Collegiate Academy Trust Board of Directors  
Andrew Morrish-- Principal of Victoria Park Primary Academy  
Claire Simone Seymour (to 10<sup>th</sup> June 2014)

The Smethwick Learning Partnership has not traded in this accounting period and is dormant.

**OBJECTIVES AND ACTIVITIES**

The Trustees have an absolute commitment to the concepts and principles of an "Every Child Matters" agenda, with the Academy fully committed to the characteristics of full-service Extended Schools.

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE TRUSTEES**  
**31 August 2015**

**Objects, aims and objectives**

Shireland Collegiate Academy serves a community which is predominantly from ethnic minority communities with a small white population. There are considerable challenges in terms of employment and health related issues and the Academy, via its Extended Services agenda plays an active role in helping with these challenges.

The Academy is fully committed to the concept of full extended schools and is working closely with 8 local partner primary schools to start work with families as soon as possible. The students and their families benefit significantly from the activities which are located and distributed around and within the Academy. The provision of study support, child care, adult training, sport, art related activities and community partnership are both unusual and inspiring. The use of technology at Shireland is exemplary and much work has been undertaken to develop a series of Portals which provide our staff, students and families with access to information, guidance and training via the internet. This year has seen us investing once again in the use of technology for the "flipped Classroom and working with the Education Endowment Fund (EEF) and OCR to forward the agenda of personalised learning, feedback, engaging families and harnessing technology.

The Academy has a standard intake of 195 with provision for 975 students aged 11 to 16, plus a standard sixth form of 250 of which 240 were on roll last year.

The Academy follows fair banding admissions to ensure that fully comprehensive admissions criteria and equality is achieved within the individual local communities. The vast majority of the students attending the Academy live in its vicinity and Shireland is very much a community school. Trustees will once again evaluate the benefits of this admissions system in the coming academic year and are looking into areas such as key Primary schools, the provision of a Free School, the PAN and the expansion of a specialism strand.

The Collegiate Academy Trust's key aims are based on the initial Expression of Interest to establish an Academy. The aim is to develop an innovative curriculum which will:

- develop key competences in an interactive context-driven curriculum based on the RSA Opening Minds framework;
- grow an enterprise environment;
- offer a curriculum based not upon the more common model of multiple intelligences but upon an emotional intelligence model;
- provide just-in-time delivery to learners wherever they are through the development of Shireland's Learning Gateway;
- provide a virtual extended school by taking the Learning Gateway technology into all homes and places of learning;
- offer language as a school improvement strategy, utilising the culturally and linguistically rich communities served by the Collegiate Academy and lead in the area on the National Languages Strategy;
- raise aspirations, recognising the importance of Arts in the development of individuals;
- support individual, economic and community development through performing arts and links to creative industries;
- support schools in the Borough and nationally by extending the Learning Gateway to provide access for all learners and encourage the development of e-learning, for example in the establishment of a "virtual school" for Looked after Children;

**Strategies and activities**

The Collegiate Academy Trust has focussed throughout this year on a number of specific developments which are integral to the delivery of the Trust's objectives and core principles. These are contained within the Raising Achievement Plan (RAP) and comprise Improving the Quality of Delivery, Enhancing Levels of Engagement, Ensuring Progression for All and establishing Partners in Learning.

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE TRUSTEES**  
**31 August 2015**

The focus for these 4 strands has been to ensure:

- All Staff are at least Good with at least 50% being Outstanding through both delivery and outcomes
- Continued development of Competencies
- A creative curriculum which provides for the successful personal and academic development of each individual and cohort, underpinned by flipped classroom methodology
- The further development of the underpinning services which support students and families
- Assessment for Learning is embedded in all lessons
- Support staff in lessons are fully integrated into classroom delivery
- The role of Student Voice is fully engaged in the delivery of the Raising Attainment Plan strands
- The further engagement of the hard to reach students and families
- Accelerated individual student progress to narrow the attainment gap for identified cohorts
- The continued collaborative partnership with 10 Primary Schools
- The development of local business and strategic national partnerships to further enhance the quality of our delivery
- Further development of our "NCSL Teaching School" status and School Direct
- Primary Study Support operates with over 100 students per week
- The utilisation of Pupil Premium funding to maximum effect. During this period £489,319 was expended to provide additional one to one intervention support for key stage 3, 4 and 5 identified students. The Academy has focussed interventions around the areas of literacy and numeracy improvement, Learning to Learn and work on emotional intelligence development. The Academy has also extended the policy of 1:1 technology learning and provided a number of students with enhanced e-learning provision.

The Trusts core principles are that all students should have access to a fully rounded, personalised and creative education. We try to bring together individuals and organisations that are committed to all students having access to a 'whole education'. By this, we mean an education that:

- develops a range of skills and competences (teamwork and communication skills), qualities (resilience and empathy), knowledge and associated qualifications that young people will need for their future;
- makes learning more relevant and engaging for young people, with them at the centre of their own learning, providing a mix of practical and theoretical learning in context;
- recognises that learning takes place in various settings, not just the classroom, and that the best schools engage the wider community in learning and pushes learning out into the community.

### **Public Interest**

In setting our objectives the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. All Trustees have been issued with the relevant information and this has been translated in the workings of the Academy via the development planning process.

The Collegiate Academy Trust's main objective is: "to advance, for the public benefit, education, by establishing, maintaining, carrying on, managing and developing, a broad curriculum and by providing facilities for recreational and other leisure time occupation for the community".

The Collegiate Academy Trust has at its core, a mission to secure high performance and raise aspiration. The Trustees' underpinning ethos within the Collegiate Academy is a belief in the potential of all learners and a commitment to provide the environment which unlocks that potential and develops the individual and collective self-esteem and confidence which is the pre-requisite of an enterprising culture.

### **Equal opportunities policy**

The Trustees recognise that equal opportunities must be an integral part of good practice within the workplace. The Academy aims to establish equality of opportunity in all areas of activity including creating a working environment in which the contribution and needs of all people are fully valued. The Academy has an Equal Opportunities policy.

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE TRUSTEES**  
**31 August 2015**

**Disabled persons**

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

In the period of time preceding major capital investment, we are continuing to improve our facilities to ensure that we fulfil our statutory obligations.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

Our achievements for the academy as a whole are extremely pleasing and in many areas have reached record highs.

Some of key achievements include:

- Year 11 Achievement - the GCSE results 2015. The summer 2015 saw the Academy achieve the overall grades of 45% 5A\*-C grades including English and Mathematics at GCSE level and saw the school reach an all-time high in terms of Student Progress with a Contextual Value Added of 1020 which placed the academy top in the local league tables. The targets set for the school were achieved.
- GCSE 5 A\*-C results at SCA are incredibly positive particularly when viewed in the National context. 50% of all students achieving a Grade C in both English and Mathematics – the school can be justifiably proud of these results, and once again these results are far better than those achieved by similar benchmarked schools. The targets set for the school were achieved.
- Post 16 Achievement - a 96% success rate in all subjects in A2 at grades A-E and 76% at AS is most encouraging given the point of entry to Post 16 study for a number of our students is particularly low. The inclusive approach that we have taken regarding admissions is a continual concern in relation to standards but is central to our philosophy of inclusive education. The targets set were achieved.
- Attendance has increased at SCA from 90.11% in 2008/9 to 94.81% this year. Our attendance results are simply outstanding and the work that has been undertaken by staff at all levels to secure this improvement is stunning.
- The academy has continued to focus a considerable amount of work on the further development of the Office 365 based Learning Gateway. In the last academic year we have integrated MS Sway, Office Mix and Delve into the Gateway and incorporated solutions such as e-learning 247 to provide on-line homework to students in Key Stage 3.
- The provision across the Extended Schools and Services agenda has matured still further throughout this year. The provision of support for students is outstandingly good, and there are plans in place to develop the other key strands of the Extended Service/School provision. The use of the Ormiston related funding to support Extended Services provision was a key once again this year. The level of provision and the spectrum of participants were exceptional. The end of year "Festival of Learning" event in July was the culmination of several month's hard work in our local Primary Schools and saw over 1000 people attending. It was once again an exceptionally proud and inclusive day!

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by guarantee)

**REPORT OF THE TRUSTEES**  
**31 August 2015**

Some of the most pleasing developments this year which have explicitly supported our objectives are:

- The position of our core subjects is stronger than at any time in the last few years. The three levels of progress values for Mathematics and English were 65% and 78% which puts us well above national expectations which given the very deprived community that we serve, is most pleasing
- The provision of devices for our students continues to roll through the school with the Year 7, 8 and Post 16 students receiving Microsoft Surface devices.
- The Post 16 provision has developed throughout the year and recruitment for September 2015 will be at an all-time high of 250. We have also raised our entry requirements for programmes.
- The school has worked throughout this year to establish more partnerships in addition to the ones established with Steljes and Microsoft. We are now working closely with RM, SMART, Tute, e-learning 247 and Whole Education.

**Key Performance Indicators**

The Academy sets seven key targets covering performance in all key stages, English, Maths, attendance and behaviour, individual teacher performance, overall teaching and learning and leadership and management. These targets are agreed by the Board and reported regularly throughout the year and are detailed above in achievements and performance

The Resources Committee monitors the resources of the CAT through the review of monthly management accounts to include reports on creditors and debtors, breaches of expenditure limits and virements, along with a cash flow, balance sheet, income and expenditure statements, forecast year end out turn and projections for the coming two academic years.

Within these reports trustees receive information on key performance indicators of which the main indicators for this period are as follows:

	2015	2014
Pupil numbers	1,168	1,102
<i>Staff to Student Ratios:</i>		
Pupils: Teachers	11.39:1	10.91: 1
Pupils: Administration/support	12.3:1	10.12: 1
Pupils: Management	146.00:1	157.43: 1
Pupils: Executive/Governance	259.56:1	244.89: 1
Income per Student	£9,138	£9,300
GAG Income per Student	£6,802	£6,993
Spend per Student	£8,655	£9,261
GAG Spend per Student	£6,702	£6,723
Average FTE Cost	£35,407	£35,407
Staffing costs as a percentage of Income	71%	78%
Staffing costs as a percentage of GAG Income	95%	98%

**Going Concern**

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

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE TRUSTEES**  
**31 August 2015**

**FINANCIAL REVIEW**

**Financial report for the year**

Most of the Collegiate Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2015, total expenditure of £ 10,531,020 was covered by recurrent grant funding from the EFA together with other incoming resources generated by the Academy.

The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension reserve) was £564,490. The fixed asset fund excess of income over expenditure for the year was £6,650,617, due to the donation of land and building by Sandwell LA. Total excess of income over expenditure for the year is £7,215,107

At 31 August 2015 the net book value of fixed assets was £9,179,317; movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

This year has been about further developing our practices and meeting the key curriculum objectives of the Collegiate Academy Trust with our key concentration on the use of technology to improve attainment.

The key focus of funding for this year has once again been around the provision of Individualised learning for students, expanding the extended school provision, with the use of funding from Ormiston Trust of £125,000, and continuing with the drive to improving standards within teaching and learning

The main emphasis of our capital spend this year has been around ensuring all students are equipped with their own personal device and the development needs of students and staff within this technology rich environment.

This year the Academy has been fortunate to receive donated services in kind, to the value of £2,655 from Mangahigh. This has not been included within the financial statements as the quantum actually used cannot be accurately stated and does not have a material impact on the financial statements.

**Reserves policy**

The Trustees have reviewed the reserve levels of the Academy. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees have agreed to work towards holding in reserves at least 5% of the General Annual Grant funding (excluding rates income). This equates to £397,210 based on the current year's results for the Charitable Company. The reserves policy is monitored through termly reports to the Resources Committee. This is to ensure there is provision to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The deficit on the pension scheme will impact on the cash flow of the Trust through an increase in employer's pension contribution over a period of years, when the fund is reviewed. This will not have a direct impact on the reserves in this current accounting period.

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE TRUSTEES**  
**31 August 2015**

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted reserves) is £705,785 of which Trustees are committed to holding £399,664 to support the revenue budget position in 2016/2017.

**Financial position**

The Collegiate Academy Trust held balances at 31 August 2015 of £20,492,341, comprising; restricted fixed asset fund of £19,373,312 restricted general fund of £410,266 excluding the pension reserve deficit of £1,835,000 and £708,763 of unrestricted funds.

**Investment policy**

The Collegiate Academy Trust has entered into a service agreement with the Local Authority to provide a treasury management service. This enables the cash position of the Academy to be maximised whilst ensuring the risk is minimal. The trust only works with organisations that give sovereign risk to ensure public funding is used appropriately.

**Principal risks and uncertainties**

The key risk to the CAT this year has been around ICT and the further development of our Learning Gateway into a new environment alongside the upgrading of the technology environment, the constraints of the core funding available from the DfE and the need to complete the changes to the curriculum to meet the new target requirements for progress 8

The CAT going forward has a strategic risk register that monitors key risks and how these can be managed. Some of the key future issues for the CAT are the deficit on the non-teaching staff pension scheme, demand/competition for places, the management of partnerships and the changes to funding for academies, funding constraints, the growth of Teaching School with the limitation of funding and maintaining the high quality of provision within these constraints.

The Academy is driving forward with an active marketing strategy and working with local primary schools to establish a smooth transition for our year 7 students to minimise the impact on progression and where possible is sharing good practice and resources within the primary sector. The Academy is also looking to how services and support for other schools can be formalised within the framework of its trading subsidiary.

The continued drive to obtain the best levels of attainment and the need to achieve a positive Progress 8 value has been a high focus this year with resources identified and targeted to meeting this requirement. The Academy development plan has been centred on this focus along with personalised learning to ensure that every student achieves their full potential.

**Risk management**

The Trustees of the Collegiate Academy Trust are responsible for the management of the risks faced by the Academy. Detailed consideration of risk has been delegated to the Audit Committee and members of the Executive Leadership Team and Senior Leadership Team. Strategic and Operational Risks have been identified, assessed and controls put in place to minimise risk throughout the year. Specific emphasis has been placed on ensuring systems and procedures are in place and are operational. Training has been two fold this year, some training has been facilitated in house this year for Trustees and the Executive Leadership team and both risk registers have been reviewed for accuracy and action, however Trustees have also been supported by an external Risk expert to review the process and ensure adherence. Trustees were presented with a report which details the action taken to date and identifies areas for review in the coming academic year to ensure that all risks are monitored and minimised wherever possible. This report has identified the need for the focus for the next academic year to ensure risk is evidenced within delivery plan and for an annual independent evaluation to be put into place.

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE TRUSTEES**  
**31 August 2015**

The key controls used by Trustees to inform this process, include:

- A clear governance structure;
- Detailed terms of reference for the Resources and Audit committees, with clear levels of financial delegation;
- Termly reports on risk management to the Board and Audit Committee;
- Effective systems of internal financial control;
- A clear Development Planning process
- A Trustees' induction process;
- Performance Management process for staff with targets linked into the Development Planning process;
- A training programme for managers;
- Three year financial planning linked to the overall objectives of the Charity;
- Clear organisational structure with defined lines of reporting;
- A detailed review of policies to ensure all relevant legislation is complied with; to include human resources, finance, health and safety, and student care;
- Review and challenge by an independent external consultant;
- Half yearly and annual audit by external auditors and termly reviews by the Responsible Officer;
- Self- evaluation.

Through the Risk Management process, the Trustees of the Collegiate Academy Trust are satisfied that all major risks have been identified and steps taken to mitigate where necessary. Trustees recognised that systems can only provide reasonable, but not absolute assurance that major risks have been adequately managed.

#### **PLANS FOR FUTURE PERIODS**

The key areas of focus for the next year for the Collegiate Academy Trust and the academy are as follows:

- All teaching staff are graded at least good with 60% being outstanding
- Ensuring a bespoke curriculum, providing for each cohort and individual
- Creating a stimulating Gifted and Talented Programme
- Refinement of marking and feedback to students
- Assessment for Learning and assessment processes
- Creating a positive Environment for learning; physical and virtual
- Careers and 11-21 planning
- Business partnerships with local and National providers
- The development of more creative use of Achievement weeks and Focus Days
- Linking improvement priorities and actions to the delivery of teaching school.
- The further development and use of flipped learning
- Engaging with hard to reach families
- Increasing participation in family events
- Embedding competencies in all subjects;
- Further development of primary partnerships.

The key targets for development at Shireland Collegiate Academy are as follows:

- Achieve a Progress 8 level of 0.5 with a stretch target of 0.6
- All subjects to achieve at least 0.25 at Progress 8
- Attainment 8 to be between D and C
- Ebacc to be 7 -12%
- Pupil Premium gap to be less than 0.25
- Further develop the individualisation of our KS4 Intervention strategy



**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE TRUSTEES**  
**31 August 2015**

The focus for pupil premium which is estimated to be over £496,000 next academic year is:

- To further raise the three/four levels of progress percentage beyond the current position, by the targeted interventions.
- To focus support for students who have failed to achieve a NC level in English and Mathematics prior to entry in to the school through a raft of intervention strategies.
- Support a "flipped classroom" methodology both pre and post 16 through the provision of enhanced technology such as the i-pad roll out Post 16, the further enhancements of the Learning Gateway, the use of Little Bridge to support Literacy and the further development of BMS which supports behaviour for learning.

These priorities have been agreed both with our Board and with the Academy School Improvement Partner and form the "blueprint" for the Academy's Development Plan.

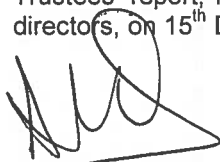
**Auditors**

In so far as the trustees are aware:


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

The auditors, Moore Stephens, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15<sup>th</sup> December 2015 and signed on the board's behalf by:



**A Savell-Boss**  
**Chairman**



**Sir M Grundy**  
**Executive Principal**

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**GOVERNANCE STATEMENT**  
**31 August 2015**

**Scope of Responsibility**

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

The Trustees have delegated day to day responsibility to the Executive Principal – Sir Mark Grundy 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 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weakness or breakdowns in internal control.

**Governance**

This information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Trust Board has met formally 4 times this year and the Audit Committee 3 times.

Attendance during the year at both the meetings was as follows:

Trustee	Meeting Attended	Out of a possible
A Savell-Boss (Chair)	4	4
M Grundy (Accounting Officer)	4	4
N Hussain	2	4
S Malhi	2	3
M Conway Jones	3	4
T Mulla	3	4
Z Akhtar	4	4
J Nair	3	4
K Egan	2	2

The Board recognises the importance of building its capacity and expertise and continues to address this as a high priority. The Board's membership has been strengthened in the summer term by the appointment of K Egan as a Co-Opted Trustee.

The main issues and challenges during the year related to the need to maintain outstanding provision within the context of levels of deprivation and reducing grant funding, the development of traded services through Shireland Learning, and the applications to become an Academy sponsor and to open a Free School.

The Resources Committee reports directly to the Board. Its main function is to provide scrutiny and challenge in respect of the Academy Trust's finances and to ensure compliance with statutory and contractual obligations under the terms of the Funding Agreement with the DfE.

**THE COLLEGIATE ACADEMY TRUST  
(Company limited by guarantee)**

**GOVERNANCE STATEMENT  
31 August 2015**

**Governance (Continued)**

Attendance during the year at Resources Committee meetings was as follows.

Trustee	Meetings attended	Out of a possible
A Savell-Boss (Chair)	3	3
M Grundy	3	3
A Price (Governor appointed by LGB)	0	3
M Conway-Jones	3	3
T Mulla	0	3
J Nair	1	1
K Egan	0*	1

- appointed to the Committee with very short notice

During the year the Committee reviewed a wide range of detailed finance reports and recommended to the Board the approval of the annual budget and the year- end accounts.

Where a meeting is inquorate those members who have attended are counted as present in this report.

During the year the Committee reviewed a wide range of detailed finance reports and recommended to the Board the approval of the annual budget and the year- end accounts.

**Governance Review**

On an annual basis the Trustees ask the Responsible Officer to complete a self-evaluation of the terms of reference to ensure the responsibilities have been discharged in year correctly. Trustees also engage the auditors to complete a half yearly review of controls and implementation of procedures to ensure adherence.

All new Trustees are asked to complete a skills matrix, this is used to inform the training requirements and align skills with the appropriate committee.

Trustees have attended training on how to be an effective board in year. OFSTED in 2012/2013 deemed Governance outstanding.

Trustees are also asked to judge the effectiveness of each meeting by the company secretary to aid self-improvement.

The Board will continue to work with the Responsible Officer to assess the impact of Governance via the self-evaluation model. The board will also be given time next year to review the effectiveness of meetings as part of the training programme.

**Review of Value for Money**

As accounting officer the Executive Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider social 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by, adopting a best value statement, which clearly demonstrates a commitment

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**GOVERNANCE STATEMENT**  
**31 August 2015**

**Value for Money (Continued)**

to ensuring value for money and the processes that staff must follow in year. This statement clearly describes the key delivery mechanisms for achieving value for money including the linking of plans into the budget, purchasing arrangements to including a tendering process, and challenge by senior leaders. The statement directs all senior leaders to ensure value for money is demonstrated in all of the following areas

- staffing
- use of accommodation
- use of assets
- quality of teaching
- quality of learning
- Students' welfare
- health and safety

In addition to this statement, the Academy continually seeks to work with national and local businesses to enhance its achievements, improve standards and collaborate to maximise use of all resources.

This year has seen a collaboration with; Tute to help develop provision for gifted and talented students and one to one supports, OCR to produce 6 mini research and development projects to improve teaching and learning and The Education Endowment Fund (EEF) to work with 24 partner primary schools to introduce the use of technology into maths, Microsoft to provide a learning environment to help collaboration and sharing within and across organisations. The Academy has also worked with Steljes, RM, SMART and Whole Education and 10 local primary schools

The Trust has a successful trading element that also added value to the work of the Academy All this funding or work complements the work of the Academy and builds community cohesion.

Value for money is also regularly monitored by the Responsible Officer on behalf of the board, as Trustees see this as integral to the achievements of the Academy

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide a reasonable and not an absolute assurance of effectiveness. The system of internal controls is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives. It enables the Board to evaluate the likelihood of those risks being realised and their potential impact, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Collegiate Academy Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Trustees have reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees' view is that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements. The process is reviewed on an annual basis by Trustees

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**GOVERNANCE STATEMENT**  
**31 August 2015**

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- regular reviews by the Trustees and Resources Committee of reports which indicate financial performance against the forecast;
- termly performance reports to the Local Governing Body;
- formal agreement of all major purchase plans, capital works and expenditure programmes as per the delegation limits agreed by Trustees;
- the setting of annual targets to measure financial and other performance;
- Clearly defined Best Value and Tendering guidelines;
- clear delegation of authority, and segregation of duties;
- identification and management of risks; and
- use of 3 year financial planning, linking into the development planning of the Academy
- Robust Governance structure.
- Established an Audit Committee following the publication of the revised Academies Financial Handbook in September 2012. The purpose of this Committee is to review and address the risks to internal control, inform the statement of internal control of the Collegiate Academy Trust, and agree a programme of internal audit work to provide assurance to the external audit process.

In addition, the Trustees have considered the guidance for directors contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have set policies on internal controls which cover the following:

- the type of risks the Academy faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained;
- clarifying the responsibility of the Executive Leadership Team to implement the policies agreed by Trustees and to identify and evaluate risks for their consideration;
- explaining to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embed the control systems identified in the financial manuals, via use of the Learning Gateway, so that it becomes part of the Academy's culture, with minimal use of administrative time;
- allow the development of systems to respond quickly to risks arising on an ad hoc basis; and
- allow a clear process for responding to emergencies and reporting failures to the appropriate levels and ensuring action is taken as quickly as possible with all relevant documentation retained.

The Trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Trustees have appointed Mr Ian Foyle, the company secretary, as the Responsible Officer ("RO"). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The RO reported, in accordance with guidance from the EFA, to the Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities in 2014/2015. Mr Foyle produced termly detailed reports and reported directly to Trustees, throughout the year. In addition to this, Moore Stephens (the appointed auditors) were asked to complete at the half year point in the year, a review of the transactions and accuracy of processes. A report on their findings was presented to the Audit Committee.

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**GOVERNANCE STATEMENT**  
**31 August 2015**

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

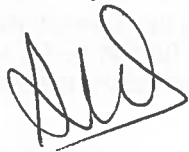
**Review of Effectiveness**

As Accounting Officer Sir Mark Grundy has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by;

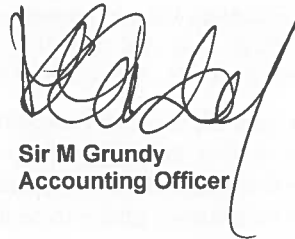
- the work of the Responsible Officer;
- the work of the external auditor;
- the self-evaluation process for financial management and governance;
- the work of the executive and senior leadership team within the Trust who have responsibility for the development and maintenance of the internal control framework;
- the work of the Academy's School Improvement Partner (SIP).

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

Approved by order of the member of the Trustees on 15th December 2015 and signed on its behalf by:



**A Savell-Boss**  
**Chairman**



**Sir M Grundy**  
**Accounting Officer**

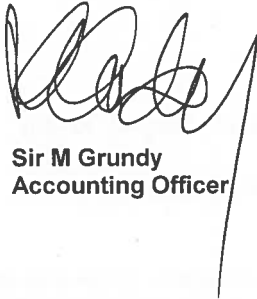
**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**31 August 2015**

As accounting officer of The Collegiate Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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 EFA.



**Sir M Grundy**  
**Accounting Officer**

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**31 August 2015**

**Statement of Trustees' Responsibilities**

The trustees of The Collegiate Academy Trust (who act as governors and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Direction published by the Education 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 governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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 academy will continue in operation.

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

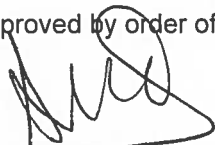
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

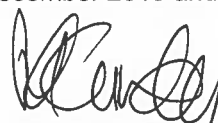
- there is no relevant audit information of which the academy's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved by order of the members of the Trust Board on 15th December 2015 and signed on its behalf by:



**A Savell-Boss**  
**Chairman**



**Sir M Grundy**  
**Executive Principal**



**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE COLLEGIATE ACADEMY TRUST**

We have audited the financial statements of The Collegiate Academy Trust for the year ended 31 August 2015 set out on pages 27 to 51. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Governors and auditors**

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2015 issued by the Education Funding Agency.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**THE COLLEGIATE ACADEMY TRUST  
(Company limited by guarantee)**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
THE COLLEGIATE ACADEMY TRUST**

**Independent Auditor's Report to the Members of The Collegiate Academy Trust (continued)**

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

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

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

*Moore Stephens LLP*

NICHOLAS SIMKINS (Senior Statutory Auditor)  
for and on behalf of MOORE STEPHENS LLP  
Chartered Accountants and Statutory Auditor  
Birmingham

Date

*15/12/2015*

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE  
COLLEGIATE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 28 March 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Collegiate Academy Trust during the period 1 September 2014 to 31 August 2015 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 Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Collegiate Academy Trust and the EFA 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 Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of The Collegiate Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2013, 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 2013 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. 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.

We have undertaken testing as appropriate in accordance with the Academies Accounts Direction 2014 to 2015. This includes an evaluation of the control environment of the school, enquiry, analytical review and substantive testing.

Our procedures included, but not limited to the following:

- Reviewing minutes of meetings, management accounts and made enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, review for any indication of purchase for personal use by staff, Head or Governors;
- Reviewing the procedures for identifying and declaring related parties and other business interests;

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE  
COLLEGIATE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

**Approach (Continued)**

- Scrutinising journals, and other adjustments, posted during the year for evidence of unusual entries and made further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

**Conclusion**

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Moore Stephens LLP*

Moore Stephens  
Reporting Accountant  
Birmingham

*15/12/2015*

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating the income and expenditure account) for the year ended 31 August 2015

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	3	15,828	-	-	15,828	37,843
Activities for generating funds	4,6	1,067,160	593,252	-	1,660,412	1,482,047
Investment income	5	3,574	-	-	3,574	6,992
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	6	-	8,994,149	7,072,591	16,066,740	8,721,298
<b>Total incoming resources</b>		<b>1,086,562</b>	<b>9,587,401</b>	<b>7,072,591</b>	<b>17,746,554</b>	<b>10,248,180</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		849,571	406,230	65,910	1,321,711	1,027,114
<i>Charitable activities:</i>						
Academy's educational operations	8	-	8,515,059	708,535	9,223,594	9,101,099
Governance costs	9	-	39,283	49,433	88,716	78,039
<b>Total resources expended</b>	7	<b>849,571</b>	<b>8,960,572</b>	<b>823,878</b>	<b>10,634,021</b>	<b>10,206,252</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>236,991</b>	<b>626,829</b>	<b>6,248,713</b>	<b>7,112,533</b>	<b>41,928</b>
Gross transfers between funds	18	(54,976)	(346,928)	401,904	-	-
<b>Net income/(outgoing) resources before other recognised gains/losses</b>		<b>182,015</b>	<b>279,901</b>	<b>6,650,617</b>	<b>7,112,533</b>	<b>41,928</b>
<b>Other recognised gains/losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	(387,000)	-	(387,000)	304,000
Revaluation of buildings		-	-	3,357,738	3,357,738	-
<b>Net movement in funds</b>		<b>182,015</b>	<b>(107,099)</b>	<b>10,008,355</b>	<b>10,083,271</b>	<b>345,928</b>
Total funds brought forward		526,748	(1,317,635)	9,364,957	8,574,070	8,228,142
<b>Funds carried forward at 31 August 2015</b>		<b>708,763</b>	<b>(1,424,734)</b>	<b>19,373,312</b>	<b>18,657,341</b>	<b>8,574,070</b>

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

All of the Trust's activities derive from continuing operations during the above two financial periods.

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by guarantee)

**PARENT CHARITABLE COMPANY STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating the income and expenditure account) for the year ended 31 August 2015

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	3	15,828	-	-	15,828	37,843
Activities for generating funds	4	1,066,733	593,252	-	1,659,985	1,482,047
Investment income	5	3,574	-	-	3,574	6,9922
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	6	-	8,994,149	7,072,591	16,066,740	8,721,298
<b>Total incoming resources</b>		<b>1,086,135</b>	<b>9,587,401</b>	<b>7,072,591</b>	<b>17,746,127</b>	<b>10,248,180</b>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		849,571	406,230	65,910	1,321,711	1,027,114
<i>Charitable activities:</i>						
Academy's educational operations	8	-	8,515,059	708,535	9,223,594	9,101,099
Governance costs	9	-	39,283	49,433	88,716	78,039
<b>Total resources expended</b>	7	<b>849,571</b>	<b>8,960,572</b>	<b>823,878</b>	<b>10,634,021</b>	<b>10,206,252</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>236,564</b>	<b>626,829</b>	<b>6,248,713</b>	<b>7,112,106</b>	<b>41,928</b>
Gross transfers between funds	18	(54,976)	(346,928)	401,904	-	-
<b>Net income/(outgoing) resources before other recognised gains/losses</b>		<b>181,588</b>	<b>279,901</b>	<b>6,650,617</b>	<b>7,112,106</b>	<b>41,928</b>
<b>Other recognised gains/losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	(387,000)	-	(387,000)	304,000
Revaluation of buildings				3,357,738	3,357,738	-
<b>Net movement in funds</b>		<b>181,588</b>	<b>(107,099)</b>	<b>10,008,355</b>	<b>10,082,844</b>	<b>345,928</b>
Total funds brought forward		524,110	(1,317,635)	9,364,957	8,571,432	8,225,504
<b>Funds carried forward at 31 August 2015</b>		<b>705,698</b>	<b>(1,424,734)</b>	<b>19,373,312</b>	<b>18,654,276</b>	<b>8,571,432</b>

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

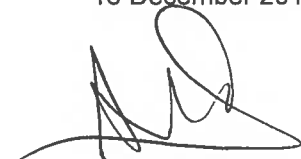
All of the academy's activities derive from continuing operations during the above two financial periods.

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Consolidated Balance Sheet**  
as at 31 August 2015

	Notes	2015	2014
<b>Fixed assets</b>			
Tangible assets	13	19,373,225	9,179,317
<b>Current assets</b>			
Stock	15	22,486	18,727
Debtors	16	649,574	709,682
Cash on short term deposit		300,000	500,000
Cash at bank and in hand		<u>894,172</u>	<u>721,852</u>
		1,866,232	1,950,261
<b>Creditors:</b> Amounts falling due within one year	17	<u>(747,116)</u>	<u>(1,210,508)</u>
<b>Net current assets</b>		<u>1,119,116</u>	<u>739,753</u>
<b>Total assets less current liabilities excluding pension liability</b>		20,492,341	9,919,070
Pension scheme liability	28	<u>(1,835,000)</u>	<u>(1,345,000)</u>
<b>Net assets including pension liability</b>		<u>18,657,341</u>	<u>8,574,070</u>
<b>Funds of the academy:</b>			
<b>Restricted funds</b>			
Fixed asset fund	18	19,373,312	9,364,957
General fund	18	410,266	27,365
Pension Reserve	18	<u>(1,835,000)</u>	<u>(1,345,000)</u>
		17,948,578	8,047,322
<b>Unrestricted funds</b>			
General fund	18	<u>708,763</u>	<u>526,748</u>
		<u>18,657,341</u>	<u>8,574,070</u>

The financial statements on pages 28 to 51 were approved by the Governors, and authorised for issue on 16 December 2014 and are signed on their behalf by:



**A Savell-Boss**  
Chairman



**Sir M Grundy**  
Executive Principal


**Company Number 06336693**

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Charitable Company Balance Sheet**  
as at 31 August 2015

	Notes	2015	2014
<b>Fixed assets</b>			
Tangible assets	13	19,373,225	9,179,317
<b>Current assets</b>			
Stock	15	22,486	18,727
Debtors	16	649,574	708,019
Cash on short term deposit		300,000	500,000
Cash at bank and in hand		891,107	720,328
		<u>1,863,167</u>	<u>1,947,074</u>
<b>Creditors:</b> Amounts falling due within one year	17	<u>(747,116)</u>	<u>(1,209,959)</u>
<b>Net current assets</b>		<u>1,116,051</u>	<u>737,115</u>
<b>Total assets less current liabilities excluding pension liability</b>		20,489,276	9,916,432
Pension scheme liability	28	<u>(1,835,000)</u>	<u>(1,345,000)</u>
<b>Net assets including pension liability</b>		<u>18,654,276</u>	<u>8,571,432</u>
 <b>Funds of the academy:</b>			
<b>Restricted funds</b>			
Fixed asset fund	18	19,373,312	9,364,957
General fund	18	410,266	27,365
Pension Reserve	18	<u>(1,835,000)</u>	<u>(1,345,000)</u>
		17,948,578	8,047,322
<b>Unrestricted funds</b>			
General fund	18	<u>705,698</u>	<u>524,110</u>
		<u>18,654,276</u>	<u>8,571,432</u>

The financial statements on pages 27 to 51 were approved by the Governors, and authorised for issue on 16 December 2014 and are signed on their behalf by:



**A Savell-Boss**  
Chairman



**Sir M Grundy**  
Executive Principal

**Company Number: 06336693**



**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by Guarantee)**

**Consolidated Cash Flow Statement**  
**for the year ended 31 August 2015**

	<b>Notes</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Net cash inflow/(outflow) from operating activities</b>	22	562,637	1,018,252
Returns on investments and servicing of finance	23	3,574	6,992
Capital expenditure	24	(593,891)	(800,847)
<b>Increase/(decrease) in cash in the year</b>	25	<u>(27,680)</u>	<u>224,397</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2014		1,221,852	997,455
<b>Net funds at 31 August 2015</b>		<u>1,194,172</u>	<u>1,221,852</u>

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by Guarantee)**

**Principal accounting policies**  
**31 August 2015**

## **1. Statement of Accounting Policies**

### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014/2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### **Going Concern**

The trustees assess whether the use of going concern is appropriate including whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

### **Basis of consolidation**

The group financial statements include those of the charitable company and the company's trading subsidiary, Shireland Learning Limited. The statutory year end of Shireland Learning Limited is 31 August 2015.

### **Incoming Resources**

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

- **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in the restricted asset fund.

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

- **Donations**

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

- **Other income**

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

- **Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

- **Interest Receivable**

Interest receivable is included in the Statement of Financial Activities on an accruals basis.

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by Guarantee)**

**Principal accounting policies**  
**31 August 2015**

**1. Statement of Accounting Policies (continued)**

**Resources Expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis that is consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Assets costing less than £1,000 are written off in the year of acquisition. For the next accounting period we are seeking board approval to increase to £5,000.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

**Depreciation**

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

Freehold Land	0%
Short Leasehold property	2%
Furniture and equipment	10 - 15%
Computer equipment and software	20 - 33%
Motor vehicles	20%

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

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

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by Guarantee)**

**Principal accounting policies**  
**31 August 2015**

**1. Statement of Accounting Policies (continued)**

**Investments**

The Academy's holding in its wholly owned subsidiary, Shireland Learning Limited is included in the balance sheet at nil cost as the company is a company limited by guarantee. There is no readily available market value and the cost of valuation exceeds the benefit derived. The Collegiate Academy trust is the sole member of Shireland Learning Limited.

**Stock**

Unused stationery, ICT consumables, fuel, oil and catering stores are valued at the lower of cost or net realisable value.

**Leased Assets**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**Taxation**

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

**Pensions Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 28, the TPS is a multi- employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by Guarantee)**

**Principal accounting policies**  
**31 August 2015**

**1. Statement of Accounting Policies (continued)**

**Fund Accounting**

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

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

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

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2015**

**2. General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2015.

**3. Voluntary Income – Group and Company**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Curriculum income	15,828	-	15,828	23,573
Private sponsorship	-	-	-	14,270
	15,828	-	15,828	37,843

**4. Activities for Generating Funds – Group and Company**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Nursery	381,469	-	381,469	373,460
EEF	-	147,734	147,734	323,880
Extended Services	-	174,154	174,154	171,281
Human Resources	194,298	-	194,298	162,553
OCR	47,930	-	47,930	86,856
E-learning activities	39,699	-	39,699	74,117
Catering	78,435	-	78,435	72,974
FAC finance	73,622	-	73,622	61,278
Contribution to visits	47,441	-	47,441	47,466
Teaching Income	40,192	-	40,192	34,858
Secondment Income	69,410	-	69,410	33,333
PE Teachers	-	-	-	11,625
Safeguarding	18,033	-	18,033	11,045
Teacher Training Agency	-	2,400	2,400	2,520
Cape Hill Dis-advantage Fund	-	-	-	-
Other	35,993	-	35,993	7,209
Technicians	40,211	-	40,211	7,592
Shireland Learning Limited	427	-	427	-
	1,067,160	324,288	1,391,448	1,482,047

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2015**

**5. Investment Income – Group and company**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Bank interest receivable	3,574	-	3,574	6,992
	<u>3,574</u>	<u>-</u>	<u>3,574</u>	<u>6,992</u>

**6. Funding for the Academy Trust's educational operations - Group and Company**

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
<b>EFA/DfE grants</b>				
General Annual Grant (GAG) (Note 2)	-	7,944,179	7,944,179	7,706,018
Capital grants	-	23,105	23,105	22,337
Other EFA/DfE grants	-	1,049,970	1,049,970	864,669
	<u>-</u>	<u>9,017,254</u>	<u>9,017,254</u>	<u>8,593,024</u>
<b>Other Government grants</b>				
High Cost pupils	-	119,414	119,414	126,474
Sandwell PPG	-	-	-	1,800
Pupil growth	-	142,050	142,050	-
LEA Standard fund	-	7,500	7,500	-
Other Government grants	-	7,049,486	7,049,486	-
	<u>-</u>	<u>7,318,450</u>	<u>7,318,450</u>	<u>128,274</u>
	<u>-</u>	<u>16,335,704</u>	<u>16,335,704</u>	<u>8,721,298</u>

**7. Resources Expended – Group and Company**

	Staff Costs £	Premises £	Other Costs £	Total 2015 £	Total 2014 £
Costs of generating voluntary income	960,418	65,910	295,383	1,321,711	1,027,114
Academy's educational operations					
Direct costs	4,962,186	609,670	875,902	6,447,758	7,105,940
Allocated support costs (Note 8)	1,745,607	571,528	458,701	2,775,836	1,995,159
	<u>7,668,211</u>	<u>1,247,108</u>	<u>1,629,986</u>	<u>10,545,305</u>	<u>9,101,099</u>
Governance costs including allocated support costs (Note 9)	11,798	49,433	27,485	88,716	78,039
	<u>7,680,009</u>	<u>1,296,541</u>	<u>1,657,471</u>	<u>10,634,021</u>	<u>10,206,252</u>

The method used for the apportionment of support costs is disclosed in the accounting policies on page 33.

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2015**

**7. Resources Expended – Group and Company (continued)**

<b>Incoming/outgoing resources for the year include:</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating leases - other	25,511	46,827
Fees payable to the auditor - audit	11,349	12,401
Fees payable to the auditor – other	15,075	1,500
Profit on disposal of fixed assets	5,213	-

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	<b>Total</b>	<b>Amount</b>	<b>Reason</b>
	<b>£</b>	<b>£</b>	
Ex gratia/compensation payments			Redundancy

**8. Charitable Activities – Academy Trust's educational operations - Group and Company**

	<b>Total</b>	<b>Total</b>
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Direct costs</b>		
Teaching and educational support staff costs	4,962,186	5,846,311
Depreciation	609,670	470,325
Books, apparatus and stationery	365,794	282,485
Examination fees	130,536	127,981
Staff development	104,743	102,167
Educational consultancy	19,111	16,815
Other direct costs	255,719	259,856
	<u>6,447,759</u>	<u>7,105,940</u>
<b>Allocated support costs</b>		
Support staff costs	1,745,607	989,032
Depreciation	98,865	76,269
Pupil recruitment and support	64,131	114,864
Maintenance of premises and equipment	110,447	98,232
Cleaning	22,728	37,056
Rent & rates	60,426	76,174
Heat and light	143,863	99,366
Insurance	49,471	45,822
Security	85,727	60,977
Transport	31,825	45,438
Catering	92,495	105,336
Technology costs	112,968	102,679
Bank interest and charges	1,444	1,509
Other support costs	155,837	142,405
	<u>2,775,835</u>	<u>1,995,159</u>
<b>Total direct and support costs</b>	<u><u>9,223,594</u></u>	<u><u>9,101,099</u></u>



**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2015**

**9. Governance costs – Group and Company**

	<b>Total 2015</b>	<b>Total 2014</b>
	<b>£</b>	<b>£</b>
Support staff costs	11,798	8,513
Legal and professional fees	11,325	18,466
Auditor's remuneration		
- Audit of financial statements	11,350	10,151
- Other audit costs	3,750	2,250
Trustees' reimbursed expenses	1,060	525
Depreciation	49,433	38,134
	<u>88,716</u>	<u>78,039</u>

**10. Staff**

**a. Staff costs**

Staff costs during the year were:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Wages and salaries	6,184,359	6,109,711
Social security costs	482,340	470,962
Other pension costs	728,257	714,014
FRS 17 adjustment	103,000	106,000
	<u>7,497,956</u>	<u>7,400,687</u>
Staff restructuring costs	31,000	23,269
Agency staff	151,053	153,216
	<u>7,680,009</u>	<u>7,577,172</u>

**b. Staff severance payments**

Included in staff restructuring costs are non statutory/non contractual payments totalling £31,000 (2014 - £24,000), individually £18,000 and £13,000

**c. Staff numbers**

The average number of persons employed by the Academy Trust during the year expressed as fulltime equivalents was as follows:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
<b>Charitable activities</b>		
Teachers	102	100
Administration and support	95	109
Management	5	5
	<u>202</u>	<u>214</u>

**d. Higher paid staff**

The number of employees whose emoluments exceeded £60,000 was:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	2	2
£70,001 - £80,000	0	1
£80,001 - £90,000	1	0
£160,001 - £170,000	0	1
£170,001 - £180,000	1	0
	<u>1</u>	<u>0</u>

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by Guarantee)**

**Notes to the Financial Statements**  
**31 August 2015**

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August, pension contributions for these staff amounted to £45,279 (2014: £42,521). The other employee participated in the Local Government Pension Scheme, pension contributions amounted to £7,413 (2014: £7,082).

**11. Related Party Transactions - Trustees' remuneration and expenses**

The Memorandum and Articles of Association permits the payment of remuneration and out of pocket expenses to trustees provided that:

- o The remuneration or other sums paid to the trustee do not exceed an amount that is reasonable in all the circumstances.
- o The trustee is absent from the part of any meeting at which there is discussion of;
  - his or her employment or remuneration, or any matter concerning the contract; or
  - his or her performance in the employment, or his or her performance of the contract; or
  - any proposal to enter into any other contract or arrangement with him or her or to confer any benefit upon him or her that would be permitted under the clauses of the Memorandum and Article of Association; or
  - any other matter relating to a payment or the conferring of any benefit permitted under the clauses of the Memorandum and Article of Association.
- o The trustee does not vote on any such matter and is not to be counted when calculating whether a quorum of trustees is present at the meeting.
- o The other trustees are satisfied that it is in the best interests of the charitable company to employ or contract with that trustee rather than with someone who is not a trustee. In reaching that decision the trustees must balance the advantage of employing a trustee against the disadvantages of doing so (especially the loss of the trustee's services as a result of dealing with the trustee's conflict of interest).
- o The reason for their decision is recorded by the trustees in the minute book.
- o A majority of the trustees in office have received no such payments.

During the year no trustees received reimbursements (2014: none) for travel and subsistence totalling £135.50.

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

Sir M Grundy (principal and trustee):	Remuneration £175,000 - £180,000 (2014: £165,000 - £170,000)
	Pension £20,000 - £25,000 (2014: £20,000 - £25,000)

Other related party transactions are set out in note 29.

**12. Trustees' and Officers' Insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2015 was £1,905 (2014: £1,728).

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

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2015**

**13. Tangible Fixed Assets – Group and Company**

	Leasehold land and buildings £	Furniture and Equipment £	Computer software £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2014	9,205,628	403,700	2,812,250	29,016	12,450,594
Additions	126,361	54,003	436,632	-	616,996
Additions donated	7,049,486	-	-	-	7,049,486
Revaluation	2,244,886	-	-	-	2,244,886
Disposals	-	-	(32,169)	-	(32,169)
At 31 August 2015	<u>18,626,361</u>	<u>457,703</u>	<u>3,216,713</u>	<u>29,016</u>	<u>22,329,793</u>
<b>Depreciation</b>					
At 1 September 2014	1,112,852	214,043	1,928,443	15,939	3,271,277
Charged in year	348,527	34,863	434,685	5,803	823,878
Reversal on revaluation	(1,112,852)	-	-	-	(1,112,852)
Eliminated on disposal	-	-	(25,735)	-	(25,735)
At 31 August 2015	<u>348,527</u>	<u>248,906</u>	<u>2,337,393</u>	<u>21,742</u>	<u>2,956,568</u>
<b>Net book values</b>	<b>18,277,834</b>	<b>208,797</b>	<b>879,320</b>	<b>7,274</b>	<b>19,373,225</b>
At 31 August 2015	<hr/>				
At 31 August 2014	<u>8,092,776</u>	<u>189,657</u>	<u>883,807</u>	<u>13,077</u>	<u>9,179,317</u>

Included within the net book value of Leasehold Land and Buildings is land not depreciated of £810,893 (2014: £810,893).

The Trust's transactions relating to land and buildings include the taking up of a leasehold on the new performing arts block from Sandwell LA for £7,049,486 over a term of 124 years. The existing build was donated by the LA on 1st September 2007 on a 8 year lease, which will be merged into the lease for new build on completion of the defect period, which is 15 months after 1st September 2015 - 31st March 2017. The existing build was revalued in line with Sandwell LA policy of a revaluation on a 5 year rolling basis this year and the valuation of £2,244,886

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2015**

**14. Investments**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Investment in wholly owned subsidiary at cost	-	-
	<u>          </u>	<u>          </u>

Shireland Collegiate Academy is the sole member of Shireland Learning Limited ("SLL") a company limited by guarantee. SLL is a company incorporated in England (Company registration 6052021). The principal activity of SLL is providing an on line learning environment.

A summary of the results and that balance sheet position of SLL for the year ended 31 August 2014 is shown below:

<b>Profit and loss account</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 August</b>	<b>31 August</b>
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Profit for the period	427	-
	<u>          </u>	<u>          </u>
<b>Balance sheet</b>	<b>31 August</b>	<b>31 August</b>
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Current assets	3,065	3,187
Current liabilities	-	(549)
	<u>          </u>	<u>          </u>
	3,065	2,638
	<u>          </u>	<u>          </u>
<b>Represented by</b>		
Profit and loss account	2,638	2,638
Profit for the year	427	-
	<u>          </u>	<u>          </u>
Members' funds	3,065	2,638
	<u>          </u>	<u>          </u>

The audit reports for the year ended 31 August 2015 and the year ended 31 August 2014 were both unqualified.

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2014**

**15. Stock – Group and Company**

	<b>2015 Group £</b>	<b>2014 Company £</b>
ICT consumables	1,416	2,614
Fuel Oil	1,306	915
Resources	1,999	3,021
Stationery	2,818	1,589
Catering	2,116	2,196
Electrical	5,688	8,392
Cleaning	7,143	
	<u>22,486</u>	<u>18,727</u>

**16. Debtors**

	<b>2015 Group £</b>	<b>2015 Company £</b>	<b>2014 Group £</b>	<b>2014 Company £</b>
Trade debtors	163,734	163,734	266,489	266,489
Prepayments and accrued income	166,740	166,740	310,450	310,450
VAT recoverable	99,631	99,631	118,257	118,257
Sundry debtors	219,469	219,469	14,486	12,823
	<u>649,574</u>	<u>649,574</u>	<u>709,682</u>	<u>708,019</u>

**17. Creditors: amounts falling due within one year**

	<b>2015 Group £</b>	<b>2015 Company £</b>	<b>2014 Group £</b>	<b>2014 Company £</b>
Trade creditors	130,046	130,046	535,445	535,445
Taxation and social security	153,121	153,121	144,482	144,482
Pension	104,019	104,019	104,188	104,188
Other creditors	42,488	42,488	1,025	1,025
Accruals and deferred income	317,442	317,442	425,368	424,819
	<u>747,116</u>	<u>747,116</u>	<u>1,210,508</u>	<u>1,209,959</u>

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2015**

<b>Deferred income</b>	<b>2015</b>
	<b>£</b>
Deferred income at 1 September 2014	203,589
Resources expended for the year	(203,589)
Deferred income for current year	<u>213,255</u>
Deferred Income at 31 August 2015	<u>213,255</u>

Deferred income at 31 August 2015 relates to Bursary Fund, rates and capital grants received in advance, amounts invoiced in advance in respect of Finance, Human Resources and other services income relating to the next financial year.

**18. Restricted Funds**

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes:

	<b>Balance at 1 September 2014</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Gains/ (losses) and transfers</b>	<b>Balance at 31 August 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	7,944,179	(7,464,828)	(363,571)	115,780
Other EFA/DfE grants	1,200	1,049,970	(986,513)	35,343	100,000
LA grants - High cost pupils	-	268,964	(74,478)	-	194,486
- Sandwell PPG	-	-	-	-	-
Teacher Training Agency	-	-	-	-	-
Extended Services	26,165	324,288	(331,753)	(18,700)	-
Living Lab	-	-	-	-	-
EEF	-	-	-	-	-
Pension reserve	(1,345,000)	-	(103,000)	(387,000)	(1,835,000)
	<u>(1,317,635)</u>	<u>9,587,401</u>	<u>(8,960,572)</u>	<u>(733,928)</u>	<u>(1,424,734)</u>
<b>Restricted fixed asset funds</b>					
LA Donations	-	7,049,486	(140,990)	3,357,738	10,266,234
EFA/DfE capital grants	252,732	23,105	(77,483)	-	198,354
Capital expenditure from GAG	805,593	-	(242,948)	363,571	926,216
Assets donated on conversion	7,347,050	-	(187,315)	-	7,159,735
Capital expenditure from Unrestricted funds	770,460	-	(129,455)	54,976	695,981
EEF grant	130,400	-	(40,607)	(16,643)	73,150
Other Capital Grants	58,722	-	(5,080)	-	53,642
	<u>9,364,957</u>	<u>7,072,591</u>	<u>(823,878)</u>	<u>3,759,642</u>	<u>19,373,312</u>
<b>Unrestricted general funds</b>					
General funds	524,110	1,086,135	(849,571)	(54,976)	705,698
Trading subsidiary	2,638	427	-	-	3,065
<b>Total unrestricted funds</b>	<u>526,748</u>	<u>1,086,562</u>	<u>(849,571)</u>	<u>(54,976)</u>	<u>708,763</u>
<b>Total funds</b>	<u>8,574,070</u>	<u>17,746,554</u>	<u>(10,634,021)</u>	<u>2,970,738</u>	<u>18,657,341</u>

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2015**

**18 Restricted Funds – continued**

The transfers from unrestricted funds to restricted funds represent the excess of resources expended over incoming resources.

The transfers from restricted and unrestricted funds to the restricted fixed asset funds represent amounts allocated for spending on capital items.

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

- a. General Annual Grant must be used for the normal running costs of the Academy. Under the funding agreements with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.
- b. Restricted fixed assets were funded by government grants or sponsors;
- c. High Cost Pupils funding is to support identified students with additional educational needs;
- d. Sandwell PPG – grant to spend on promoting healthy lifestyles for students;
- e. Teacher Training Agency – to pay salary costs and supply for GTP;
- f. Extended Services – grant to spend on promoting extra-curricular activities with students and families;
- g. Living Lab – a science project to make science more meaningful
- h. Pension reserve – represents the surplus/(deficit) in the Local Government Pension Scheme.
- i. EEF grant - The Education Endowment Fund have provided funding to work with 24 partner primary schools to introduce the use of technology into maths – “Flipping Maths”.

**19. Analysis of net assets between funds**

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Trading subsidiary reserves £	Total Funds £
Tangible fixed assets	-	-	19,373,312	-	19,373,312
Current assets	1,016,444	849,701	-	-	1,866,145
Current liabilities	(307,681)	(439,435)	-	-	(747,116)
Pension scheme liability	-	(1,835,000)	-	-	(1,835,000)
<b>Total net assets</b>	<b>708,763</b>	<b>(1,424,734)</b>	<b>19,373,312</b>	<b>-</b>	<b>18,657,341</b>

**20. Capital commitments**

	2015 £	2014 £
Authorised by trustees, but not yet contracted	50,533	52,030

The above capital commitments will be met from capital grants to be received in future years.

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2015**

**21. Financial commitments**

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
<b>Other Operating Leases</b>		
Expiring within one year	8,417	6,515
Expiring within two and five years inclusive	6,405	19,018

**22. Reconciliation of net income to net cash inflow from operating activities**

	2015	2014
	£	£
Net incoming/(outgoing) resources	7,112,533	41,928
Depreciation /profit and loss on disposal (Note 13)	823,878	635,574
Donated assets	(7,049,486)	
Capital grants from DfE and other capital income	(23,105)	(36,607)
Loss/(Profit) on disposal of fixed assets	6,434	
Interest receivable	(3,574)	(6,992)
FRS 17 pension cost less contributions payable (Note 28)	141,000	91,000
FRS pension finance income (Note 28)	(38,000)	15,000
(Increase)/decrease in stocks	(3,759)	(1,348)
(Increase)/decrease in debtors	60,108	(192,383)
Increase/(decrease) in creditors	(463,392)	472,080
<b>Net cash inflow from operating activities</b>	<b>562,637</b>	<b>1,018,252</b>

**23. Returns on investments and servicing of finance**

	2015	2014
	£	£
Interest received	3,574	6,992
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>3,574</b>	<b>6,992</b>

**24. Capital expenditure and financial investment**

	2015	2014
	£	£
Purchase of tangible fixed assets	616,996	860,638
Receipts from sale of fixed assets		(23,184)
Private capital donations	-	(14,270)
Capital grants from EFA/DfE	(23,105)	(22,337)
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>593,891</b>	<b>800,847</b>

**25. Analysis of changes in net funds**

	At 1 September 2014	Cash flows	At 31 August 2015
	£	£	£
Cash in hand and at bank	721,852	172,320	894,172
Current asset investments	500,000	(200,000)	300,000
	<b>1,221,852</b>	<b>(27,680)</b>	<b>1,194,172</b>



**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by Guarantee)**

**Notes to the Financial Statements**  
**31 August 2015**

**26. Contingent Liabilities**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- a) The value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- b) The extent to which expenditure incurred in providing those assets were met by payments by the Secretary of State under the Funding Agreement.

**27. Members' Liability**

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

**28. Pension obligations**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales ("TPS") for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Sandwell MBC. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £101,019 (2014: £101,457) were payable to the schemes at 31 August 2015 and are included within creditors.

The total pension cost to the Academy during the year ended 31 August 2015 was £696,084 (2014: £714,014) of which £528,796 (2014: £509,432) relates to the TPS and £167,288 (2014: £204,582) relates to LGPS.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

**THE COLLEGIATE ACADEMY TRUST**  
**(Company limited by Guarantee)**

**Notes to the Financial Statements**  
**31 August 2015**

**28. Pension obligations – continued**

**Valuation of the Teachers' Pension Scheme**

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2015**

**28. Pension obligations – continued**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £267,000, of which employer's contributions totalled £167,000 and employees' contributions totalled £100,000.

The agreed contribution rates for future years are 10.7% for employers and a deficit contribution of £28,200 in 15/16 and £29,400 in 16/17; and depending on salary 5.5%-7.5% per cent for employees.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

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.

The scheme is in deficit and the entity has entered into an agreement with the trustees to make additional contributions in additions to normal funding levels.

**Principal Actuarial Assumptions**

	<b>At 31 August 2015</b>	<b>At 31 August 2014</b>
	%	%
Rate of increase in salaries	4.15	3.95
Rate of increase in pensions	2.40	2.20
Discount rate for liabilities	4.00	4.00
CP Inflation Assumption	2.40	2.20

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

*Retiring today*

Males	23.0	22.9
Females	25.2	25.5

*Retiring in 20 years*

Males	25.6	25.1
Females	28.0	27.8

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2015**

**28. Pension obligations – continued**

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Plan assets at 31 August 2014 £
Equities	5.90	3,253,000	7.00	2,252,000
Government Bonds	5.90	403,000	2.90	395,000
Other Bonds	5.90	550,000	3.80	515,000
Property	5.90	462,000	6.20	435,000
Other	5.90	501,000	7.00	1,185,000
Cash/liquidation	5.90	<u>272,000</u>	0.50	<u>220,000</u>
<b>Total market value of assets</b>		5,441,000		5,002,000
<b>Present value of scheme liabilities</b>		<u>(7,276,000)</u>		<u>(6,347,000)</u>
<b>(Deficit) in the scheme</b>		<u>(1,835,000)</u>		<u>(1,345,000)</u>

The actual return on the scheme assets in the year was £233,000 (2014: £480,000).

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class.

<b>Amount recognised in the statement of financial activities</b>	<b>2015</b> £	<b>2014</b> £
Current service cost	306,000	285,000
Expected return on scheme assets	(300,000)	(265,000)
Interest cost	261,000	280,000
Curtailements	1,000	
<b>Total pension cost recognised in statement of financial activities</b>	<u>268,000</u>	<u>300,000</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £76,000 loss (2014: £311,000 gain).

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

	<b>2015</b> £	<b>2014</b> £
<b>At 1 September 2014</b>	6,347,000	5,915,000
Current service cost	306,000	285,000
Interest cost	261,000	280,000
Member contributions	98,000	101,000
Actuarial (gains)/loses	320,000	(189,000)
Benefits paid	(57,000)	(45,000)
Curtailements	1,000	-
<b>At 31 August 2015</b>	<u>7,276,000</u>	<u>6,347,000</u>

**THE COLLEGIATE ACADEMY TRUST**  
(Company limited by Guarantee)

**Notes to the Financial Statements**  
**31 August 2014**

**28. Pension obligations – continued**

**Movement in the fair value of Academies share of scheme assets:**

<b>At 1 September 2014</b>	5,002,000	4,372,000
Expected return on plan assets	300,000	265,000
Actuarial gains/(losses)	(67,000)	115,000
Employer contribution	165,000	194,000
Member contribution	98,000	101,000
Benefit paid	(57,000)	(45,000)
	<hr/>	<hr/>
<b>At 31 August 2015</b>	5,441,000	5,002,000
	<hr/> <hr/>	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31 August 2015 is £198,000.

**The five-year history of experience adjustments is as follows:**

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Present value of defined benefit obligations	(7,276)	(6,347)	(5,915)	(5,319)	(6,488)
Fair value of share of scheme assets	5,441	5,002	4,372	3,712	4,570
	<hr/>				
<b>Deficit in the scheme</b>	<b>(1,835)</b>	<b>(1,345)</b>	<b>(1,543)</b>	<b>(1,607)</b>	<b>(1,918)</b>
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**29. Related Party Transactions**

Owing to the nature of the Academy's operations and the composition of the trust Board being drawn from local, public and private sector organisations, it is inevitable that transactions will take place with organisation in which a member of the Trust Board may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulation and normal procurement procedures.

No related party transactions took place during the year.

