

Company Registration No. 07678864 (England and Wales)

ACHIEVEMENT THROUGH COLLABORATION TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

ACHIEVEMENT THROUGH COLLABORATION TRUST

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ACHIEVEMENT THROUGH COLLABORATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr R Duncan
Mr S Lancaster
Mr D Morris
Mrs V Townson

Trustees

Mrs L Barugh
Mrs G Duxbury (appointed 1 September 2020)
Mrs V Ferrier
Mrs A Frith
Mrs L Hall (appointed 1 September 2020)
Mr D Hollings (chair of trustees appointed 14 July 2020)
Mrs E Kosogorin (appointed 1 September 2020)
Mr T Nixon (appointed 1 September 2020)
Mr J Robinson (resigned 13 July 2020)
Mrs S Wignall

Senior management team

- CEO
- Deputy CEO
- Director of Finance and Operations

Mr D Logan
Mr J Tarbox
Mrs J Goy

Company secretary

Mrs J Goy

Company registration number

07678864 (England and Wales)

Academies operated

Bowland High
Roseacre Primary Academy
Witton Park Academy

Location
Grindleton
Blackpool
Blackburn

Independent auditor

Haines Watts
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Solicitor

Browne Jacobson
14th Floor, Spinningfields
1 Hardman Square
Manchester
M3 3ED

Banker

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

ACHIEVEMENT THROUGH COLLABORATION TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Achievement Through Collaboration Trust (AtC) operates across three local authorities in the north west of England, serving communities in; Blackpool, Blackburn and the Ribble Valley. The combined pupil admission number is 2,380. On 17 July 2020 2,455 pupils were on roll.

Structure, governance and management

Constitution

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

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the reference and administrative details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal practice, the academy has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omission occurring whilst on academy business. The insurance provides cover of up to £10,000,000 (2019: £10,000,000) on any one claim.

Method of recruitment and appointment or election of trustees

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

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

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

Policies and procedures adopted for the induction and training of trustees

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

Organisational structure

The Trustees reviewed the Scheme of Delegation during the summer term and made revisions in June 2020, this is in line with the Articles of Association. Changes are reflected in the revised governance handbook published annually and distributed to all trustees, LGBs and Headteachers.

ACHIEVEMENT THROUGH COLLABORATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Arrangements for setting pay and remuneration of key management personnel

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

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

Trade union facility time

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

Relevant Union Officials	1 (0.01 fte)
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Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£7,635
Provide the total pay bill	£10,493,760
Provide the percentage of the total pay bill spent on facility time	0.07%

Paid trade union activities was zero.

Engagement with employees (including disabled persons)

AtC is an equal opportunity employer, as a public organisation AtC fulfils the statutory obligations in respect of equalities and all protected characteristics. Integral to the values of the organisation is communication and consultation with employees, both directly and indirectly via the recognised trade unions in the joint consultative committee.

All employees are invested in the performance of the organisation and contribute to systems and procedures in each location the Trust operates. Structures that facilitate communication flow between employees and leaders within the organisation enable two way communication that informs policy.

Engagement with suppliers, customers and others in a business relationship with the trust

AtC fosters positive relationships with suppliers through maintaining and fulfilling contractual obligations. Engagement with customers is a key part of our work and is maintained with face to face events with individual invitations throughout the year for each customer and consumer to meet with employees and leaders to feedback on performance and agree goals for future.

Where the wider community is concerned AtC listens and acts appropriately to respond to feedback in the services that are offered, or the suggested improvements put forward. In respect of funders, AtC upholds the standards necessary for those serving in public sector roles and fulfils the remit of achieving value for money by benchmarking using the tools provided by ESFA.

Related parties and other connected charities and organisations

AtC consists of three academies, Bowland High, Roseacre Primary Academy and Witton Park Academy. The Trust is approved as a Sponsor Academy by the Department for Education. During 2019/2020 AtC supported Rhyddings Business and Enterprise School, a Lancashire County Council maintained school, by providing the full time executive Headteacher. AtC also seconded the Headteacher of Thames Primary Academy to act as Executive Headteacher of Roseacre Primary Academy and Thames primary Academy.

ACHIEVEMENT THROUGH COLLABORATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

Objects and aims

1. We base our policies, curriculum and decisions on three core principles:
 - a. Children come first, and are at the heart of all we do
 - b. Positive relationships underpin all of our work
 - c. High expectations – everybody can achieve
2. Schools collaborate to achieve excellence in all areas, but individual school identity matters
3. We promote traditional values of respect, honesty, diligence and responsibility
4. The development of the whole child drives the learning experience
5. Every learner has equal value in our community
6. Our learners should achieve higher standards than others from similar contexts.

Objectives, strategies and activities

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

a. Children come first, and are at the heart of all we do.

Our academies exist for our learners. In formulating our policies and development priorities, the desire to create the best possible learning environment, deliver the best possible provision, and achieve the best possible outcomes for our young people is fundamental.

b. Positive relationships underpin all of our work.

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

c. High expectations – everybody can achieve.

There is an expectation that all pupils will make progress relative to their starting points over the course of their time in our schools. We are committed to meeting the needs of all our learners, having very high expectations of our staff and the young people themselves. Barriers to learning cannot be viewed as excuses for underachievement and we will work with young people and their parents/carers to provide the support and challenge whatever the need.

Public benefit

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

Strategic report

Achievements and performance

Review of activities

Most of the AtC's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ending 31 August 2020 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

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

ACHIEVEMENT THROUGH COLLABORATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Covid-19 has had quite a significant impact on the health and well-being of employees and those whom we serve. Our organisation, employees, pupils and communities have experienced tragedy, directly and indirectly. We have worked to increase their resilience and reduce the trauma being experienced. We have witnessed the eligibility and uptake of free school meals increase significantly during the crisis. In one of our communities, childhood poverty has increased from 30% to almost 50%. We have increased the availability of food bank supplies working with a local food bank to increase distribution of staple foods. AtC provided supermarket vouchers for families eligible for free school meals for a number of weeks at the start of school closure period before the government scheme was running. There have been other significant costs incurred to modify schools to ensure they are safer places to work during the crisis. Throughout this period our leaders and employees have played a key role in keeping pupils safe and our schools remained open throughout the period.

Key performance indicators

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

- Academic outcomes for all pupil groups.
- Attendance and welfare data; including absence and persistent absence levels for all pupil groups; pupil exclusion information and the levels of reported bullying and racist incidents.
- Feedback from parents and pupils about specific aspects of our provision and overall satisfaction with their experience of each school.

AtC is growing, Thames Primary Academy will join the trust on 1 September 2020. The Trust now has an executive leadership structure, with a full-time CEO, Deputy CEO (seconded as an Executive Headteacher) and a Director of Finance and Operations.

AtC has clear governance structures and a committed group of Trustees. All Trustees have received training in core financial and standards relating to academies and there is a detailed scheme of delegation in place as well as terms of reference and responsibility for the Board and its committees. A governance handbook and year planner ensures all core responsibilities are addressed during the academic year.

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

Schools within the Trust are popular with the communities they serve and have a combined published admission number of 440. Demand for places in secondary schools remains very high, though we are aware of variances in demographics in the communities we serve and are therefore active in marketing our schools to maintain demand for places, particularly in the primary phase.

Amongst other priorities, AtC aims to continue to grow during the 2020/21 academic year, though this is likely to be impacted by Covid-19.

Going concern

Covid-19 has presented additional costs to the Trust. These costs have been met by the use of reserves but the trust plan to submit a claim to the government for reimbursement of the costs relating to premises, additional cleaning and support for free school meals.

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

Promoting the success of the company

Trustees take their responsibility in regard to decision making and accountability seriously and make judgements which are in the best interest of the children and communities we serve and take due regard for the duty of care of all employees. This approach provides adequate checks and balances which are likely to promote the ongoing success of the company.

ACHIEVEMENT THROUGH COLLABORATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Financial performance

During the period ended 31 August 2020, the total income was £14,135,000 (2019: £17,905,000) and expenditure was £14,866,000 (2019: £13,352,000). The deficit for the 12 months to 31st August 2020 before actuarial gains and losses was £731,000 (2019: Surplus £4,553,000).

At 31 August 2020 the net book value of fixed assets was £25,613,000 (2019: £25,925,000) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets are used exclusively for providing education and associated support services to pupils.

AtC held fund balances at 31 August 2020 of £21,350,000 (2019: £22,264,000). This comprised of restricted fixed asset funds of £25,681,000 (2019: £25,925,000), restricted income funds of £4,000 (2019: negative funds £495,000), unrestricted funds of £2,212,000 (2019: £2,777,000), and a pension reserve deficit of £6,547,000 (2019: £5,943,000) which relates to the Local Government Pension Scheme "LGPS".

COVID has had a financial impact in terms of generating additional costs and seeing a reduction in income for example, catering income. Some of the additional costs will hopefully be reimbursed by the government but the trust has incurred other costs which will not be reimbursed. The Trust has used reserves to purchase IT devices to ensure that staff had the resources to work remotely during the pandemic.

The principal source of funding for the trust is GAG income which is used to support the key objectives of the Trust through delivery of the trust development plan and delivery of the curriculum plans at each school.

The cost of the LGPS remains a modest liability when assets of the trust are set against the liability. The additional costs of Covid-19 are short term in their nature and do not present an ongoing risk to the organisation.

Reserves policy

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

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

AtC's current level of free reserves is as disclosed in note 18. Monitoring of cash flow during the year indicated that there was never a significant measure of concern relating to cash flow or the level of free reserves.

Investments policy

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

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed. In particular, those relating to reassessing and remodelling the operational areas of the sites, facilities and of teaching spaces to ensure Covid-19 secure operating. The Trustees have implemented a system to assess the risks the Trust faces especially in the operational areas which include teaching, health and safety and the control of finance. The Trustees have revised systems including risk assessments, operational procedures and internal controls in order to minimize risk. Where significant financial risk remains they have adequate insurance cover. The Trust has an effective system of internal financial control.

ACHIEVEMENT THROUGH COLLABORATION TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods

Future Developments

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

- Develop a resiliency plan to support all stakeholders to recover effectively from the Covid-19 crisis.
- Consolidate the central services offer to include; HR, payroll, financial management, premises management, catering and procurement.
- Support Thames Primary Academy to join the trust on 1 September 2020.
- Ensure academic progress for all pupil groups in all academies, address specific areas where performance has dipped or is in need of further improvement.
- Embed Trust-wide quality assurance systems.
- Further improve the Trust's governance – recruit additional members, trustees and governors to fill vacancies.
- Maximise the use of reserves to support improvements in our schools through improved infrastructure, staff development and curriculum development as a result of schools operating balanced budgets.
- Increase interaction between pupils and provide common experiences so that we facilitate meaningful integration across the school communities as seen in the Casey Review 2016 and referenced in the governance handbook.
- Actively seek a further secondary and primary phase schools to join AtC.

Funds held as Custodian Trustee on Behalf of Others

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

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ~~14 December~~ and signed on its behalf by:

2020


.....
Mr D Hollings
Chair of Trustees

ACHIEVEMENT THROUGH COLLABORATION TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. Attendance at all meetings has been affected by COVID-19. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of a possible
Mr J Robinson, Chair of Trustees	1	3
Mr D Hollings, Vice Chair of Trustees	3	3
Ms S Wignall	3	3
Miss V Ferrier	3	3
Mrs A Frith	1	3
Mrs L Barugh	2	2

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to:

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

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
Mr J Robinson	0	1
Ms S Wignall	1	1

ACHIEVEMENT THROUGH COLLABORATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
Mr D Hollings (Chair)	1	2
Mrs A Frith	1	2
Miss V Ferrier	0	2

The standards committee is also a subcommittee of the main board of trustees. The role of the standards committee is to assess the performance of each of our schools in relation to the goals that have been set. This includes;

- An evaluation of the curriculum including the quality of education being provided and the outcomes pupils achieve
- The personal development of pupils and how well each school meets the needs of its' pupils
- Whether safeguarding is effective
- An assessment of the expectations for behaviour and attitudes of pupils
- Leadership and management within the Trust

Trustee	Meetings Attended	Out of a possible
Mr J Robinson (Chair)	2	2
Mrs A Frith	1	2

Review of value for money

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

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

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

ACHIEVEMENT THROUGH COLLABORATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Achievement through Collaboration Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

Following the newly revised FRC Ethical Standard for auditors, the academy trust has appointed Red Rambler Ltd to carry out the academy trust's internal scrutiny checks from 1 September 2019.

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

- Testing that the scheme of delegation has been applied through the lockdown period
- Testing of payroll systems
- Testing of monthly management accounts
- Testing of bank reconciliations and control account reconciliations
- Testing premises management controls and checks
- Testing information security integrity
- Testing business continuity and resilience within the finance team
- Testing the audit arrangements to ensure they are robust and comply with the Academies Financial Handbook
- Testing budgeting planning, monitoring and reporting
- Testing spending decisions and transactions
- Testing income recognition
- Testing cash control
- Testing personnel and payroll management
- Testing risk management procedures
- Testing asset management

On a termly basis, the auditor reports to the board of trustees, through the audit committee on the operation of the systems of control and the discharge of the board of trustee's financial responsibilities and annual prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendation and conclusions to help the committee consider actions and assess year on year progress.

ACHIEVEMENT THROUGH COLLABORATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Review of effectiveness

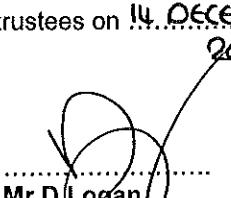
As Accounting Officer, the CEO (Mr D Logan) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of trustees on ~~14 DECEMBER~~ 14 DECEMBER 2020 and signed on their behalf, by:


.....
Mr D Hollings
Chair of Trustees


.....
Mr D Logan
Accounting Officer

ACHIEVEMENT THROUGH COLLABORATION TRUST
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2020

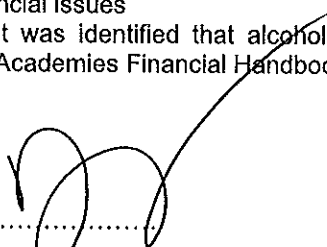
As accounting officer of Achievement Through Collaboration Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

Financial issues

- It was identified that alcohol to the value of £16 had been purchased from school funds contrary to the Academies Financial Handbook 2019.



.....
Mr D Logan
Accounting Officer

Date: 14 DECEMBER
2020

ACHIEVEMENT THROUGH COLLABORATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Achievement Through Collaboration Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

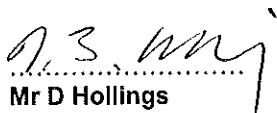
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with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

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

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

Approved by order of the members of the board of trustees on ~~14 December~~ and signed on its behalf by:

2020


Mr D Hollings
Chair of Trustees

ACHIEVEMENT THROUGH COLLABORATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACHIEVEMENT THROUGH COLLABORATION TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Achievement Through Collaboration Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

ACHIEVEMENT THROUGH COLLABORATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACHIEVEMENT THROUGH COLLABORATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

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

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

ACHIEVEMENT THROUGH COLLABORATION TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACHIEVEMENT THROUGH COLLABORATION TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020


Use of our report

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


.....

Candice Beynon FCCA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants
Statutory Auditor

Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Date: .....

ACHIEVEMENT THROUGH COLLABORATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 21 May 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Achievement Through Collaboration Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Achievement Through Collaboration Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Achievement Through Collaboration Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ACHIEVEMENT THROUGH COLLABORATION TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2020

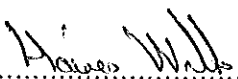
The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

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

- It was identified that alcohol to the value of £16 had been purchased from school funds contrary to the Academes Financial Handbook 2019.


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Haines Watts
Reporting Accountant

Date: 
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ACHIEVEMENT THROUGH COLLABORATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	177	177	172
Donations - transfer of existing academy into the trust		-	-	-	-	5,252
Charitable activities:						
- Funding for educational operations	4	-	13,210	-	13,210	11,829
Other trading activities	5	577	170	-	747	647
Investments	6	1	-	-	1	5
Total		<u>578</u>	<u>13,380</u>	<u>177</u>	<u>14,135</u>	<u>17,905</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	1,143	13,041	682	14,866	13,352
Total	7	<u>1,143</u>	<u>13,041</u>	<u>682</u>	<u>14,866</u>	<u>13,352</u>
Net income/(expenditure)		(565)	339	(505)	(731)	4,553
Transfers between funds	18	-	(261)	261	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	20	-	(183)	-	(183)	(1,787)
Net movement in funds		(565)	(105)	(244)	(914)	2,766
Reconciliation of funds						
Total funds brought forward		2,777	(6,438)	25,925	22,264	19,498
Total funds carried forward		<u>2,212</u>	<u>(6,543)</u>	<u>25,681</u>	<u>21,350</u>	<u>22,264</u>

ACHIEVEMENT THROUGH COLLABORATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2019		funds	General	Fixed asset	2019
	Notes	£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and capital grants	3	-	-	172	172
Donations - transfer of existing academy into the trust		228	(576)	5,600	5,252
Charitable activities:					
- Funding for educational operations	4	266	11,563	-	11,829
Other trading activities	5	475	172	-	647
Investments	6	5	-	-	5
Total		<u>974</u>	<u>11,159</u>	<u>5,772</u>	<u>17,905</u>
Expenditure on:					
Charitable activities:					
- Educational operations	9	529	12,210	613	13,352
Total	7	<u>529</u>	<u>12,210</u>	<u>613</u>	<u>13,352</u>
Net income/(expenditure)		445	(1,051)	5,159	4,553
Transfers between funds	18	-	(82)	82	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(1,787)	-	(1,787)
Net movement in funds		445	(2,920)	5,241	2,766
Reconciliation of funds					
Total funds brought forward		<u>2,332</u>	<u>(3,518)</u>	<u>20,684</u>	<u>19,498</u>
Total funds carried forward		<u>2,777</u>	<u>(6,438)</u>	<u>25,925</u>	<u>22,264</u>

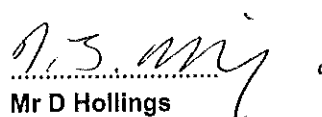
ACHIEVEMENT THROUGH COLLABORATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		25,613		25,925
Current assets					
Debtors	14	405		279	
Cash at bank and in hand		3,092		2,580	
		<u>3,497</u>		<u>2,859</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,197)		(557)	
Net current assets			<u>2,300</u>		<u>2,302</u>
Total assets less current liabilities			27,913		28,227
Creditors: amounts falling due after more than one year	16		(16)		(20)
Net assets before defined benefit pension scheme liability			<u>27,897</u>		<u>28,207</u>
Defined benefit pension scheme liability	20		(6,547)		(5,943)
Total net assets			<u>21,350</u>		<u>22,264</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			25,681		25,925
- Restricted income funds			4		(495)
- Pension reserve			(6,547)		(5,943)
Total restricted funds			<u>19,138</u>		<u>19,487</u>
Unrestricted income funds	18		<u>2,212</u>		<u>2,777</u>
Total funds			<u>21,350</u>		<u>22,264</u>

The accounts were approved by the trustees and authorised for issue on ~~14 December~~ 2020 and are signed on their behalf by:


Mr D Hollings
Chair of Trustees

Company Number 07678864

ACHIEVEMENT THROUGH COLLABORATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	21		708		898
Cash flows from investing activities					
Dividends, interest and rents from investments		1		5	
Capital grants from DfE Group		177		172	
Purchase of tangible fixed assets		(370)		(254)	
Net cash used in investing activities			(192)		(77)
Cash flows from financing activities					
Repayment of long term bank loan		(4)		(5)	
Net cash used in financing activities			(4)		(5)
Net increase in cash and cash equivalents in the reporting period			512		816
Cash and cash equivalents at beginning of the year			2,580		1,764
Cash and cash equivalents at end of the year			<u>3,092</u>		<u>2,580</u>

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Achievement Through Collaboration Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably. This includes redundancy and severance payments.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold land and buildings	2% straight line (buildings), 0.8% straight line (land), 5% straight line (roofing works), 6.67% straight line (windows, doors and other renovations)
Assets under construction	Nil until brought into use
Computer equipment	33% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

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

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Leased assets

Rentals payable under operating leases are charged on a straight-line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

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

1.10 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 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency, Department for Education, the local authority and other funders.

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.12 PFI Charge

The academy buildings were built under a PFI agreement, as at 31 August 2020 the agreement had a further 18 years to run. The local authority will continue to pay the unitary charge to the PFI provider under the pre-existing PFI contract. In turn, the academy trust will continue to pay the local authority but there may be a shortfall, known as an affordability gap, which fluctuates based on the number of pupils attending the school in any given academic year. The local authority will fund the affordability gap until the contract expires.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Capital grants	-	177	177	172

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	11,654	11,654	10,354
Other DfE group grants	-	1,342	1,342	1,031
	-	12,996	12,996	11,385
Other government grants				
Local authority grants	-	202	202	178
Coronavirus job retention scheme	-	2	2	-
	-	204	204	178
Other funding				
Other incoming resources	-	10	10	266
Total funding	-	13,210	13,210	11,829

The academy trust received £202,000 (2019 - £178,000) from the local authority in the year, being

- High needs funding £150,000 (2019 - £144,000)
- Early years funding £16,000 (2019 - £nil)
- Pupil premium funding £5,000 (2019 - £nil)
- Other grants £31,000 (2019 - £34,000)

There were no unfulfilled conditions or other contingencies relating to the grants in the year.

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	2	-	2	5
Catering income	256	-	256	395
Trip income	-	170	170	-
Other income	319	-	319	247
	577	170	747	647

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Short term deposits	1	-	1	5

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Academy's educational operations					
- Direct costs	9,369	-	528	9,897	9,367
- Allocated support costs	1,605	2,448	916	4,969	3,985
	<u>10,974</u>	<u>2,448</u>	<u>1,444</u>	<u>14,866</u>	<u>13,352</u>
Net Income/(expenditure) for the year includes:				2020 £'000	2019 £'000
Fees payable to auditor for:					
- Audit				14	15
- Other services				5	3
Operating lease rentals				40	20
Depreciation of tangible fixed assets				682	613
Net interest on defined benefit pension liability				103	95

8 Central services

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

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

The academy trust charges for these services on the following basis:

Flat 4% of GAG income from all academies within the trust (prior year Roseacre Academy was charged a starting rate of 3%).

The amounts charged during the year were as follows:	2020 £'000	2019 £'000
Bowland High	110	126
Roseacre Primary Academy	86	47
Witton Park Academy	269	246
	<u>465</u>	<u>419</u>

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Charitable activities	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Direct costs				
Educational operations	1,143	8,754	9,897	9,367
Support costs				
Educational operations	-	4,969	4,969	3,985
	<u>1,143</u>	<u>13,723</u>	<u>14,866</u>	<u>13,352</u>
			2020	2019
			£'000	£'000
Analysis of support costs				
Support staff costs			1,625	1,183
Depreciation			682	613
Technology costs			165	92
Premises costs			1,766	1,380
Legal costs			138	-
Other support costs			517	664
Governance costs			76	53
			<u>4,969</u>	<u>3,985</u>

Included within premises costs £960,338 (2019: £960,338) in relation to the cost of the PFI building at Witton Park Academy.

10 Staff

Staff costs

Staff costs during the year were:

	2020 £'000	2019 £'000
Wages and salaries	7,916	7,123
Social security costs	763	665
Pension costs	2,057	1,543
Staff costs - employees	<u>10,736</u>	<u>9,331</u>
Agency staff costs	155	302
Staff restructuring costs	83	-
Staff development and other staff costs	<u>10,974</u>	<u>9,633</u>
	68	-
Total staff expenditure	<u>11,042</u>	<u>9,633</u>
Staff restructuring costs comprise:		
Severance payments	<u>83</u>	<u>-</u>

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff

Non statutory/non-contractual staff severance payments

Staff restructuring costs include a non-contractual payments of:

- £30,000 made on 13 January 2020
- £28,908 made on 11 September 2020.

No such payments were made in the prior year.

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2019.

Staff numbers

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

	2020 Number	2019 Number
Teachers	120	124
Administration and support	129	120
Management	27	19
	<u>276</u>	<u>263</u>

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£80,001 - £90,000	-	2
£90,001 - £100,000	2	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £349,253 (2019: £367,602).

11 Trustees' remuneration and expenses

No trustees have been paid remuneration or have received other benefits from employment within the academy trust.

During the period ended 31 August 2020 no expenses were reimbursed to trustees (2019: £nil).

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Insurance for trustees and officers

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

13 Tangible fixed assets

	Leasehold land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2019	27,473	-	469	123	17	28,082
Additions	98	19	224	29	-	370
At 31 August 2020	27,571	19	693	152	17	28,452
Depreciation						
At 1 September 2019	1,738	-	311	91	17	2,157
Charge for the year	552	-	119	11	-	682
At 31 August 2020	2,290	-	430	102	17	2,839
Net book value						
At 31 August 2020	25,281	19	263	50	-	25,613
At 31 August 2019	25,735	-	158	32	-	25,925

The net book value of land and buildings comprises:

	2020 £'000	2019 £'000
Long leaseholds (over 50 years)	25,299	25,735

14 Debtors

	2020 £'000	2019 £'000
Trade debtors	13	24
VAT recoverable	139	58
Prepayments and accrued income	253	197
	405	279

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Government loans	4	4
Trade creditors	436	187
Other taxation and social security	228	32
Other creditors	162	2
Accruals and deferred income	367	332
	<u>1,197</u>	<u>557</u>

16 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Government loans	<u>16</u>	<u>20</u>
Analysis of loans	2020 £'000	2019 £'000
Wholly repayable within five years	20	24
Less: included in current liabilities	(4)	(4)
Amounts included above	<u>16</u>	<u>20</u>
Loan maturity		
Debt due in one year or less	4	4
Due in more than one year but not more than two years	4	4
Due in more than two years but not more than five years	12	16
	<u>20</u>	<u>24</u>

The Government loan is part of the funding approved by the ESFA for the improvements to schools within the Trust. The funding was delivered as a combination of capital grant and a 0% "Salix" loan.

17 Deferred income

	2020 £'000	2019 £'000
Deferred income is included within:		
Creditors due within one year	<u>117</u>	<u>104</u>

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Deferred income

Deferred income at 1 September 2019	104	100
Released from previous years	(104)	(100)
Resources deferred in the year	117	104
	<u>117</u>	<u>104</u>
Deferred income at 31 August 2020	117	104

At 31 August 2020 the academy trust was holding income in relation to 2020/21 as follows:

- £48,000 Universal Infant Free School Meals grant income
- £55,000 Trip income
- £14,000 Other income

18 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	(483)	11,654	(10,910)	(261)	-
Other DfE / ESFA grants	(29)	1,342	(1,309)	-	4
Other government grants	-	204	(204)	-	-
Transfer from Witton Park Academy Trust	69	-	(69)	-	-
Other donations and capital grants	4	-	(4)	-	-
Transfer from Roseacre	(111)	-	111	-	-
Other restricted funds	55	180	(235)	-	-
Pension reserve	(5,943)	-	(421)	(183)	(6,547)
	<u>(6,438)</u>	<u>13,380</u>	<u>(13,041)</u>	<u>(444)</u>	<u>(6,543)</u>
Restricted fixed asset funds					
Inherited on conversion	10,833	-	(525)	-	10,308
DfE group capital grants	2,249	177	(24)	-	2,402
Capital expenditure from GAG	12,843	-	(133)	261	12,971
	<u>25,925</u>	<u>177</u>	<u>(682)</u>	<u>261</u>	<u>25,681</u>
Total restricted funds	19,487	13,557	(13,723)	(183)	19,138
Unrestricted funds					
General funds	2,777	578	(1,143)	-	2,212
	<u>2,777</u>	<u>578</u>	<u>(1,143)</u>	<u>-</u>	<u>2,212</u>
Total funds	22,264	14,135	(14,866)	(183)	21,350

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy trust.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy trust.

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the academy trust's objectives and are expendable at the discretion of the trustees.

The transfer from General Annual Grant restricted general fund to restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year.

The difference between the fixed asset note and restricted fixed asset funds above relates to CIF monies received but not spent at year end of £69k. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	(869)	10,354	(9,968)	-	(483)
Other DfE / ESFA grants	(29)	1,031	(1,031)	-	(29)
Other government grants	-	178	(178)	-	-
Transfer from Wilton Park Academy Trust	69	-	-	-	69
Other donations and capital grants	86	-	-	(82)	4
Transfer from Roseacre	-	277	(388)	-	(111)
Other restricted funds	55	172	(172)	-	55
Pension reserve	(2,830)	(853)	(473)	(1,787)	(5,943)
	<u>(3,518)</u>	<u>11,159</u>	<u>(12,210)</u>	<u>(1,869)</u>	<u>(6,438)</u>
Restricted fixed asset funds					
Transfer on conversion	5,233	5,600	-	-	10,833
DfE group capital grants	2,608	172	(613)	82	2,249
Capital expenditure from GAG	12,843	-	-	-	12,843
	<u>20,684</u>	<u>5,772</u>	<u>(613)</u>	<u>82</u>	<u>25,925</u>
Total restricted funds	<u>17,166</u>	<u>16,931</u>	<u>(12,823)</u>	<u>(1,787)</u>	<u>19,487</u>
Unrestricted funds					
General funds	<u>2,332</u>	<u>974</u>	<u>(529)</u>	<u>-</u>	<u>2,777</u>
Total funds	<u>19,498</u>	<u>17,905</u>	<u>(13,352)</u>	<u>(1,787)</u>	<u>22,264</u>

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Funds

Total funds analysis by academy

	2020 £'000	2019 £'000
Fund balances at 31 August 2020 were allocated as follows:		
Bowland High	-	-
Roseacre Primary Academy	-	-
Witton Park Academy	-	-
TO BE REMOVED	-	-
Central trust funds	-	-
Central services	2,216	2,282
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	2,216	2,282
Restricted fixed asset fund	25,681	25,925
Pension reserve	(6,547)	(5,943)
	<hr/>	<hr/>
Total funds	<u>21,350</u>	<u>22,264</u>

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2020 £'000
Bowland High	1,857	697	136	509	3,199
Roseacre Primary Academy	1,650	521	33	368	2,572
Witton Park Academy	4,584	1,021	128	1,641	7,374
Central services	165	229	-	197	591
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>8,256</u>	<u>2,468</u>	<u>297</u>	<u>2,715</u>	<u>13,736</u>

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	25,613	25,613
Current assets	2,212	1,217	68	3,497
Creditors falling due within one year	-	(1,197)	-	(1,197)
Creditors falling due after one year	-	(16)	-	(16)
Defined benefit pension liability	-	(6,547)	-	(6,547)
Total net assets	<u>2,212</u>	<u>(6,543)</u>	<u>25,681</u>	<u>21,350</u>

	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	25,925	25,925
Current assets	3,354	(495)	-	2,859
Creditors falling due within one year	(557)	-	-	(557)
Creditors falling due after one year	(20)	-	-	(20)
Defined benefit pension liability	-	(5,943)	-	(5,943)
Total net assets	<u>2,777</u>	<u>(6,438)</u>	<u>25,925</u>	<u>22,264</u>

20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £159,198 were payable to the schemes at 31 August 2020 and are included within creditors at year end (2019: £32,243)

Teachers' Pension Scheme

Introduction

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

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,374,000.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19% for employers and 5.5 to 8.5% for employees. The estimated value of employer contributions for the forthcoming year is £474,000.

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.

Total contributions made	2020 £'000	2019 £'000
Employer's contributions	429	379
Employees' contributions	107	102
Total contributions	536	481

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.8	3.6
Rate of increase for pensions in payment/inflation	2.4	2.2
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.3	2.1

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

	2020 Years	2019 Years
Retiring today		
- Males	22.3	22.8
- Females	25.0	25.5
Retiring in 20 years		
- Males	23.8	25.1
- Females	26.8	28.2

Scheme liabilities would have been affected by changes in assumptions as follows:

Sensitivity analysis as at 31 August 2020

Disclosure item	Central	Sensitivity 1 + 0.1%pa discount Rate £'000	Sensitivity 2 + 0.1%pa inflation £'000	Sensitivity 3 + 0.1%pa pay growth £'000	Sensitivity 4 1 year increase in life expectancy £'000
Liabilities	12,607	12,338	12,883	12,651	12,968
Assets	(6,060)	(6,060)	(6,060)	(6,060)	(6,060)
Deficit/(surplus)	6,547	6,278	6,823	6,591	6,908
Projected service cost for next year	731	712	752	731	755
Projected net interest cost for next year	114	115	119	114	120

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

	2020 Fair value £'000	2019 Fair value £'000
Equities	2,764	2,706
Other bonds	418	91
Cash and other liquid assets	109	102
Property	824	498
Other assets	1,945	2,265
Total market value of assets	6,060	5,662

The actual return on scheme assets was £(63,000) (2019: £654,000).

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

20 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	726	538
Past service cost	21	219
Interest income	(106)	(136)
Interest cost	209	231
Total operating charge	<u>850</u>	<u>852</u>
Changes in the present value of defined benefit obligations	2020 £'000	2019 £'000
At 1 September 2019	11,605	6,607
Transferred in on existing academies joining the academy trust	-	2,189
Current service cost	726	538
Interest cost	209	231
Employee contributions	107	102
Actuarial loss	14	2,305
Benefits paid	(75)	(586)
Past service cost	21	219
At 31 August 2020	<u>12,607</u>	<u>11,605</u>
Changes in the fair value of the academy trust's share of scheme assets	2020 £'000	2019 £'000
At 1 September 2019	5,662	3,777
Transferred in on existing academies joining the academy trust	-	1,336
Interest income	106	136
Actuarial loss/(gain)	(169)	518
Employer contributions	429	379
Employee contributions	107	102
Benefits paid	(75)	(586)
At 31 August 2020	<u>6,060</u>	<u>5,662</u>

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020 £'000	2019 £'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(731)	4,553
Adjusted for:		
Net surplus on transfer of academy in the trust	-	(5,252)
Capital grants from DfE and other capital income	(177)	(172)
Investment income receivable	(1)	(5)
Defined benefit pension costs less contributions payable	318	378
Defined benefit pension scheme finance cost	103	95
Depreciation of tangible fixed assets	682	613
(Increase) in debtors	(126)	(103)
Increase in creditors	640	286
Stocks, debtors and creditors transferred on conversion	-	505
Net cash provided by operating activities	708	898

22 Analysis of changes in net funds

	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
Cash	2,580	512	3,092
Loans falling due within one year	(4)	-	(4)
Loans falling due after more than one year	(20)	4	(16)
	<u>2,556</u>	<u>516</u>	<u>3,072</u>

23 Commitments under operating leases

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

	2020 £'000	2019 £'000
Amounts due within one year	40	24
Amounts due in two and five years	84	39
	<u>124</u>	<u>63</u>

The academy buildings at Witton Park Academy are provided on a PFI contract which at 31 August 2020 had a further 18 years to run. No financial commitment has been included for this contract in the above note because of a shortfall in available information to calculate the cost over the life of the contract. The basic annual payment and affordability gap paid for the 12 months to 31 August 2020 was £930,000 (2019: £960,000) and the cost for period 1 September 2020 to 31 March 2021 is expected to be £678,000.

ACHIEVEMENT THROUGH COLLABORATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Capital commitments

	2020	2019
	£'000	£'000
Expenditure contracted for but not provided in the accounts	69	-

At the year end the trust had committed to a project for works to the roof at Roseacre Primary. This is fully covered by CIF funding.

25 Related party transactions

No related party transactions took place in the period of account.

26 Post balance sheet events

On 1 September 2020 Thames Primary Academy joined the trust. No adjustments have been required to this year's financial statements for this event.

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