

Osborne Co-operative Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2018

Company Registration Number: 07703865 (England and Wales)

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Osborne Co-operative Academy Trust

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Osborne Co-operative Academy Trust

Reference and Administrative Details

Members	G Allen (resigned 12.4.18) S Burton S Cosgrow (resigned 26.3.18) P Cozens T Elbourne (appointed 12.4.18) T Jaffe A O'Donoghue (appointed 16.7.18)
Trustees	J Baines S Cosgrow (appointed 27.3.18) I Duerden (co-opted 10.7.18) M Fall L Fergus (co-opted 10.7.18) A Gaywood K Goodacre P Griffiths (Accounting Officer) T Jaffe (Chair Person) R Lovatt (resigned 19.2.18) D Mummery A Walker
Company Secretary	K Draper
Senior Management Team:	
Chief Executive Officer	P Griffiths
Executive Headteacher (Secondary)	A Hughes
Headteacher	L Coates
Headteacher	J Bray
Headteacher	J Bryant
Headteacher	J Fish
Head of School	J Callender
Chief Operating Officer	J Clark
Company Name	Osborne Co-operative Academy Trust
Principal and Registered Office	Butts Lane Stanford-le-Hope SS17 0NW
Company Registration Number	07703865 (England and Wales)
Independent Auditor	Rowland Hall 44/54 Orsett Road Grays RM17 5ED
Bankers	Lloyds Bank 77-81 High St, Chelmsford, CM1 1DU2
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

Osborne Co-operative Academy Trust

Trustees' Report

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

The academy trust operates four primary and two secondary academies in Thurrock and Essex. Its academies have a combined pupil capacity of 4946 and had a roll of 4508 in the school census on 4 October 2017.

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Osborne Co-operative Academy Trust (previously known as St Clere's Co-operative Academy Trust) are also the directors of the charitable company for the purposes of company law. The charitable company is known as Osborne Co-operative Academy Trust. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

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

Trustees benefit from Trustee Indemnity Insurance limited to £5,000,000 plus an additional indemnity for pollution defence costs limited to £500,000.

Method of Recruitment and Appointment or Election of Trustees

Osborne Co-operative Academy Trust seeks to have at least 9 and no more than 11 trustees on its board. The members may appoint by ordinary resolution up to 5 trustees, one of whom may be from among their number and one of whom is the Chief Executive Officer. The trustees may appoint or elect up to 2 Academy Trustees from a local governing body from any academy. The trustees may also appoint up to 4 Co-opted Trustees put forward by the forum.

All Trustees and members of Local Governing Bodies are measured against the required knowledge, skills and competencies identified by the Department for Education in the Competency Framework for Governance, published in January 2017.

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

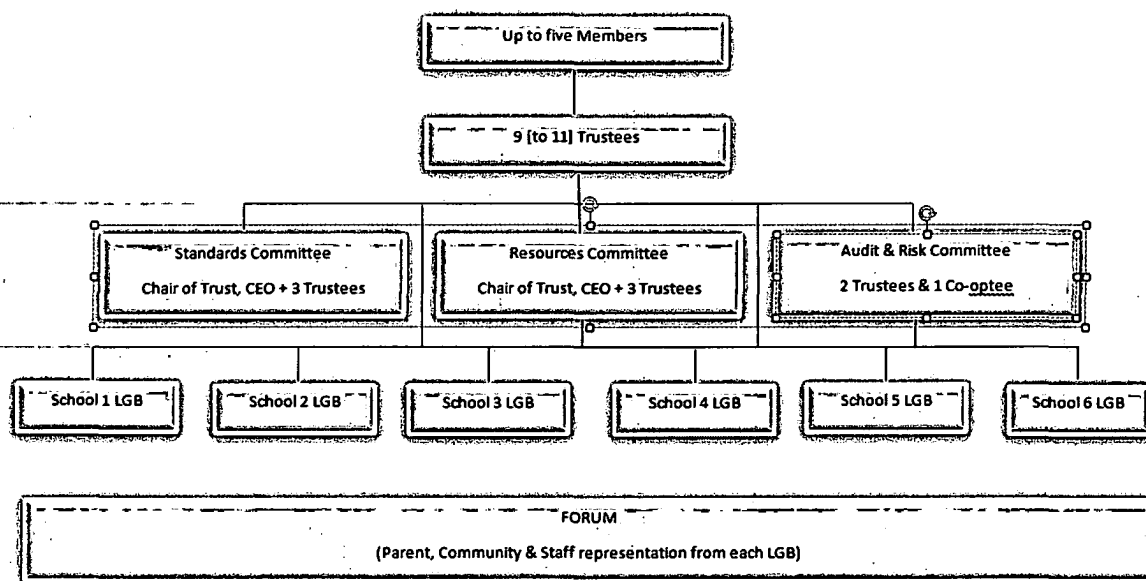
The trust adopted a policy for recruitment, induction and training of Trustees in April 2017. Induction sessions are held for all newly appointed trustees, at which they are registered as 'directors' with Companies House and receive information regarding the Trust's policies and documents. This session is mandatory.

New trustees are also invited to meet the Chair of Trust and Chief Executive Officer. The opportunity to visit the trusts schools and to meet the head teachers and staff is offered. A mentor can be appointed to offer such support to new trustees as they may wish.

External reviews will be carried out annually to assess and identify areas for trustee development. Training and support will be available to trustees, from both internal and external sources. The Trust subscribes to a recognised, online governance training programme. All trustees are expected to participate regularly in their own development. The Trust also provides membership of the National Governance Association for all Trustees and members of Local Governing Bodies. This provides them with regular updates on legislation, statutory requirements and good practice in academy trusts and academies.

Organisational Structure

Governance Structure



Osborne Co-operative Academy Trust

Trustees' Report (continued)

Arrangements for setting pay and remuneration of key management personnel

Trustees do not receive payments in respect of their time for attending meetings or other contributions made to the Trust in that role, nor are they entitled to re-imbursement of expenses.

The arrangements for setting the pay and remuneration of the Trust's key management personnel are determined by the Trust's Pay Policy. This policy sets out the framework for making decisions on all staff pay within Osborne Co-operative Academy Trust. The policy is reviewed annually, in consultation with staff and unions.

The objective of the policy is to:

- ensure that pay arrangements enable the current and future delivery of the Trust's plans, the school curriculum and school improvement plans;
- support the recruitment and retention of high quality staff;
- recognise and reward staff for their contribution to the Trust; and
- ensure that pay decisions are made in a fair, transparent and consistent manner.

The policy complies with the School Teachers' Pay & Conditions Document (STPCD) and the accompanying guidance, and with the national and local pay agreements for support staff. Although staff pay is affected by legislation and national and local pay agreements, the Trust has significant flexibility to determine pay levels to meet local circumstances. This flexibility is implemented through the Trust's Appraisal and Performance Management Review process which ensures that staff are rewarded for meeting and exceeding their targets. However, performance management objectives are moderated across the Trust by the Chief Executive Officer and the Trust Pay Review Committee to ensure consistency and fairness in pay decisions.

Performance management reviewers are responsible for the performance management process.

- The Head Teacher (or for Trust appointed staff the Chief Executive Officer) for Upper Pay Range and Leadership Range teachers
- The Chief Executive Officer for Head Teachers and staff working directly for the Trust
- The Chair of Trust for the Chief Executive Officer.

Performance management review will result in a pay recommendation for all staff being made to the Trust Pay Review Committee, to which the Trust Board has fully delegated powers to make decisions on pay. The Chief Executive Officer and two other Trustees will sit on the Pay Review Committee. In the case of dispute, decisions will be referred to the Trust Pay Appeals Committee.

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full time equivalent employee number
0	0

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total pay bill	£20,085,896
Provide the percentage of the total pay bill spent on facility time, calculated as (total cost of facility time ÷ total pay bill) x 100	0

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0
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Related Parties and other Connected Charities and Organisations

Optima Community and Leisure Services Community Interest Company currently provides services to St Clare's School. It is a wholly owned subsidiary of Osborne Co-operative Academy Trust. East Tilbury Children's Services Limited is also a wholly owned subsidiary of Osborne Co-operative Academy Trust. This Company has not traded since its inception.

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Thurrock Council has service level agreements with Osborne Co-operative Academy Trust for the provision of the Hearing Impairment Resource Base for secondary age pupils, together with the associated outreach services for children and young people. This provision is operated by St Clere's Secondary School. Thurrock Council has service level agreements with Osborne Co-operative Academy Trust for the provision of the Visual Impairment Resource Base for primary and secondary age pupils, operated by Stanford-le-Hope Primary School and St Clere's Secondary School together with the associated outreach services for children and young people. Thurrock Council has service level agreements with Osborne Co-operative Academy Trust for the provision of the Assessment Base for nursery age pupils with emotional and behavioural needs, which is operated by Stanford-le-Hope Primary School. Thurrock Council also has service level agreements with Osborne Co-operative Academy Trust for the provision of Resource Bases for primary age pupils with emotional and behavioural needs operated by East Tilbury Primary School and Thameside Primary School.

St Clere's Secondary School is in a collaboration with ORTU Academies Trust related to the ORTU Sixth Form Centre. Ortu Gable Hall as the lead school retains responsibility for the management of the Sixth Form Centre.

Objectives and Activities

Objects and Aims

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Objectives, Strategies and Activities

The aims of Osborne Co-operative Academy Trust during the period 1 September 2017 and 31 August 2018 were to raise standards of learning by:

- ensuring pupils in our schools make the best possible progress through access to a quality provision which is innovative, challenging and meets their individual learning needs;
- ensuring leadership and management throughout the schools is consistently inspirational, dynamic, efficient, effective, reflective and focussed on delivering the Trust's aims, with due regard to our co-operative values of self-help, self-responsibility, equality, equity, democracy and solidarity, together with the ethical values of honesty, openness, social responsibility and caring for others; and
- providing pupils with the knowledge, skills and understanding they need to make healthy, positive life and lifestyle choices, fulfil their academic potential and be life-long co-operators with the skills and understanding to be active, caring citizens in their school, local and global communities.

Osborne Co-operative Academy Trust

Trustees' Report (continued)

All schools in the Trust have a costed school development plan, which focuses on continuous improvement to the standards of education provided to children in the schools. The school development plans are agreed by the Local Governing Body of the relevant school and monitored by the Trust's Standards Committee. The Local Governing Bodies are committees of the Trust Board. Performance Management Reviews are held for all staff, with personal targets for school staff linked to the school development plan.

The Trust gives full and fair consideration to applications for employment made by all minority groups, including disabled persons, having regard to their particular aptitudes and abilities. As with all employees, disabled employees receive appropriate training to promote their career development. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts. The Trust provides support through occupational health and access to work as appropriate.

Appropriate meetings are held between senior management and employees to discuss matters of concern to both parties including the performance of the organisation and to appraise the performance of employees. The Trust has an active Joint Consultative Committee (JCC), which includes trades unions and other employee associations. The JCC meets termly and all changes to conditions of service are consulted on through this group.

Public Benefit

In setting our objectives and planning our activities our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Strategic Report

Achievements and Performance

In addition to the continuing work of the Osborne Co-operative Academy Trust to meet its stated objectives and aims, 2017-18 saw the re-brokerage of Brentwood County High School into the Osborne Co-operative Academy Trust. This school had recently received a "Requires Improvement" rating from Ofsted and was suffering from unsustainable financial management issues, low morale and poor attendance and behaviour among pupils. The interventions and structural reorganisation put in place by the Osborne Trust have been successful. In September 2017, the projected deficit for the end of the 2017-18 financial year, including the deficit from 2016-17 stood at £1.2 million. This has been significantly improved to a deficit at 31 August 2018 of £443,137, with an in-year saving of £757,000. Academic results, attendance and behaviour at the school are all improved and the impact of the Trust's interventions are evident in all areas.

The Osborne Co-operative Academy Trust's strategic plan objectives for 2017-18 are shown below. The extent to which the objectives have been achieved is indicated by the "RAG" rating, the key for which is also given.

Priority			
1	To hold schools to account for the effectiveness of their Leadership and Management	RAG*	Accountability
1.1	Secure succession planning for the Trust and its schools		Trust Resources Committee
1.2	Hold schools' Local Governing Body (LGB) to account for their standards and performance		Trust Standards Committee
1.3	To develop the role of the Trust Forum to support the implementation of effective Local Governing Bodies		CEO
1.4	Refine the Business Continuity plan for the Trust through 'stress testing' and CPD		CEO
1.5	Ensure Trust schools are fully compliant with Health and Safety legislation through the revised Trust policy		CEO
1.6	Through the work of the Workload Ambassadors sub-committee develop training programmes and promote school based strategies to support the Trust Vision of reducing staff workload and providing an appropriate work-life balance for all staff		CEO

Osborne Co-operative Academy Trust

Trustees' Report (continued)

1.7	Ensure that the Trust is working towards compliance with the new General Data Protection Regulation (GDPR) by implementation date (25 th May 2018)		CEO
1.8	Timeline and implementation plan for the renaming of the Trust to Osborne Co-operative Academy Trust is implemented		CEO
1.9	The cycle for reviewing Trust Policies is fully implemented		CEO
1.10	Further develop the Trust ICT strategy, so that the IT infrastructure is reliable, efficient and well co-ordinated across the Trust		CEO
2	To ensure that teaching, learning and assessment continue to raise educational standards in all Trust schools	RAG*	Accountability
2.1	Develop the quality of teaching and learning over time, using 'Teaching Over Time' to inform Performance Management, ITT and CPD, contributing to sharing of best practise across the Trust		Trust Standards Committee
2.2	Ensure curriculum provision, including assessment, tracking and moderation is consistent and secure across the Trust		CEO
2.3	Following the initial co-operative challenge audit visits completed 2016-17, evaluate the outcomes and support schools who wish to participate further in this curriculum development programme		CEO
2.4	Develop the impact of support staff on raising standards of teaching and learning across the Trust		CEO
2.5	Develop the Thurrock Sensory Service as a local centre of excellence that provides a high quality educational provision for children and young people experiencing a sensory loss (hearing, visual and multi-sensory)		CEO
2.6	The Trust SEND strategy is effectively shared across all schools and improves the outcomes for SEND pupils		CEO
2.7	Further develop the support for disadvantaged pupils across the Trust to secure narrowing of the gaps to national for both achievement and attendance		CEO
2.8	Hold the schools to account for the outcomes of 'more able' pupils; coordinate the sharing of best practise and facilitate the more able enrichment project		CEO
2.9	Develop a formal partnership across Stanford-le-Hope Primary School and Arthur Bugler Primary School to support and share good practice		CEO
2.10	Further develop the Trust ICT strategy, so that the IT infrastructure is reliable, efficient and well co-ordinated across the Trust and its schools to further improve: teaching and learning		CEO
2.11	To work with Thurrock LA to develop a Thurrock-wide hub and spoke model for primary alternative provision		CEO

Osborne Co-operative Academy Trust

Trustees' Report (continued)

3	Enable all learners to be good citizens in their communities by embedding the Co-operative values in our schools	RAG*	Accountability
3.1	Further embed the Co-operative Identity Mark (CIM) in all schools and explore the opportunities of international co-operative links		CEO
3.2	To hold schools to account for the quality of their parental engagement and community cohesion based on the Co-operative values		Trust Standards Committee
4	To further develop the Trust central services to deliver a high quality Trust infrastructure that is cost effective and value for money	RAG*	Accountability
4.1	Develop the Trust's provision for students in 16-19 education in partnership with other providers		Trust Standards Committee
4.2	Further develop and expand the Trust through the opening of new schools and the joining of other schools into the Trust		Trust Board
4.3	Integrate Brentwood County High School into the Trust infrastructure and implement a financial recovery plan		Trust Board
4.4	Further develop the Trust's Central Services to enable all schools to benefit from a high quality, cost effective and reliable service		CEO
4.5	Further develop the Trust ICT strategy, so that the IT infrastructure is reliable, efficient and well co-ordinated across the Trust and its schools to further improve: communication pathways across the Trust to support work-life balance		CEO

Colour Codes	Definition (extent to which milestones are met)
N	Not yet active (not due to commence yet)
	Fully complete, no further actions needed
O	On track as planned and but still ongoing
	Actions/plans in place but not currently on track
	Barriers/further action required/overdue
	Impact statements to have simple RAG

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Academic outcomes, together with targets for 2018 and 2019 are shown in the following tables. KS4 and KS5 results for Brentwood County High School and St Clere's School are provisional.

Arthur Bugler Primary School KS1 & EYFS		2016	2017		2018			2019
		Result	Result	National	Target	Result	National Prov.	Draft Target
EYFS % At least Expected	Reading	81%	95%↑	77%		85%↓	76%	
	Writing	81%	95%↑	73%		85%↓	70%	
	Maths	84%	97%↑	79%		85%↓	76%	
EYFS % Exceeding	Reading	3%	0%	19%		10%↑	26%	
	Writing	0%	2%	11%		3%	16%	
	Maths	0%	2%	16%		3%	22%	
Year R % Good Level of Development		76%	91%↑	69%	80%	85%↓	72%	85%
Year 1 % passed phonics check		83%	95%↑	81%	95%	93%	83%	93%
Year 2 total % passed phonics check		90%	95%	92%	-	97%	93%	
KS1 % Meeting Expected Standard	Reading	78%	82%↑	76%	87%	83%	76%	85%
	Writing	72%	78%↑	68%	80%	81%↑	70%	85%
	Mathematics	83%	83%→	75%	86%	86%↑	76%	87%
KS1 % Greater Depth Than Expected Standard	Reading	25%	22%↓	25%	26%	20%	26%	27%
	Writing	13%	10%↓	16%	16%	15%↑	16%	18%
	Mathematics	12%	8%↓	21%	22%	20%↑	22%	23%

Arthur Bugler Primary School KS2		2016	2017		2018 Provisional				2019
		Result	Result	National	Target	Result	National	Thurrock	Draft Target
Expected Standard Read, Write & Maths		43%	54%↑	61%	68%	64%	64%	66%	74%
Progress Score	Reading	-2.6	-3.1↓	0		-2.1	0	tbc	+1.0
	Writing	+0.2	+0.6↑			-0.1			+1.0
	Mathematics	-3.6	-2.4↑			-1.6			+1.0
Average Scaled Score	Reading	101.0	101.9↑	104.1		104	105	105	106.5
	Mathematics	100.4	102.4↑	104.2		104	104	105	106
	GPS	101.9	104.6↑	106.0		104	106	107	108.5
Expected Standard	Reading	62%	66%↑	71%	88%	78%	75%	75%	88%
	Writing	85%	85%→	76%	88%	83%	78%	80%	85%
	Mathematics	55%	64%↑	75%	80%	78%	76%	78%	85%
Higher Standard (GDS in Writing)	Reading	17%	15%→	25%	24%	17%	28%	25%	28%
	Writing	15%	29%↑	18%	30%	24%	20%	24%	28%
	Mathematics	7%	15%↑	23%	24%	12%	24%	25%	30%

Osborne Co-operative Academy Trust

Trustees' Report (continued)

East Tilbury Primary School KS1 & EYFS		2016	2017		2018			2019
		Result	Result	National	Target	Result	National	Draft Target
EYFS % At least Expected	Reading	84%	84%	77%		85%	76%	
	Writing	80%	84%↑	73%		85%	70%	
	Maths	86%	85%	79%		85%	76%	
EYFS % Exceeding	Reading	20%	14%↓	19%		10%↓	26%	
	Writing	6%	8%	11%		6%	16%	
	Maths	0%	8%↑	16%		10%	22%	
Year R % Good Level of Development		80%	83%↑	69%	85%	85%	72%	tbc
Year 1 % passed phonics check		76%	81%↑	81%	83%	86%↑	83%	86%
Year 2 total % passed phonics check		90%	79%↓	92%	-	89%↑	93%	
KS1 % Meeting Expected Standard	Reading	86%	78%↓	76%	79%	76%	76%	88%
	Writing	78%	74%↓	68%	73%	68%↓	70%	82%
	Mathematics	85%	77%↓	75%	78%	77%	76%	85%
KS1 % Greater Depth Than Expected Standard	Reading	18%	24%↑	25%	25%	22%	26%	22%
	Writing	9%	14%↑	16%	15%	13%	16%	22%
	Mathematics	3%	22%↑	21%	23%	22%	22%	25%

East Tilbury Primary School KS2		2016	2017		2018 Provisional				2019
		Result	Result	National	Target	Result	National	Thurrock	Draft Target
Expected Standard Read, Write & Maths		47%	67%↑	61%	68%	62%	64%	66%	75%
Progress Score	Reading	-1.8	+0.2↑	0		-0.9	0	tbc	+0.7
	Writing	+0.2	0.0→			+1.7			+0.5
	Mathematics	-1.6	-0.4↑			+1.3			+0.5
Average Scaled Score	Reading	100.4	103.8↑	104.1		104	105	105	105
	Mathematics	101.1	103.0↑	104.2		105	104	105	106
	GPS	102.4	105.3↑	106.0		107	106	107	107
Expected Standard	Reading	64%	76%↑	71%	76%	68%	75%	75%	82%
	Writing	78%	78%→	76%	78%	80%	78%	80%	80%
	Mathematics	57%	79%↑	75%	80%	75%	76%	78%	85%
Higher Standard (GDS in Writing)	Reading	8%	23%↑	25%	25%	19%	28%	25%	34%
	Writing	7%	7%→	18%	22%	24%	20%	24%	28%
	Mathematics	10%	16%↑	23%	23%	21%	24%	25%	34%

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Stanford-le-Hope Primary School KS1 & EYFS		2016	2017		2018	2018		2019
		Result	Result	National	Target	Result	National	Draft Target
EYFS % At least Expected	Reading	72%	73%	77%	75%	75%	76%	
	Writing	69%	71%	73%	75%	71%	70%	
	Maths	74%	82%↑	79%	85%	83%	76%	
EYFS % Exceeding	Reading	7%	4%↓	19%	10%	10%↑	26%	
	Writing	0%	0%	11%	3%	0%	16%	
	Maths	4%	4%	16%	11%	8%↑	22%	
Year R % Good Level of Development		67%	71%↑	69%	75%	71%	72%	tbc
Year 1 % passed phonics check		88%	84%↓	81%	85%	89%↑	83%	tbc
Year 2 total % passed phonics check		90%	100%	92%	-	98%	93%	
KS1 % Meeting Expected Standard	Reading	73%	74%→	76%	82%	71%↓	76%	77%
	Writing	61%	64%↑	68%	73%	67%↑	70%	70%
	Mathematics	76%	83%↑	75%	85%	71%↓	76%	78%
KS1 % Greater Depth Than Expected Standard	Reading	3%	19%↑	25%	20%	19%	26%	23%
	Writing	5%	9%↑	16%	17%	17%↑	16%	17%
	Mathematics	2%	15%↑	21%	20%	21%↑	22%	23%

Stanford-le-Hope Primary School KS2		2016	2017		2018 Provisional			2019
		Result	Result	National	Target	Result	National	Draft Target
Expected Standard Read, Write & Maths		56%	52%↓	61%	70%	61%	64%	73%
Progress Score	Reading	-0.5	+0.01↑	0		-1.3	0	+0.5
	Writing	+0.5	0.0↓			+1.5		+1.5
	Mathematics	+1.9	+0.05↓			-0.1		+1.0
Average Scaled Score	Reading	100.7	102.5↑	104.1		104	105	105.5
	Mathematics	103.8	102.2↓	104.2		103	104	104.4
	GPS	104.6	103.2↓	106.0		104	106	106.0
Expected Standard	Reading	57%	66%↑	71%	88%	75%	75%	85%
	Writing	74%	73%→	76%	83%	85%	78%	83%
	Mathematics	76%	68%↓	75%	87%	73%	76%	85%
Higher Standard (GDS in Writing)	Reading	13%	14%→	25%	25%	20%	28%	36%
	Writing	7%	11%↑	18%	22%	27%	20%	27%
	Mathematics	19%	14%↓	23%	32%	25%	24%	31%

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Thameside Primary School KS1 & EYFS		2016	2017		2018			2019
		Result	Result	National	Target	Result	National	Draft Target
EYFS % At least Expected	Reading	55%	60%↑	77%		63%↑	76%	
	Writing	50%	57%↑	73%		60%↑	70%	
	Maths	60%	60%	79%		64%↑	76%	
EYFS % Exceeding	Reading	3%	20%↑	19%		22%	26%	
	Writing	0%	3%↑	11%		1%	16%	
	Maths	0%	4%↑	16%		2%	22%	
Year R % Good Level of Development		48%	57%↑	69%	66%	58%	72%	tbc
Year 1 % passed phonics check		82%	83%→	81%	84%	86%↑	83%	86%
Year 2 total % passed phonics check		86%	93%	92%	-	80%	93%	
KS1 % Meeting Expected Standard	Reading	54%	58%↑	76%	74%	65%↑	76%	65%
	Writing	29%	47%↑	68%	65%	55%↑	70%	65%
	Mathematics	61%	56%↓	75%	73%	66%↑	76%	68%
KS1 % Greater Depth Than Expected Standard	Reading	5%	13%↑	25%	10%	10%↓	26%	18%
	Writing	1%	2%→	16%	7%	9%↑	16%	9%
	Mathematics	0%	8%↑	21%	10%	15%↑	22%	14%

Thameside Primary School KS2		2016	2017		2018 Provisional				2019
		Result	Result	National	Target	Result	National	Thurrock	Draft Target
Expected Standard Read, Write & Maths		61%	55%↓	61%	65%	53%	64%	66%	63%
Progress Score	Reading	+0.3	+0.9↑	0	+0.5	-1.7	0	tbc	+1.0
	Writing	-0.9	+1.4↑		+0.5	-1.4			+1.0
	Mathematics	+0.7	+2.5↑		+0.5	-1.4			+1.0
Average Scaled Score	Reading	101.0	101.4↑	104.1	102	102.6	105	105	102.7
	Mathematics	102.6	103.8↑	104.2	104	102.4	104	105	102.9
	GPS	103.6	105.3↑	106.0	106	104.4	106	107	104.9
Expected Standard	Reading	68%	64%↓	71%	79%	69%	75%	75%	74%
	Writing	73%	70%↓	76%	70%	66%	78%	80%	74%
	Mathematics	73%	78%↑	75%	80%	67%	76%	78%	76%
Higher Standard (GDS in Writing)	Reading	14%	13%→	25%	20%	19%	28%	25%	24%
	Writing	18%	10%↓	18%	10%	10%	20%	24%	15%
	Mathematics	10%	18%↑	23%	15%	14%	24%	25%	24%

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Brentwood County High School KS4		2017		2018 Provisional			2019
		Result	National	Target	Result	National	Target
GCSE grade 4+ in Eng & Ma		66%	64%	70%	66%		70%
GCSE grade 5+ in Eng & Ma		41%	43%	50%	45%		47%
Progress 8		-0.47	0	0.1	-0.15		0.15
Attainment 8		4.2	4.6	5.0	4.6		4.8
% Entered for Ebacc		80%	40%	39%	39%	40%	-
% Achieving Ebacc 5+		23%	21%	26%	18%		20%
Ebacc APS*					4.09		tbc
GCSE 4+ (A*-C)	English	75%	75%	87%	80%	70%	82%
	Mathematics	72%	69%	78%	74%	71%	80%
GCSE 5+	English	54%	60%	69%	63%	60%	63%
	Mathematics	50%	49%	60%	52%	50%	60%
GCSE 7+ (A*-A)	English	15%	20%	23%	29%	21%	22%
	Mathematics	16%	19%	23%	19%	20%	20%

Brentwood County High School KS5		2017		2018 Provisional			2019
		Result	National	Target	Result	National	Target
A Level	Average Point Score	27.3	32.4		33.3		34
	Average Grade	C-	C+		C+		C+
	% Achieving AAB in 2+ facilitating	6.4%	17%		10.8%		10%
	Progress Score	0.17	0		tbc		tbc
	ALPS Overall (1 best, 9 worst)	5	5	4	3	5	2
BTEC (change in 2018, outcomes)	Average Point Score	33.1	35.7		26.8		tbc
	Average Grade	D-	D		M+		tbc

Osborne Co-operative Academy Trust

Trustees' Report (continued)

not comparable to 2017)	Progress Score	0.20	0		tbc		tbc	
	ALPS Overall (1 best, 9 worst)	5	5	4	5	5	tbc	
St Clere’s School KS4		2016	2017		2018 Provisional			2019
		Result	Result	National	Target	Result	National	Target
GCSE grade 4+ in Eng & Ma		78%	75%	64%	75%	71%		75%
GCSE grade 5+ in Eng & Ma			51%	43%	52%	48%		55%
Progress 8		0.19	0.45	0	>0.25	0.08		0.2
Attainment 8		4.8	5.1	4.6	5.0	4.6		5.0
% Entered for Ebacc		64%	46%	40%	48%	47%	40%	
% Achieving Ebacc 5+			28%	21%	30%	17%		23%
Ebacc APS*						4.00		tbc
GCSE 4+ (A*-C)	English	84%	84%	75%	87%	83%	70%	85%
	Mathematics	85%	84%	69%	87%	78%	71%	86%
GCSE 5+	English		67%	60%	67%	61%	60%	65%
	Mathematics		60%	49%	70%	60%	50%	65%
GCSE 7+ (A*-A)	English	18%	19%	20%	22%	18%	21%	20%
	Mathematics	23%	29%	19%	30%	25%	20%	30%

There is improved confidence with KS2 progress scores now and they are consistent with the scores from Thurrock. The general picture for primary schools is that they are stable or rising, with room for improvement. There are some negative progress scores, however these are small and below the 2.5 points usually considered a concern (dependant on cohort size).

Secondary school data shows a strong and positive picture. St. Clere's School has dropped slightly in progress but is still above national. Maths achievement has continued to rise (87% at 4, equivalent to the old C grade, or above).

Results at Brentwood County High School were not quite as high as predicted, however improvement can still be seen over what had been a very de-stabilising year for the school. Students and staff are to be congratulated on their achievements given the difficulties they faced.

Osborne Co-operative Academy Trust

Trustees' Report (continued)

With regards to the sixth form at Brentwood County High School, A level results were good and are now in line with national. Alps data shows 5 as the national average and 3 was achieved, putting the school in the top 25% nationally for progress. Level 2 is seen as being not far from reach and the sixth form is seen as a real strength of the school.

Going Concern

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

Financial Review

The Trust's Fund balances at 31st August 2018 were in surplus by £60.5m. This is made up by Restricted Asset Funds being in surplus by £68.6m, unrestricted funds were in surplus by £3.2m, whilst Restricted General Funds were in deficit by £11.36m due to a pension fund deficit of £11.33m.

Reserves Policy

The level of resources held takes into account the nature of the income and expenditure streams, the need to match them with commitments (including future capital projects) and the nature of reserves. The current reserve provision is as follows:

- Capital Reserves are identified for specific investments in education and premises
- A General Reserve has been established for each school at the minimum level of 3% of gross income. These funds are held centrally. Where schools are unable to maintain their reserves at this level due to unplanned expenditure, necessary to maintain safe education provision, they are required to re-instate them in subsequent years.

The reserves held on 31st August 2018 were £3.2m. In extra-ordinary circumstances where schools go temporarily into deficit, the reserves held on behalf of other schools by the Trust will be used in order to avoid cash flow difficulties.

Investment Policy

In a period of financial uncertainty and low interest rates, the Trust Board's policy has been to maximise liquidity and minimise risk. As a result, surplus cash has been placed in a short term fixed length interest bearing account. This policy will be kept under review.

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Principal Risks and Uncertainties

The principal risks to the Trust are financial and result from an actuarial deficiency on the Local Government Pension Scheme. In addition, there are the usual risks associated with fraud, damage to reputation and failure to maintain academic standards. Control measures have been put in place to mitigate all these risks.

- In the light of the Corporate Governance guidance contained within the Charities Statement of Recommended Practice 2015 and its predecessor of 2005, the Trustees have put in place high level controls and identified the major risks to which the Trust is exposed.
- The high level controls in place include:
- Comprehensive strategic plans, budget and future management accounting;
- Formal agenda for all committee meetings;
- Detailed schemes of delegation and terms of reference for all committees;
- Formal written policies and procedures;
- Organisational structures and lines of reporting;
- Clear and appropriate authorisation and approval levels; and
- Vetting and safeguarding procedures as required by law for the protection of the vulnerable.

Medium and long term forecasting has become an integral part of the Trust's management and planning processes and is increasing important to maintaining standards by avoiding short term measures within the Trust as costs increase and income fails to compensate.

The Trustees recognise that any system can only provide reasonable but not absolute assurances that major risks have been adequately managed.

The Trust has developed a system of risk identification and management which is firmly linked into both its strategic and operational plans. The Trustees are satisfied the risks have been adequately mitigated.

The Trustees continue to engage Mazars LLP to perform regular reviews of internal controls and governance. The Trust Board has an Audit and Risk committee. As the Trust identifies risks, it ensures that systems and procedures are put in place to manage those risks. Risks are considered in the following categories:

Income Risk

The Trustees negotiate grants and awards to finance the schools' activities and incorporate this information into its business plan. The DfE and Local Authorities provide almost all the funding for the Trust's Educational Operations. As such, our resources are subject to changes in central and local government policy. The reserve policy has been established to provide short term protection for our committed expenditure levels.

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Price Risk

Prices for materials and services are subject to contracts with suppliers, based on current market prices. Representatives from all the Trust's schools meet regularly to review and align costs and incorporate them into operating budgets.

Fixed and semi-fixed cost impact

Salary costs represent 77% of the Trust's costs and are an increasing proportion of expenditure due to the focus on maintaining teaching capacity whilst responding to other financial pressures. The Trust is committed to implementing pay awards agreed nationally by the school teachers review body and support staff unions.

Pay costs are also subject to increase due to annual awards of increments within pay bands to staff for successful performance management reviews. Continuing austerity measures from central government raise the risk that increases to staffing costs will not be met by increased funding. In addition, as financial constraints continue, the opportunities for cost savings outside the staffing establishment become more limited.

Credit Risk

Credit risk on amounts owed to schools in the Trust by their debtors is low as the majority of income is received from government grants.

Liquidity and Interest Rate Risk

Schools in the Trust have 12-month cash flow forecasts to enable them to make maximum use of their funds. The Trust has sufficient cash balances. The Trust has loans provided under the Salix energy efficiency scheme which are provided at 0% interest.

Fundraising

Osborne Co-operative Academy Trust does not commission or take part in any fundraising activities. It does not work with, and therefore does not have oversight of, any commercial participators / professional fundraisers.

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Plans for Future Periods

The following objectives have been identified for the forthcoming year

To hold schools to account for the effectiveness of their Leadership and Management
1.1 Secure succession planning for the Trust and its schools
1.2 Hold schools' Local Governing Body (LGB) to account for their standards and performance
1.3 To develop the role of the Trust Forum to support the implementation of effective Local Governing Bodies stakeholders with Trustees to review the Trust vision
1.4 Refine the Business Continuity plan (BCP) for the Trust through 'stress testing' and CPD
1.5 Ensure Trust schools are fully compliant with Health and Safety legislation through the revised Trust policy
1.6 Through the work of the Workload Ambassadors sub-committee develop training programmes and promote school based strategies to support the Trust Vision of reducing staff workload and providing an appropriate work-life balance for all staff
1.7 Ensure that the Trust moves towards full compliance with the new General Data Protection Regulation (GDPR)
1.8 Timeline and implementation plan for the renaming of the Trust to the Osborne Co-operative Academy Trust is implemented in all schools
1.9 The cycle for reviewing Trust Policies is fully implemented
1.10 Further develop the Trust ICT strategy, so that the IT infrastructure is reliable, efficient and co-ordinated across the Trust
1.11 Ensure financial resources are able to deliver curriculum and educational improvement within a balanced budget
To ensure that teaching, learning and assessment continue to raise educational standards in all Trust schools (Co-operative Challenge)
2.1 Develop the quality of teaching and learning over time, using 'Teaching Over Time' to inform Performance Management, ITT and CPD, contributing to sharing of best practise across the Trust
2.2 Ensure curriculum provision, including assessment, tracking and moderation is consistent and secure across the Trust
2.3 Following the initial co-operative challenge audit visits completed 2016-17, evaluate the outcomes and support schools who wish to participate further in this curriculum development programme
2.4 Develop the impact of support staff on raising standards of teaching and learning across the Trust
2.5 Develop the Thurrock Sensory Service as a local centre of excellence that provides a high quality educational provision for children and young people experiencing a sensory loss (hearing, visual and multi-sensory)
2.6 The Trust SEND strategy is effectively shared across all schools and improves the outcomes for SEND pupils
2.7 Further develop the support for disadvantaged pupils across the Trust to continue to reduce the gaps to national non-disadvantaged for both achievement and attendance
2.8 Hold the schools to account for the outcomes of 'more able' pupils; coordinate the sharing of best practise and facilitate the more able enrichment project
2.9 Develop a formal partnership across Stanford-le-Hope Primary School and Arthur Bugler Primary School to support and share good practice
2.10 Further develop the Trust ICT strategy, so that the IT infrastructure is reliable, efficient and co-ordinated across the Trust and its schools to further improve: teaching and learning
2.11 To work with Thurrock LA to develop a Thurrock-wide hub and spoke model for primary alternative provision
2.12 Integrate Brentwood County High School into the Trust infrastructure and implement a financial recovery plan

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Through the Co-operative values, enable all learners to be good citizens in their communities (through foci on safeguarding, behaviour, attendance, transition and IAG)
3.1 Further embed the Co-operative Identity Mark (CIM) in all schools and explore the opportunities of international co-operative links
3.2 To hold schools to account for the quality of their parental engagement and community cohesion based on the Co-operative values
3.3 Develop the Trust-wide approach to achieve outstanding pupil attendance in all schools
3.4 To ensure detailed plans are in place for changes to school rolls to be effectively managed, including bulge cohorts, falls in roll and the scrutiny of pupils moving on and off roll
3.5 To develop provision for outstanding pupil welfare in all schools, including keeping pupils healthy and safe including online
To further develop the Trust central services to deliver a high quality Trust infrastructure that is cost effective and value for money
4.1 Develop the Trust's provision for students in 16-19 education in partnership with other providers
4.2 Further develop and expand the Trust through the opening of new schools and the joining of other schools into the Trust
4.3 Building projects within schools are effectively led and managed with the support of central Trust staff
4.4 Further develop the Trust's Central Services to enable all schools to benefit from a high quality, cost effective and reliable service
4.5 Further develop the Trust ICT strategy, so that the IT infrastructure is reliable, efficient and co-ordinated across the Trust and its schools to further improve: communication pathways across the Trust to support work-life balance

Funds Held as Custodian Trustee on Behalf of Others

The trust does not hold funds as custodian for others.

Auditor

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2018 and signed on the board's behalf by:


Trisha Jaffe
Trustee

18 December 2018

Osborne Co-operative Academy Trust

Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Osborne Co-operative Academy Trust has an effective and appropriate system of control, financial and otherwise.

However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The 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 Osborne Co-operative Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met five 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
Trisha Jaffe (Chair Person)	5	5
John Baines	3	5
Shelagh Cosgrow (appointed 27 March 2018)	2	2
Mike Fall	5	5
Anjie Gaywood	2	5
Kay Goodacre	5	5
Rosemary Lovatt (resigned 19 February 2018)	3	3
Dawn Mummery	4	5
Andrew Walker	4	5
Paul Griffiths (CEO and accounting officer)	5	5

Osborne Co-operative Academy Trust

Governance Statement (continued)

Resources Committee

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

- Consider the Trust's current and future funding and assess implications for the Trust drawing any matters of significance or concern to the attention of the Trust and Local Governing Bodies.
- Determine the level of any contingency fund or balances to be held by the Trust and its schools, ensuring the compatibility of all such proposals with the development priorities set out in the Trust Development Plan.
- Receive and scrutinise the annual and revised budgets and forecasts submitted by the Trust and its schools ensuring they are:
 - in accordance with the funding agreements, the Trust's Memorandum and Articles of Association, ESFA Financial Handbook, scheme of delegation and financial regulations;
 - include affordable expenditure plans; and
 - are consistent with the Trust's Development Plan.

If necessary it will refer back to the local governing bodies for review. As a result, it will;

- recommend approval/non-approval of the schools' budgets to the Trust Board;
- consider and monitor regularly the schools' short term and long term revenue and capital budget and financial planning to ensure the schools long term sustainability;
- monitor and review income and expenditure against budgets on a regular basis and ensure compliance with the overall financial plan for the Trust and with the Trust's financial regulations, drawing any matters of concern to the attention of the Trust Board; and
- contribute to the formulation of the Trust's development plan, through consideration of financial priorities and proposals.

Attendance at meetings in the year was as follows:

Trustee	meetings attended	out of a possible
K Goodacre (Chair)	5	5
J Baines	4	5
T Jaffe	5	5
P Griffiths	5	5
A Miller (co-opted)	2	4

Osborne Co-operative Academy Trust

Governance Statement (continued)

Audit and Risk Committee

The Audit and Risk Committee is a subcommittee of the main board of trustees. Its purpose is:

- to undertake such activities as deemed necessary in order to provide assurance to the Trust Board regarding the identification and management of risk, and the sound management and control of the Trust's finances and other resources;
- to take delegated responsibility on behalf of the board for ensuring there is a framework for accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with all aspects of the law, relevant ESFA and other regulations and good practice.

Attendance at meetings in the year was as follows:

Trustee	meetings attended	out of a possible
A Gaywood (Chair)	1	1
A Walker	1	1
K Willet (co-opted)	1	1

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

- Business planning
- Financial governance
- Financial management
- Organisation

Business planning

The Trust Development Plan is the main business planning document and core to the achievement of value for money. It is presented termly to the Trust Board for consideration and approval to ensure it incorporates the Trust's aims and priorities. The plan is used to ensure organisational structures remain effective and resources are allocated to deliver the best outcomes for pupils.

Osborne Co-operative Academy Trust

Governance Statement (continued)

Five year forecasting and scenario modelling with the use of benchmarking where appropriate have been crucial elements in the Trust's business planning process. They ensure robust decisions are made with respect to the allocation of budgets and enable financial risks to be understood. This ensures decisions made are sustainable, avoiding waste and maximising educational outcomes. Understanding the long term financial issues facing the Trust has resulted in reviewing recruitment plans to ensure staffing is sustainable and supports the Trust's educational aims.

The plan is a living document. Senior leadership teams from across the Trust's schools review progress against the plan. The Chief Executive Officer's performance management review is also focussed on achieving the objectives of the plan.

Financial Governance

The continued development of the Trust's integrated finance function continues to significantly enhance its ability to streamline and enforce procedures, resulting in cost savings. The expertise in the central Trust team has been extended by the appointment of a Chief Operating Officer, responsible for finance, estates and health and safety across the Trust.

The Trust's finance regulations provide effective control without excessive bureaucracy. Value from external suppliers is ensured by requiring three quotations for expenditure above £5,000 and formal tendering for expenditure over £50,000.

Review of Governance

A review was not undertaken during the year as the trust board had recently undergone a rigorous selection process prior to its reformation in July 2017. A review will be carried out during 2018-19 and will be reported in the 2018-19 annual report.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Osborne Co-operative Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Osborne Co-operative Academy Trust

Governance Statement (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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
- The board of trustees has considered the need for a specific internal audit function and has decided:
 - to appoint Mazars LLP as internal auditor

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the period 1 September 2017 and 31 August 2018 included:

- Core financial Controls – Optima Community and Leisure Services
- VAT review
- Compliance of key controls
- Follow up audit
- Planning, management and reporting

Osborne Co-operative Academy Trust

Governance Statement (continued)

On a quarterly basis, the auditor reports to the board of trustees, through the resources or audit and risk committees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

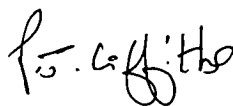
- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance 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 18 December 2018 and signed on its behalf by:



Trisha Jaffe
Trustee (Chair)



Paul Griffiths
Accounting Officer

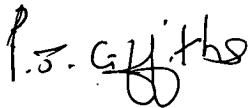
Osborne Co-operative Academy Trust

Statement of Regularity, Propriety and Compliance

As accounting officer of Osborne Co-operative Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



Paul Griffiths
Accounting Officer
18th December 2018

Osborne Co-operative Academy Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 18 December 2018 and signed on its behalf by:


Trisha Jaffe
Trustee (Chair)

Osborne Co-operative Academy Trust

Independent Auditor's Report to the Members of Osborne Co-operative Academy Trust

Opinion

We have audited the financial statements of Osborne Co-operative Academy Trust (the 'academy trust') for the year ended 31st August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Osborne Co-operative Academy Trust

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Osborne Co-operative Academy Trust

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 31, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

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



Dean Matthew Flood (Senior Statutory Auditor)
For and on behalf of Rowland Hall
Chartered Certified Accountants,
Statutory Auditor

44/54 Orsett Road,
Grays,
Essex
RM17 5ED

Date 18th December 2018

Osborne Co-operative Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Osborne Co-operative Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 10th October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Osborne Co-operative Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Osborne Co-operative Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Osborne Co-operative Academy Trust's funding agreement with the Secretary of State for Education dated 1st April 2012 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Osborne Co-operative Academy Trust

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.

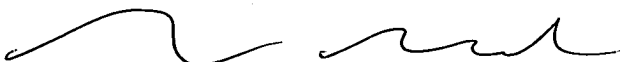
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusions includes:

- Discussions with the accounting officer
- Reviewing minutes and the general control environment.
- Specific tests were undertaken to obtain assurance on income
- Sample testing on expenditure to ensure regularity and propriety of activities and a review of delegated authorities.

Conclusion

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



Dean Matthew Flood
Reporting Accountant

Rowland Hall Chartered Certified Accountants
44/54 Orsett Road
Grays
Essex
RM17 5ED

Date 18th December 2018

Osborne Co-operative Academy Trust

Statement of Financial Activities for the year ended 31 August 2018 (including Income and Expenditure Account)

	Note	<u>Unrestricted</u> <u>Funds</u> £000	<u>Restricted</u> <u>General</u> <u>Funds</u> £000	<u>Restricted</u> <u>Fixed Asset</u> <u>Funds</u> £000	<u>Total</u> <u>2018</u> £000	<u>Total</u> <u>2017</u> £000
Income and endowments from:						
Donations and capital grants	2	120	-	3,260	3,380	3,563
. Transfer from local authority on conversion		-	-	-	-	5,553
. Transfer from existing academies		-	(3,890)	25,361	21,471	327
Charitable activities:					-	-
Funding for the academy trust's					-	-
educational operations	3	858	24,296	-	25,154	18,306
Other trading activities	4	588	302	5	895	920
Investments	5	5	-	-	5	5
Total		1,571	20,708	28,626	50,905	28,674
Expenditure on;						
Raising funds	6	277	-	-	277	219
Charitable activities:						
Academy trust educational operations	7	-	26,379	1,372	27,751	20,459
Other		-	-	-	-	-
Total		277	26,379	1,372	28,028	20,678
Net incoming / (expenditure)		1,294	(5,671)	27,254	22,877	7,996
Transfers between funds	19	(1,323)	441	882	-	-
Net income/(expenditure)		(29)	(5,230)	28,136	22,877	7,996
Other recognised gains/(losses):						
Actuarial (losses) gains on defined benefit pension schemes	19,28	-	2,448	-	2,448	627
Net movement in funds		(29)	(2,782)	28,136	25,325	8,623
Reconciliation of funds						
Total funds brought forward		3,207	(8,574)	40,495	35,128	26,505
Total funds carried forward		3,178	(11,356)	68,631	60,453	35,128

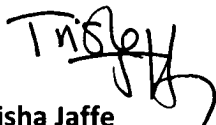
All of the academy's activities derive from continuing operations during the above two financial periods.
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

Osborne Co-operative Academy Trust

Balance Sheet as at 31 August 2018

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Intangible assets	12	9		4	
Tangible assets	13	67,745		40,041	
Investments	14	84		84	
			67,838		40,129
Current assets					
Stock	15	-		-	
Debtors	16	764		651	
Cash at bank and in hand		5,966		5,444	
		6,730		6,095	
Liabilities					
Creditors: Amounts falling due within one year	17	2,734		1,778	
Net current assets			3,996		4,317
Total assets less current liabilities			71,834		44,446
Creditors: Amounts falling due after more than one year	18		54		69
Net assets excluding pension liability			71,780		44,377
Defined benefit pension scheme liability	28		(11,327)		(9,250)
Total net assets			60,453		35,127
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	19	68,631		40,495	
Restricted income fund	19	(29)		676	
Pension reserve	19	(11,327)		(9,250)	
Total restricted funds			57,275		31,921
Unrestricted income funds	19		3,178		3,207
Total funds			60,453		35,128

The financial statements on pages 37 to 70 were approved by the trustees, and authorised for issue on 18th December 2018 and are signed on their behalf by:


Trisha Jaffe
 Trustee

Osborne Co-operative Academy Trust

Statement of Cash Flow for the Year Ended 31 August 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	23	1,000	1,087
Cash flows from investing activities	24	(464)	(5)
Cash flows from financing activities	25	(14)	(13)
Change in cash and cash equivalents in the reporting period		522	1,069
Cash and cash equivalents at 1 September 2017		5,444	4,375
Cash and cash equivalents at 31 August 2018	26	5,966	5,444

Osborne Co-operative Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

Statement of Accounting Policies

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

Basis of Preparation

The financial statements of Osborne Co-operative Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2016.

Osborne Co-operative Academy Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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 financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from Education and Skills Funding Agency. Payments received from Education and Skills funding Agency and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control of the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

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, then its recognition is

Osborne Co-operative Academy Trust

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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.
- **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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.
- **Transfer on conversion**
Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.
- **Transfer of existing academies into the trust**
Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

Osborne Co-operative Academy Trust

- Donated fixed assets (excluding Transfers on conversion/into trust)

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donation 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.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- Expenditure on Raising Funds

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

- Charitable Activities

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

All resources expended are inclusive of any irrecoverable VAT, although the Trust has agreed a scheme with HMRC to recover most input tax.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible 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:

- Purchased computer software 3 years straight line

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where a number of items of less than £1000 are procured together or separately but which are components of a larger asset, the £1000 limit will be assessed against the aggregated value.

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

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

- | | |
|------------------------------------|------------------------|
| • Freehold buildings | 50 years straight line |
| • Long lease buildings | 50 years straight line |
| • Fixtures, fittings and equipment | 7 years straight line |
| • Computer Hardware | 3 years straight line |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Salix Loans

Osborne Co-operative Academy Trust

Following guidance from Educational and Skills Funding Agency regarding the treatment of financing under the Salix scheme, money received to cover expenditure under these schemes will be treated as loans from financial year 2014/2015.

Investments

The academy's shareholding in the wholly owned subsidiary, Optima Community and Leisure Services CIC, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Investments in companies and charities are excluded from the accounts where their operations are not material.

Financial Instruments

The academy trust 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 as detailed in note 16. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Stock would consist of catering stocks which are valued at the lower of cost or net realisable value. Due to the year end being after the summer holiday, stock is minimal and there is none to disclose within the financial statements.

Taxation

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

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

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.

Osborne Co-operative Academy Trust

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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 with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

Reserves Policy

The Trust has adopted the following policies in order to ensure funds are available to cover renewals of large capital items and unexpected events.

Specific Capital Reserves

As part of the annual budgeting process all schools' governing bodies should consider whether additional capital reserves need to be established. The school condition and its development plan should be the main inputs into the process.

Proposals for establishing reserves will need to be agreed with the CEO and presented to the Trust Board for approval.

Osborne Co-operative Academy Trust

General Reserves

General Reserves are to be maintained at a level so that they are at least 3% of the gross income of the schools. The level will be reviewed annually by the Board.

Unspent income and/or grants not specifically identified for the other purposes will be added to this reserve. Any in year deficits will be resourced from this fund as far as possible. If deficits result in the fund falling below the 3% threshold, resources will need to be set aside in the next year's budget to restore it. Exceptionally, where the size of the short fall is large, the local governing body may propose to the Trust Board that it is restored over more than one year.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Donations and Capital Grants

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>Fixed</u>	<u>2018</u>	<u>2017</u>
			<u>Asset</u>		
	<u>£000</u>	<u>£000</u>	<u>Funds</u>	<u>£000</u>	<u>£000</u>
			<u>£000</u>		
Capital grants	-	-	940	940	411
Donated fixed assets	-	-	2,320	2,320	3,081
Other donations	120	-	-	120	71
	<u>120</u>	<u>-</u>	<u>3,260</u>	<u>3,380</u>	<u>3,563</u>
2017 total	<u>71</u>	<u>-</u>	<u>3,492</u>	<u>3,563</u>	

Osborne Co-operative Academy Trust

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>2018</u>	<u>2017</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Dfe/ESFA Grants				
General Annual Grant (GAG)	-	19,760	19,760	14,331
Start Up Grants	-	-	-	29
Other DfE Group Grants	-	2,006	2,006	1,417
National College Grants	-	-	-	-
	<u>-</u>	<u>21,766</u>	<u>21,766</u>	<u>15,777</u>
Other Government Grants				
Local authority grants	-	2,514	2,514	2,422
Special educational projects	-	-	-	-
	<u>-</u>	<u>2,514</u>	<u>2,514</u>	<u>2,422</u>
Other income from the academy trust's educational operations	858	16	874	107
	<u>858</u>	<u>24,296</u>	<u>25,154</u>	<u>18,306</u>
2017 total	<u>107</u>	<u>18,199</u>	<u>18,306</u>	

4. OTHER TRADING ACTIVITIES

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Total</u>
	<u>Funds</u>	<u>Funds</u>	<u>2018</u>	<u>2017</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Educational visits	-	297	297	97
Non educational visits	228	-	228	204
School fund income	-	-	-	-
Hire of facilities	141	-	141	30
Academy sales	30	-	30	19
Catering income	17	-	17	422
Sundry income	172	10	182	148
	<u>588</u>	<u>307</u>	<u>895</u>	<u>920</u>
2017 total	<u>812</u>	<u>108</u>	<u>920</u>	

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5. INVESTMENT INCOME

	<u>Unrestricted</u> <u>Funds</u> £000	<u>Restricted</u> <u>Funds</u> £000	<u>Total</u> <u>2018</u> £000	<u>Total</u> <u>2017</u> £000
Short term deposits	5	-	5	5
	5	-	5	5
2017 total	5	-	5	

6. EXPENDITURE

	<u>Staff Costs</u> £000	<u>Non Pay Expenditure</u> <u>Premises</u> £000	<u>Other</u> <u>Costs</u> £000	<u>Total</u> <u>2018</u> £000	<u>Total</u> <u>2017</u> £000
Expenditure on raising funds:					
• Direct costs	-	-	-	-	-
• Allocated support costs	38	-	239	277	219
Academy's educational operations:					
• Direct costs	17,326	61	1,302	18,689	13,655
• Allocated support costs	4,288	2,452	2,322	9,062	6,804
	21,652	2,513	3,863	28,028	20,678
2017 total	15,633	2,038	3,007	20,678	

Net income/(expenditure) for the period includes:

	<u>2018</u> £000	<u>2017</u> £000
Operating leases rentals	93	67
Depreciation	1,364	949
(Gain)/loss on disposal of fixed assets	-	-
Amortisation of intangible fixed assets (includes within Charitable Activities -	8	5
Fees payable to auditor for:		
• audit	18	17
• other services	5	8

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7. CHARITABLE ACTIVITIES

	Total 2018 £000	Total 2017 £000
Direct costs - educational operations	18,689	13,655
Support costs - educational operations	9,062	6,804
	27,751	20,459

Analysis of support costs	Boarding £000	Educational operations £000	Total 2018 £000	Total 2017 £000
Support staff costs	-	4,202	4,202	2,930
Depreciation	-	1,310	1,310	875
Impairment	-	-	-	271
Technology costs	-	227	227	213
Premises costs	-	1,142	1,142	817
Other support costs	-	1,924	1,924	1,473
Governance costs	-	257	257	225
Total support costs	-	9,062	9,062	6,804
2017 total	-	6,804	6,804	

8. STAFF

a. Staff Costs

Staff costs during the period were:

	Total 2018 £000	Total 2017 £000
Wages and salaries	16,057	11,591
Social security costs	1,441	1,004
Operating costs of defined benefit pension schemes	3,723	2,596
Apprentice Levy	65	18
	21,286	15,209
Supply staff costs	287	401
Staff restructuring costs	79	23
	21,652	15,633
Staff restructuring costs comprise:		
Redundancy payments	56	-
Severance Payments	23	23
	79	23

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b. non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £23,000 (2017: £22,961). Individually, the payments were £23,000 made on 23rd December 2017.

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	2018	2017
	No.	No.
Teachers	213	153
Administration and support	280	269
Management	36	32
	<u>529</u>	<u>454</u>

d. Higher paid staff

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

	2018	2017
	No.	No.
£60,001 - £70,000	9	4
£70,001 - £80,000	3	1
£80,001 - £90,000	-	1
£90,001 - £100,000	3	1
£100,001 - £110,000	1	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. 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 £789,854 (2017: £688,012)

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9. CENTRAL SERVICES

At the beginning of the year a Central Department was established to undertake Trust level functions and provide a number of services to the schools within the Trust including:

- Strategy and planning support;
- Management and Governance;
- Human Resources;
- Financial and accounting services;
- Health and Safety
- Education improvement and support services

The Trust is reimbursed for these services. The charge made is based on 4% of the estimated grant income in each school as at the beginning of the year.

The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
St Clere's School	371	364
East Tilbury Primary	128	103
Thameside Primary	147	129
Stanford Primary	83	80
Arthur Bugler Primary	77	39
New Campus Basildon	-	42
Brentwood County High School	252	-
	<u>1,058</u>	<u>757</u>

10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

The Trust Board was reconstituted on 17th July 2017 at which point all staff trustees resigned. One employee remains as a trustee appointed by the members.

One trustee has been paid remuneration or has received other benefits from employment with the academy trust. The Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

P Griffiths (Chief Executive Officer):

Remuneration £95,000 - £100,00 (2017: £120,000 - £125,000)

Employer's pension contributions £nil (2017: £nil)

During the year ended 31 August 2018, travel and subsistence expenses totalling £1,561 (2017: £1,477) were reimbursed or paid to one trustee (2017: 1 trustee).

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

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11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2018 for the whole Trust was £1,169.28 (2017: £1,086.24).

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

12. INTANGIBLE FIXED ASSETS

	Computer Software £000	Total £000
Cost		
At 1 September 2017	14	14
Additions	12	12
At 31 August 2018	26	26
Amortisation		
At 1 September 2017	9	9
Charged in year	8	8
At 31 August 2018	17	17
Carrying Amount		
At 31 August 2017	5	5
At 31 August 2018	9	9

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13. TANGIBLE FIXED ASSETS

	<u>Freehold</u> <u>Land and</u> <u>Buildings</u> £000	<u>Leasehold</u> <u>Land and</u> <u>Buildings</u> £000	<u>Furniture</u> <u>and</u> <u>Equipment</u> £000	<u>Computer</u> <u>Equipment</u> £000	<u>Motor</u> <u>Vehicles</u> £000	<u>Total</u> £000
Cost						
At 1 September 2017	20,747	22,337	277	776	-	44,137
Transfers from LA on Conversion	-	-	-	-	-	-
Transfer from LA of New Building	-	-	-	-	-	-
Transfer from Existing Academies	25,211	-	71	79	-	25,361
Additions	3,077	479	38	128	-	3,722
Disposals	-	(285)	(178)	(187)	-	(650)
At 31 August 2018	49,035	22,531	208	796	-	72,570
Depreciation						
At 1 September 2017	1,834	1,220	119	652	-	3,825
Charged in year	764	377	59	164	-	1,364
Disposals	-	(70)	(153)	(141)	-	(364)
At 31 August 2018	2,598	1,527	25	675	-	4,825
Impairment						
At 1 September 2017	-	200	25	46	-	271
Disposals	-	(200)	(25)	(46)	-	(271)
At 31 August 2018	-	-	-	-	-	-
Net book values						
At 31 August 2017	18,913	20,917	133	78	-	40,041
At 31 August 2018	46,437	21,004	183	121	-	67,745

The academy trust's transactions relating to land and buildings included:

The transfer from an existing academy of freehold land & buildings (Brentwood County High School) valued at £26,813,656

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14. INVESTMENTS

	<u>Shares in Subsidiary</u> £000
Cost	
At 1 September 2017	84
Additions	-
Disposals	-
At 31 August 2018	<u>84</u>
Net book values	
At 31 August 2018	<u>84</u>
At 31 August 2017	<u>84</u>

The Company holds 100% of the share capital in the following company, which has not been consolidated within the financial statements on the grounds of immateriality.

<u>Company</u>	<u>Country of Incorporation</u>	<u>Class</u>	<u>%</u>
Optima Community & Leisure Services CIC Company no. 04336170	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	<u>Principal activity</u>	<u>Capital and reserves</u> <u>2018</u>	<u>Profit/(loss) for the year</u> <u>2018</u>
Optima Community & Leisure Services CIC	Providing ancillary services to the Academy	65,276	14,214
2017 total		40,958	(26,941)

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15. STOCK

The Trust does not operate a stock system for supplies. All purchases of non-capitalised equipment and consumables are charged directly to the school budgets.

16. DEBTORS

	<u>2018</u>	<u>2017</u>
	£000	£000
Trade debtors	66	65
VAT recoverable	65	81
Other debtors	36	49
Prepayments and accrued income	597	456
	<u>764</u>	<u>651</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2018</u>	<u>2017</u>
	£000	£000
Trade creditors	478	277
Other taxation and social security	360	247
Loans	14	-
Other creditors	760	596
Accruals and deferred income	1,122	658
	<u>2,734</u>	<u>1,778</u>

Included within Other creditors is £360k relating to pension liability at New Campus Basildon. The amount increased from £135k to £360k following receipt of the cessation valuation report provided by Barnett Waddingham LLP, actuaries for Essex Pension Fund. The academy trust is disputing this liability and is currently liaising with the ESFA and Essex Pension Fund to resolve.

Deferred income	<u>2018</u>	<u>2017</u>
	£000	£000
Deferred Income at 1 September 2017	352	197
Released from previous years	(352)	352
Resources deferred in the year	225	(197)
Deferred Income at 31 August 2018	<u>225</u>	<u>352</u>

At the balance sheet date the academy trust was holding funds: £165,826 Universal Infant Free School Meal Income received in advance for financial year 2018/2019; £52,616 Trips income received in advance for trips in 2018/2019; £5,366 music tuition contributions received in advance for Autumn Term 2018/2019; £825 school house rent received in advance for September 2018.

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18. CREDITORS: AMOUNTS FALLING DUE IN GREATER THAN ONE YEAR

	<u>2018</u>	<u>2017</u>
	<u>£000</u>	<u>£000</u>
Loans	54	69
Other Creditors	-	-
	<u>54</u>	<u>69</u>

Loans of £101,256 and £12,500 from Salix which are provided on the following terms: first loan was offered at 0% and repayments of £6,329 are recovered twice a year by a reduction in monthly GAG payments issued by the EFA in the months of March and September until September 2022. Second loan was also offered at 0% and repayments of £765.63 will be recovered twice a year by a reduction in monthly GAG payments issued by the EFA in the months of March and September until September 2024.

Osborne Co-operative Academy Trust

19. FUNDS

	Balance at 01-Sep 2017 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31-Aug 2018 £000
Restricted general funds					
General Annual Grant (GAG)	482	19,760	(20,038)	-	204
Start Up Grant	-	-	-	-	-
Other DfE Grants	165	2,006	(2,171)	-	-
Other Grants	29	2,832	(2,732)	81	210
Transfer on conversion/existing academies	-	(443)	-	-	(443)
Pension reserve	(9,250)	(3,447)	(1,438)	2,808	(11,327)
	(8,574)	20,708	(26,379)	2,889	(11,356)
Restricted fixed asset funds					
Transfer on conversion	39,415	25,361	-	-	64,776
DfE/ESFA capital grants	936	862	(1,372)	882	1,308
LA capital grants	-	2,398	-	-	2,398
Capital expenditure from GAG	60	-	-	-	60
Investment in Trading Subsidiary	84	-	-	-	84
Gain on Disposal of Assets	-	5	-	-	5
Sponsorship	-	-	-	-	-
	40,495	28,626	(1,372)	882	68,631
Total restricted funds	31,921	49,334	(27,751)	3,771	57,275
Total unrestricted funds	3,207	1,571	(277)	(1,323)	3,178
Total funds	35,128	50,905	(28,028)	2,448	60,453

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

General Annual Grant (GAG) income must be used for educational purposes by the Academy Trust including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit of GAG that it could carry forward at 31 August 2018.

Capital Grants (i.e. devolved formula capital and Academy's capital maintenance fund grants) are used for maintaining the schools within the Academy Trust.

Unrestricted funds for the year include income from lettings, catering, trips and rental of buildings.

Osborne Co-operative Academy Trust

19. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
St Clere's School	1,205	1,555
East Tilbury Primary	661	421
Thameside Primary	670	580
Stanford Primary	403	288
Arthur Bugler Primary	584	802
New Campus Basildon	-	57
Brentwood County High School	(490)	-
Central Service	116	180
Total before fixed assets and pension reserve	<u>3,149</u>	<u>3,883</u>
Restricted fixed asset fund	68,631	40,495
Pension reserve	<u>(11,327)</u>	<u>(9,250)</u>
Total	<u>60,453</u>	<u>35,128</u>

Brentwood County High School is carrying a net deficit of £490k on these funds because:

During the year the trust acquired Brentwood County High School which had a deficit on reserves of £443k. In the first year with the trust a further deficit of £47k was incurred, which was considerably less than budgeted.

The academy trust is taking the following action to return the academy to surplus:

The academy trust has implemented a recovery plan which include a progress board, staff restructuring across all areas, expenditure revenues and centralisation of key office functions and leadership. Continuous reviews of staffing and expenditure are ongoing.

The trust is continuing to liaise with the DfE Regional School's Commissioner and Essex County Council to ensure the future viability of Brentwood County High School and returning it to a surplus position.

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19. Funds (continued)

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs Excluding Depreciation £000	Total 2018 £000	Total 2017 £000
St Clere's School	4,988	1,192	490	1,181	7,851	7,473
East Tilbury Primary	2,076	491	75	670	3,312	3,190
Thameside Primary	2,561	521	125	630	3,837	3,734
Stanford Primary	1,488	336	76	373	2,273	2,051
Arthur Bugler Primary	1,305	273	108	322	2,008	1,923
New Campus Basildon	-	-	-	-	-	1,113
Brentwood County High School	4,770	956	557	1,151	7,434	-
Central Service	198	497	23	(777)	(59)	(27)
Academy Trust	17,386	4,266	1,454	3,550	26,656	19,457
2017 total	12,646	2,987	1,153	2,671	19,457	

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19. Funds (continued)

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

	Balance at 01-Sep 2016 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31-Aug 2017 £000
Restricted general funds					
General Annual Grant (GAG)	483	14,330	(14,331)	-	482
Start Up Grant	-	29	(29)	-	-
Other DfE Grants	205	50	(90)	-	165
Other Grants	(290)	3,904	(3,801)	216	29
Pension reserve	(8,090)	(800)	(987)	627	(9,250)
	(7,692)	17,513	(19,238)	843	(8,574)
Restricted fixed asset funds					
Transfer on conversion/existing academies	30,397	9,018	-	-	39,415
DfE/ESFA capital grants	1,369	426	(1,221)	362	936
Capital expenditure from GAG	60	-	-	-	60
Investment in Trading Subsidiary	84	-	-	-	84
Private Sector capital	-	-	-	-	-
Sponsorship	-	-	-	-	-
	31,910	9,444	(1,221)	362	40,495
Total restricted funds	24,218	26,957	(20,459)	1,205	31,921
Total unrestricted funds	2,287	1,717	(219)	(578)	3,207
Total funds	26,505	28,674	(20,678)	627	35,128

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19. Funds (continued)

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

	Balance at 01-Sep 2016 £000	Income £000	Expenditure £000	Gains, Losses and Transfers £000	Balance at 31-Aug 2018 £000
Restricted general funds					
General Annual Grant (GAG)	483	34,090	(34,369)	-	204
Start Up Grant	-	29	(29)	-	-
Other DfE Grants	205	2,056	(2,261)	-	-
Other Grants	(290)	6,736	(6,533)	297	210
Transfer on conversion/existing academies	-	(443)	-	-	(443)
Pension reserve	(8,090)	(4,247)	(2,425)	3,435	(11,327)
	(7,692)	38,221	(45,617)	3,732	(11,356)
Restricted fixed asset funds					
Transfer on conversion/existing academies	30,397	34,379	-	-	64,776
DfE/ESFA capital grants	1,369	1,288	(2,593)	1,244	1,308
LA capital grants	-	2,398	-	-	2,398
Capital expenditure from GAG	60	-	-	-	60
Investment in Trading Subsidiary	84	-	-	-	84
Gain on Disposal of Assets	-	5	-	-	5
Sponsorship	-	-	-	-	-
	31,910	38,070	(2,593)	1,244	68,631
Total restricted funds	24,218	76,291	(48,210)	4,976	57,275
Total unrestricted funds	2,287	3,288	(496)	(1,901)	3,178
Total funds	26,505	79,579	(48,706)	3,075	60,453

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	9	9
Tangible fixed assets	-	-	67,745	67,745
Current assets	3,228	2,443	1,143	6,814
Current liabilities	(50)	(2,418)	(266)	(2,734)
Non-current liabilities	-	(54)	-	(54)
Pension scheme liability	-	(11,327)	-	(11,327)
Total net assets	3,178	(11,356)	68,631	60,453

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	5	5
Tangible fixed assets	-	-	40,125	40,125
Current assets	3,288	2,443	365	6,096
Current liabilities	(81)	(1,697)	-	(1,778)
Non-current liabilities	-	(69)	-	(69)
Pension scheme liability	-	(9,250)	-	(9,250)
Total net assets	3,207	(8,574)	40,495	35,128

21. CAPITAL COMMITMENTS

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	292	1,295

Capital commitments include: Replacement all weather pitch surface at St Clere's School £197k; Replacement boiler at East Tilbury Primary £33k; Security gates and fencing at Brentwood County High School £32k; Replacement windows at Stanford-le-Hope Primary £30k.

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22. FINANCIAL COMMITMENTS

Operating Leases

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

	2018	2017
	£000	£000
Amounts due within one year	77	74
Amounts due between one and five years	48	75
Expiring in over five years	-	-
	125	149

No operating leases were in place for land or buildings

Contracts for Repairs and Maintenance

	2018	2017
	£000	£000
Contracted for, but not provided in the financial statements	-	-

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23. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<u>2018</u>	<u>2017</u>
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	22,877	7,996
Adjusted for:		
Amortisation (note 12)	8	5
Depreciation (note 13)	1,364	1,216
Capital grants from DfE and other capital income	(3,288)	(411)
Transfer of property on conversion	(25,804)	(9,018)
Interest receivable (note 6)	(5)	(5)
Defined benefit pension scheme obligation inherited	3,582	800
Defined benefit pension scheme cost less contributions payable (note 28)	312	189
Defined benefit pension scheme finance cost (note 28)	1,126	798
(Increase)/decrease in debtors	(113)	(288)
Increase/(decrease) in creditors	941	(195)
Net Cash provided by / (used in) Operating Activities	<u>1,000</u>	<u>1,087</u>

24. CASH FLOWS FROM FINANCING ACTIVITIES

	<u>2018</u>	<u>2017</u>
	£000	£000
Repayments of borrowing	(14)	(13)
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	<u>(14)</u>	<u>(13)</u>

25. CASH FLOWS FROM INVESTING ACTIVITIES

	<u>2018</u>	<u>2017</u>
	£000	£000
Dividends, interest and rents from investments	5	5
Proceeds from sale of tangible fixed assets	5	-
Purchase of intangible fixed assets	(12)	(6)
Purchase of tangible fixed assets	(1,402)	(430)
Capital grants from DfE/EFA	862	426
Capital funding received from sponsors and others	78	-
Net cash outflow from capital expenditure and financial investment	<u>(464)</u>	<u>(5)</u>

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26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31st August 2018 £000	At 31st August 2017 £000
Cash in hand and at bank	5,966	5,444
Notice Deposits (less than 3 months)		
Total cash and cash equivalents	5,966	5,444

27. MEMBERS LIABILITY

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

28. PENSION 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 Essex County Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £1,571,000 (2017: £1,072,000).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,316,000 (2017: £958,000), of which employer's contributions totalled £1,017,000 (2017: £726,000) and employees' contributions totalled £299,000 (2017: £232,000). The agreed contribution rates for future years are 12.2% for employers and 5.5% to 12.5% for employees.

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

Principal Actuarial Assumptions	<u>At 31 August 2018</u>	<u>At 31 August 2017</u>
Rate of increase in salaries	3.8%	4.2%
Rate of increase for pensions in payment / inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.65%	2.6%
Inflation assumption (CPI)	2.3%	2.7%
Commutation of pensions to lump sums	50%	50%

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

	<u>At 31 August 2018</u>	<u>At 31 August 2017</u>
<i>Retiring today</i>		
Males	22.3	22.2
Females	24.8	24.7
<i>Retiring in 20 years</i>		
Males	24.5	24.3
Females	27.1	27.0

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Sensitivity analysis

	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(483,000)	(366,000)
Discount rate -0.1%	495,000	373,000
Mortality assumption – 1 year increase	685,000	500,000
Mortality assumption – 1 year decrease	(664,000)	(484,000)
CPI rate +0.1%	447,000	319,000
CPI rate -0.1%	(212,000)	(312,000)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	5,944,000	3,824,000
Gilts	498,000	365,000
Other Bonds	546,000	230,000
Property	832,000	569,000
Cash	319,000	182,000
Alternative Assets	838,000	448,000
Other Managed Funds	358,000	248,000
Total market value of assets	9,335,000	5,866,000
Present value of scheme liabilities - Funded	(20,662,000)	(15,116,000)
(Deficit) in the scheme	(11,327,000)	(9,250,000)

The actual return on scheme assets was £514,000. (2017 - £722,000)

Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost (net of employee contributions)	2,141,000	1,524,000
Net interest cost	312,000	189,000
Total operating charge	2,453,000	1,713,000

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

	<u>2018</u>	<u>2017</u>
	£	£
At 1 September 2017	15,116,000	12,122,000
		0
LGPS Deficit Transferred on conversion	-	982,000
Transferred in on existing academies joining the trust	5,419,000	289,000
Current service cost	2,141,000	1,524,000
Past service cost	-	-
Interest cost	526,000	297,000
Employee contributions	299,000	232,000
Actuarial (gain)/loss	(2,245,000)	(259,000)
Transferred to Current Liabilities on Cessation	(482,000)	-
Benefits paid	(112,000)	(71,000)
At 31 August 2018	<u>20,662,000</u>	<u>15,116,000</u>
		0

Movements in the fair value of Academy's share of scheme assets:

	<u>2018</u>	<u>2017</u>
	£	£
At 1 September 2017	5,866,000	4,032,000
LGPS Deficit Transferred on conversion	-	312,000
Transferred in on existing academies joining the trust	1,972,000	159,000
Return on plan assets (excluding net interest on the net defined pension liability)	300,000	614,000
Interest income	214,000	108,000
Administration expenses	(2,000)	-
Actuarial gain/(Loss)	(97,200)	(246,000)
Employer contributions	1,017,000	726,000
Employee contributions	299,000	232,000
Assets distributed on settlements	-	-
Transferred to Current liabilities on Cessation	(121,800)	-
Benefits paid	(112,000)	(71,000)
At 31 August 2018	<u>9,335,000</u>	<u>5,866,000</u>

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29. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transaction took place in the financial period.

New Campus Basildon leased its premises at Church Walk from SEEVIC College, the sponsoring college which withdrew its services between September and December 2016. Under the terms of the under-lease, the total rental expense totalled £42,720 (2017: £50,000) and is equivalent to the charge incurred by SEEVIC College under the terms of its superior lease. The under-lease at Church Walk was surrendered by deed on 31st July 2018.

R Lockwood, daughter of P Griffiths, a trustee is employed by the academy trust as a teacher. R Lockwood's appointment was made in open competition and P Griffiths was not involved in the decision making process regarding the appointment. R Lockwood is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee. Total cost incurred by the Trust during the period was £35,664 (2017: £30,518)

P Lockwood, son-in-law of P Griffiths, a trustee is employed by the academy trust as a teacher. P Lockwood's appointment was made in open competition and P Griffiths was not involved in the decision making process regarding the appointment. P Lockwood is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee. Total cost incurred by the Trust during the period was £47,084 (2017: £nil)

M Griffiths, son of P Griffiths, a trustee is employed by the academy trust as a Network Manager. M Griffiths' appointment was made in open competition and P Griffiths was not involved in the decision making process regarding the appointment. M Griffiths is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a trustee. Total cost incurred by the Trust during the period was £28,483 (2017: £15,907)

30. Agency Arrangements

The academy trust distribute bursary funds to students as an agent for the Education and Skills Funding Agency. In the accounting period ending 31st August 2018 the trust received £15,459 and disbursed £6,581 from the fund. In addition, at 1st September 2017 the trust took responsibility for the bursary funds at Brentwood County High School which at takeover amounted to £12,900. An amount of £26,424 (2017: £4,546) is included in other creditors relating to undistributed funds that is repayable to the Education and Skills Funding Agency.

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31. Transfer of existing academies into the Trust

	Value reported by transferring trust £000	Fair Value adjustments £000	Transfer in recognised £000
Intangible Assets	-	-	-
Tangible Fixed Assets			
Freehold land and buildings	25,211	-	25,211
Furniture and equipment	71	-	71
Computer equipment	79	-	79
Non-current financial assets	-	-	-
Current assets			
Stock	-	-	-
Debtors due after one year	-	-	-
Debtors due in less than one year	120	-	120
Cash in bank and in hand	22	-	22
Liabilities			
Creditors due in less than one year	(584)	-	(584)
Creditors due in more than one year	-	-	-
Provisions	-	-	-
Pensions			
Pensions - pension scheme assets	-	-	-
Pensions - pension scheme liabilities	(3,447)	-	(3,447)
Net Assets/(liabilities)	21,471	-	21,471

32. EVENTS AFTER BALANCE SHEET DATES

There are no events which have taken place since 31st August 2018 which either required adjusting entries or which require recognition in the notes.