

Osborne Co-operative Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2020

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

Trustees Report

Reference and Administrative Details

Members

S Burton
P Cozens
Chelmsford Diocese Education Trust represented
by T Elbourne
T Jaffe
A O'Donoghue

Trustees

J Baines
S Cosgrow
I Duerden
M Fall
L Fergus (resigned 4th June 2020)
P Griffiths
K Goodacre (resigned 31st March 2020) (re-
appointed 15th October 2020)
T Jaffe
D Mummery
E Stonehouse
A Walker

Company Secretary

K Draper

Senior Management Team:

Chief Executive Officer
Executive Headteacher
Executive Headteacher
Chief Operations Officer

P Griffiths
L Coates
A Hughes
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 Hail
44/54 Orsett Road
Grays RM17 5ED

Bankers

Lloyds Bank
77-81 High St,
Chelmsford, CMI IDIJ2

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 1st September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

In the period 1st September 2019 to 31st August 2020, the trust operated seven primary and two secondary academies in Thurrock and Essex. On 1st September 2020, the trust opened a new Free School.

The trust's academies had a combined pupil capacity of 6360 and had a roll of 5473 in the school census on October 2019.

Structure, Governance and Management

Constitution

The Academy 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 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 nine and no more than 11 trustees on its board. The members may appoint by ordinary resolution up to 5 trustees.

The Diocesan Corporate Member shall appoint at least two (and in its absolute discretion may appoint more than two) trustees (Directors) so long as they support the Values alongside upholding the Church of England interests, provided that where the Academies comprise only schools that had been Community Schools and Voluntary Controlled Schools as defined by the Education Acts the total number of trustees appointed under this Article shall not exceed 25% of the total number of trustees.

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 two academy trustees from a local governing body from any academy. The trustees may also appoint up to four 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, first 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 (CEO). 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.

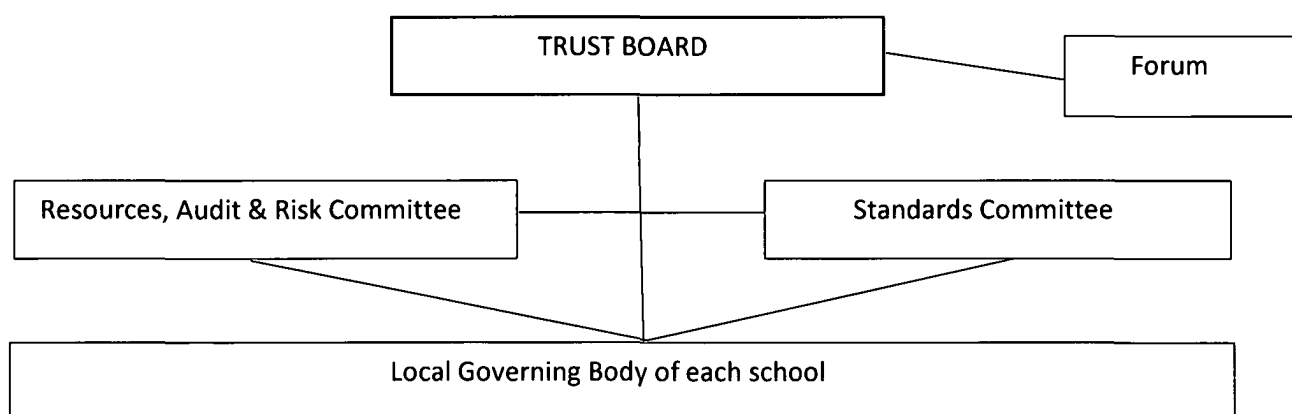
Reviews are carried out annually to assess and identify areas for trustee development. Training and support will be available to trustees, from both internal and external sources. The trust subscribes to a recognised, online governance training programme. All trustees are expected to participate regularly 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

Osborne Co-operative Academy Trust operates a scheme of delegation that identifies the decision making powers of its committees, Chief Executive Officer (CEO) and Headteachers. The trust board is responsible for setting trust wide policies, adopting an annual plan and budget, and monitoring the trust by use of budgets and reporting and making major decisions about strategic direction of the trust, capital expenditure and senior staff appointments.

Each school has its own local governing body, which has responsibility for setting policy within the context of the school and constraints of trust policies, and recommending annual plans and budgets to the trust board.

The trustees delegate the day to day responsibility of running the trust to the CEO. The operational management of individual schools is delegated by each local governing body to the Headteacher or Head of School.



Osborne Co-operative Academy Trust

Trustees Report (continued)

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the Trust's key management personnel are decided by the trustees and published in 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 objectives. However, performance management objectives are moderated across the Trust by the CEO 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 central staff, the CEO) 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 CEO.

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

Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require Osborne Co-operative Academy Trust to publish information on facility time arrangements for trade union officials at the trust. The trust confirms there were no employees acting as trade union officials within the meaning of these regulations during the year ended 31st August 2020. Therefore, no employee spent time on facility time and no percentage of the pay bill was spent on facility time.

Related Parties and other Connected Charities and Organisations

Osborne Co-operative Academy Trust operates two faith schools. Chelmsford Diocese Education Trust is a Corporate Member of the Trust.

During the period 1st September 2019 to 31st August 2020, Optima Community and Leisure Services Community Interest Company currently provided services to St Clere's School and East Tilbury Primary School. It is a wholly owned subsidiary of Osborne Co-operative Academy Trust. East Tilbury Children's

Osborne Co-operative Academy Trust

Trustees Report (continued)

Services Limited is also a wholly owned subsidiary of Osborne Co-operative Academy Trust. This Company has not traded since its inception.

Thurrock Council has partnership 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 partnership 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 partnership 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 partnership 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.

Engagement with employees (including disabled persons)

Since its incorporation in 2011, Osborne Co-operative Academy Trust has had a Joint Consultative Committee (JCC), which includes local and regional trade union officers in addition to representation from each of its schools. This body considers all employment related issues, policies and proposals. It also receives reports on performance. Members of the committee are asked to provide feedback to their stakeholders. Minutes of JCC meetings are reviewed by the trust board and are available to employees on request. Appropriate meetings are held between senior management and employees to discuss matters of concern to both parties including the performance of the organisation.

The trust annually reviews the performance and progress of each schools' equality objective plans. The trust has robust and appropriate recruitment and equality policies, which uphold the rights of all employees, including those with protected characteristics. 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. In addition, all employees have access to the Education Support Partnership Assistance Programme, purchased by the trust to support their mental health and well-being.

All employees are involved in the performance of the trust by their participation in the cycle of annual performance management appraisal. All employees agree objectives with their appraiser, linked to the aims and objectives of the school and/or trust development action plans.

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

As a co-operative academy trust, we are a value driven organisation. We engage positively and proactively with stakeholders, suppliers and others. Decisions are made in line with the trust's scheme of delegation, with consideration to stakeholder voice provided by the forum and local governing bodies. We are supported in decision making by the framework of the co-operative values. These are self-help, self-responsibility, democracy, equality, equity and solidarity. In addition to these internationally held values, we also adhere to the ethical values of openness, honesty, caring for others and social responsibility.

Consideration is given to long term costs and benefits and to maintaining the trust's reputation for high standards of business. Wherever possible, we purchase locally to support local business, seeking and obtaining both value for money and good service from our suppliers.

Osborne Co-operative Academy Trust

Trustees Report (continued)

Objectives and Activities

Objects and Aims

The Academy Trust's object is specifically restricted to the following: 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 and which shall include:

- i. Academies other than those designated Church of England, whether with or without a designated religious character; and
- ii. Church of England academies designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of Education.

Objectives, Strategies and Activities

The aims of Osborne Co-operative Academy Trust during the period 1st September 2019 and 31st August 2020 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.

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 objectives for school staff linked to the school development plan.

Osborne Co-operative Academy Trust

Trustees Report (continued)

Summary of Trust Improvement Objectives 2019/20 (INTENT)

| Q: Quality of Education | L: Leadership and Management |
|---|--|
| <ol style="list-style-type: none"> 1. Deliver high quality accountability systems to provide trustees with a strategic overview of pupil progress and key groups across the Trust. 2. Deliver the Trust school improvement support in all Trust schools, in light of national outcomes and ongoing evaluations, in order to continually improve outcomes for all pupils. 3. Strategically lead the Creative and Digital Arts curriculum extending beyond the academic, technical or vocational providing learners with broader development, enabling them to develop and discover their interests and talents. | <ol style="list-style-type: none"> 1. Within the context of each school and its community deliver high quality education that further improves standards for all pupils. 2. Provide each school's local community with assurance of high-quality safeguarding procedures that fulfil the statutory duties in all schools 3. Strategically lead the Trust's agenda for improving mental health, wellbeing and workload for all staff. 4. Focus on continually supporting the CPD of staff, including ITT, to ensure sustainability of a high-quality education. |
| B: Behaviour and Attitudes | P: Personal Development |
| <ol style="list-style-type: none"> 1. Deliver the Trust's culture of inclusion within the range of alternative and resource base provisions within the Trust, while managing the potential risk to the standards in each school. 2. Take swift and effective action to enable the schools to continually improve attendance and reduce persistent absence. 3. Effectively reduce local safeguarding risks to pupils, through strong and effective links with external agencies. | <ol style="list-style-type: none"> 1. Challenge and support the curriculum intent, implementation and impact in each of our schools so that we provide the key knowledge and understanding so that pupils receive the cultural capital that they need to succeed in life. 2. Embed the Co-operative Values in the curriculum of each school and in all aspects of work within the Trust 3. Transition arrangements support the Trust vision of all through education through effective and successful transition arrangements from year 6-7 (2020) which will further inform future review. |
| G: Trust Growth and Structure | F: Trust Finance and Premises |
| <ol style="list-style-type: none"> 1. Fulfil the Trust vision of a 15-school cooperative multi academy trust over three local communities. 2. Refine the business continuity plan (BCP) for the Trust through 'stress testing' and CPD 3. Ensure compliance with the General Data Protection Regulation (GDPR) and human resources policies. 4. Ensure compliance with all statutory Health and Safety guidance in all schools within the Trust. | <ol style="list-style-type: none"> 1. Provide economies of scale through joint purchasing, removing the finance and premises burdens from school leaders to enable them to focus on improving the quality of education in their schools. 2. To mitigate the future financial risks in all of our schools by implementing new shadow staffing structures for September 2020. 3. Embed the Trust ICT strategic plan, so that the IT infrastructure is reliable, efficient and co-ordinated across the Trust |

Osborne Co-operative Academy Trust

Trustees Report (continued)

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.

Strategic Report

Achievements and Performance

The table below summarises key stage 2 performance based on teacher assessment of the percentage of pupils who would have reached at least the expected standard in all of Reading, Writing and Maths. These outcomes should be used with caution due to the circumstances during 2020 and the lack of testing to inform judgments.

| School (cohort) | Join date | % Exp+ | School Target | |
|--|-----------|--------|---------------|------|
| East Tilbury Primary School (99) | Apr 2012 | 76% | 79% | -3% |
| Thameside Primary School (89) | Sept 2012 | 68% | 66% | +2% |
| Stanford-le-Hope Primary School (60) | June 2013 | 60% | 78% | -18% |
| Arthur Bugler Primary School (59) | Sept 2016 | 83% | 76% | +7% |
| Horndon-on-the-Hill CofE Primary School (29) | May 2019 | 79% | 78% | +1% |
| Doddinghurst CofE Junior School (53) | June 2019 | 70% | 74% | -4% |
| Little Thurrock Primary School (90) | June 2019 | 81% | 80% | +1% |
| Average for all pupils (479) | | 73% | | |
| National 2019 | | 65% | | |
| National 2020 (source - FFT) | | 70% | | |

The table below summarises key stage 4 and 5 performance based on teacher assessed examinations. Included are the percentage of pupils who were assessed as at least Grade 5 in GCSE English and Maths, and the A Level Average Point Score (APS). These outcomes should be used with caution due to the circumstances during 2020 and the lack of testing to inform judgments.

Osborne Co-operative Academy Trust

Trustees Report (continued)

| School | Join date | % Grade 5+ E&M | School Target | |
|------------------------------|-----------|----------------|---------------|------|
| St Clere's Secondary School | Sept 2011 | 51% | 55% | -4% |
| Brentwood County High School | Sept 2017 | 51% | 45% | +6% |
| National 2020 | | 50% | | |
| School | Join date | A Level APS | School Target | |
| Brentwood County High School | Sept 2017 | 37.6 | 32 | +5.6 |
| National 2020 | | 39.5 | | |

Public funds received during the period 1st September 2019 and 31st August 2020 delivered positive outcomes for pupils across all our schools. All schools have shown stability and continued to improve since they joined the Trust, with average outcomes above National and the vast majority of individual schools performing above National standards, with the remainder improving rapidly towards National standards. Progress in our schools is either above expected, or is improving each year.

The Good Ofsted outcome in February 2020 at East Tilbury Primary School, one of our founding schools, was particularly pleasing.

"Senior leaders and teachers have created an ambitious curriculum that opens pupils' eyes to cultures and experiences around them. Pupils become aspirational for their future," ... "The head of school, governors and the trust have developed a very effective team. Together, they make sure that pupils have every opportunity to take part in dramatic performance and be creative with their learning." The school has established itself as an integral partner in delivering high quality nurture provision both within mainstream and alternative provision.

2019-2020 also saw the preparation for the opening of our new secondary free school in Grays and due diligence was carried out for two further primary schools to join the trust in 2020. The pandemic slowed the onboarding process but all stakeholders support these new schools joining the Trust in 2020-2021. At St Clere's Secondary School significant increase in the school's roll led to further work planned in partnership with Thurrock Local Authority to further improve the excellent educational environment at the school. A new block of classrooms was completed but other building works were again delayed by the lockdown.

The preparation for the wider opening of education in September 2020 was supported by a combined effort from all our educational leaders. During the summer term all schools received additional online school improvement partner visits. The outcome of these visits was the development of a rigorous tracking system to enable all schools to produce meaningful assessments for all pupils in 2020. This enabled schools to rapidly and accurately identify and address any pupils and groups who have fallen behind going into the new academic year. The 'catch up' curriculum and the use of the Covid catch up fund is addressing the gaps in pupil's knowledge and skills in 2020-2021.

Osborne Co-operative Academy Trust

Trustees Report (continued)

The future of the trust is very positive. We will have twelve school (three Secondary and nine Primary Schools) and they have agreed in principle to further align all schools to a central school improvement and school services offer from September 2021.

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.

Promoting the success of the company

The focus of the trust board has always been to promote the success of the company, ensuring that development priorities are met. Board minutes show the clear focus on reviewing officers' plans to ensure they further the vision and mission of the trust. The board always considers the following:

1. Will proposals further embed the values and vision of the trust?
2. Is the welfare of staff going to be enhanced or worsened by the proposals?
3. Are the companies and people hired supportive of the values of the trust and are they good employers in their own right?
4. Will proposals lead to the highest quality education and outcomes for all students, allowing inclusion and a 3-19 curriculum and educational experience?
5. Will facilities be enhanced to enrich the experience of staff and students alike?
6. Do the proposals have due regards or GDPR, risk assessments, health and safety, business continuity, safeguarding and wellbeing of all?

During the period 1st September 2019 and 31st August 2020, the impact of this has been evidence in a variety of ways:

1. The calibre of digital learning available to students during lockdown or isolation periods that included live teaching or dongles or hard copies for those who did not have digital access.
2. The high attendance rates of students and staff, even in the face of the pandemic.
3. The relationship between Thurrock Council and the trust, resulting in partnership agreements for the visually and hearing-impaired services and primary alternative provision.
4. The extremely positive pre-opening report received from the DfE and ESFA for the new secondary free school.
5. The gratitude shown through the JCC by a number of Trades Unions for the support given to staff through the challenges of the year.
6. The responses of parents to the welfare calls made during lockdown and holidays along with the food packages delivered by staff, in addition to government vouchers.
7. The approach made to the trust by two primary schools who wished to join the trust because of its values, probity and inclusive approach.

Financial Review

The Trust's Fund balances at 31st August 2020 were in surplus by £61.9m. This is made up by Restricted Asset Funds being in surplus by £82.5, unrestricted funds were in surplus by £3.9m, whilst Restricted General Funds were in deficit by £20.6m due to a pension fund deficit of £20.8m.

The 2020 COVID-19 pandemic has unexpectedly and significantly impacted on both our income generation and expenditure during the period 1st September 2019 to 31st August 2020. All lettings have been

Osborne Co-operative Academy Trust

Trustees Report (continued)

cancelled, thereby affecting income generation in schools. Additional costs have been incurred as a consequence of unplanned expenditure on PPE, additional food for children during the initial period of the first national lockdown and IT equipment to support home working and the provision of online learning for students and employees. Due to the trust's strong financial position, only two schools met the Government's criteria to claim for COVID-19 exceptional support.

The principal sources of funding have been from the Education and Skills Funding Agency and the local authorities of Essex and Thurrock, with particular partnership agreements with Thurrock Council for resource bases. The key objectives of the academy trust have been delivered effectively (see page 10, Achievements and Performance).

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 2020 were £3.9m. 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. No fund allocation has been made for the period 2020-21.

A surplus or deficit position of either the Teachers' or LGPS pension scheme would generally result in a cash flow effect for the academy trust in the form of an increase or decrease in employers' pension contributions over a period of years.

The balance of restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31st August 2020, is a net surplus of £3.905m + £190k = £4.095m.

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.

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:

Osborne Co-operative Academy Trust

Trustees Report (continued)

- Comprehensive strategic plans, budget and future management accounting; o Formal agenda for all committee meetings;
- Detailed schemes of delegation and terms of reference for all committees; o Formal written policies and procedures;
- Organisational structures and lines of reporting; o 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 increasingly 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.

During the period 1st September 2019 to 31st August 2020, the trustees engaged Mazars LLP to perform regular reviews of internal controls and governance. 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.

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 78.7% 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.

Osborne Co-operative Academy Trust

Trustees Report (continued)

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 use any external fundraisers. No fundraising activities took place during 2019-2020.

Osborne Co-operative Academy Trust

Trustees' Report (continued)

Streamlined Energy and Carbon Reporting

| | |
|--|---|
| UK Greenhouse gas emissions and energy use data for the period 1 st September 2019 to 31 st August 2020 | |
| Energy consumption used to calculate emissions (kWh) | 5,682,411 |
| Energy consumption break down (kWh) <ul style="list-style-type: none"> • Gas • Electricity • Transport fuel | <ul style="list-style-type: none"> • 3,991,298 • 1,691,113 • N/A |
| <u>Scope 1 emissions in metric tonnes CO2e</u> Gas consumption Owned transport – minibuses | <ul style="list-style-type: none"> • 733.88 • 1.01 |
| <u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity | <ul style="list-style-type: none"> • 394.27 |
| <u>Scope 3 emissions in metric tonnes CO2e</u> Business travel in employee owned vehicles | <ul style="list-style-type: none"> • 5.07 |
| Total gross emissions in metric tonnes CO2e | 1,134.23 |
| <u>Intensity Ratio</u> Tonnes CO2e per pupil (5426 pupils) | 0.209 |

Year on year comparison data will be included in future reports

Quantification and reporting methodology

The figures have been produced by M. Frost & Associates Ltd. by totalling the kWh figures from our utility bills for each site and applying conversion factors from the Carbon Trust. Greater detail of usage by each Trust school site is shown in later tables.

Intensity measurement

The chosen intensity measurement ration is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measure taken to improve energy efficiency

We are committed to responsible energy management and will practice energy efficiency throughout our organisation, wherever it is cost effective. We recognize that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

The following works have been carried out in our schools to improve energy efficiency:

Arthur Bugler Primary school

- Lighting upgraded to LED in all classrooms

East Tilbury Primary School

- All classroom lighting upgraded to LED between 2015-2019
- new blocks - air handling units installed and LED lighting throughout on motion sensors 2018/19
- All external doors in KS1 block were replaced with aluminium double glazed doors between 2015-2019
- Small hall doors replaced in summer 2019 with double glazed aluminium doors
- Old demountable block removed in April 2020 - this had poor lighting, electric heating and the roof was sun damaged.

St Clere's Secondary School

- new blocks - LED lighting throughout on motion sensor and teaching block has solar panels installed on roof 2019/20
- external doors replaced on rolling programme, most have been replaced.

Stanford-le-Hope Primary School

- lighting upgraded to LED in KS1 block in summer 2020,

Thameside Primary School

- lighting in many areas has been upgraded to LED

The following energy efficiency measures are planned for implementation during 2020/2021

Doddinghurst C of E Junior school

- All Crittall windows and doors are due to be replaced commencing February 2021

Horndon C of E Primary School

- lighting has been identified for upgrade to LED and will potentially be upgraded in 2021

St Clere's Secondary School

- large window project commencing 2021 to replace crittall windows with double glazed units

Stanford-le-Hope Primary School

- KS2 lighting will be upgraded in 2021

Thameside Primary School

- roofing works planned for 2021
- external doors in EYFS to be replaced in 2021

Plans for Future Periods

Summary of Trust Improvement Objectives 2020/21 (INTENT)

Our vision is for a global community of values-driven individuals who flourish together

| Q: Quality of Education | L: Leadership and Management |
|--|---|
| <ol style="list-style-type: none"> 1. Continue to enhance high-quality education including sharing of resources and best practice through the implementation of the National College of School Leadership online CPD platform/oneSource securing high quality succession planning across the trust schools. 2. Support and monitor the implementation of a recovery curriculum, including blended learning via online platforms, to enable the successful return of all pupils to our schools and ensuring the gap in learning is swiftly closed. 3. Deliver the Trust school improvement support in all Trust schools, in light of national outcomes and ongoing evaluations, to ensure that there is a high focus on continually improve outcomes for all pupils. 4. Support and monitor the continued implementation of the Creative and Digital Arts curriculum, enabling all pupils to develop and discover their interests and talents, coordinated by the Trust Special Interest Group (SIG) 5. Ensure an effective ongoing response by all schools in response to the COVID-19 pandemic to enable the safe continuation of education through a blended learning response. | <ol style="list-style-type: none"> 1. Ensure all schools adopt a consistent values-led appraisal process, which includes self-evaluation and a bespoke CPD plan, including induction that informs individual professional development at all levels within schools to secure the retention of good staff. 2. Introduce a Trust-wide pandemic policy, linked to the Incident Management Plan (IMP) and the Business Continuity Plan (BCP) to ensure the stability of our Trust education under unprecedented circumstances 3. Continue to reduce all barriers to staff effectiveness and ensure equality and equity enabling all staff to achieve their full potential. 4. Trust and school policies and practices embed the Trust's vision and values in all aspects of school life. 5. Embed opportunities for Trust schools to attract and retain new teachers including ITT, NQT and NQT+one. |
| B: Behaviour and Attitudes | P: Personal Development |
| <ol style="list-style-type: none"> 1. Continue to embed the central Education Welfare Team to further improve attendance and reduce persistent absence, particularly of the most vulnerable pupils resulting in all schools achieving attendance figures in line with national data for 2020/21. 2. Ensure a consistent approach to developing a culture of inclusion across all schools and provisions enabling the Trust to further embed a positive profile within the local communities that it serves. | <ol style="list-style-type: none"> 1. Ensure a Trust-wide approach to supporting all learners physically, mentally and emotionally to transition back to full time education following the national pandemic resulting in the learning gap being narrowed swiftly and all groups making good or better progress. 2. Highlight successes and share strategies for practising the co-operative values through a research and action group evidencing cooperative values in action and impacting on learning outcomes. 3. Transition arrangements support the Trust vision of all through education through effective and successful transition arrangements from year 6-7 which will further inform future review, primary and secondary work seamlessly to provide a consistent approach and expectations of all pupils. |
| G: Trust Growth and Structure | F: Trust Finance and Premises |
| <ol style="list-style-type: none"> 1. Continue to realise the Trust vision of a 15-school co-operative multi academy trust over three local communities by 2022. 2. Ensure compliance with the General Data Protection Regulation (GDPR) and human resources policies ensuring that the schools continue to move toward full GDPR compliance and are well supported through Essex IGS and the Trust HR team. | <ol style="list-style-type: none"> 1. To develop a Trust alignment strategy for all schools to the central functions of HR, finance, health and safety, ICT, EWO and estates reducing the cost of these functions in schools and providing a comprehensive service for the management fee. 2. To continue to mitigate the future financial risks in all of our schools through ongoing future planning, ensuring the Trust is financially viable and all schools are able to maintain balanced in year budgets. |

| | |
|--|--|
| <p>3. Ensure compliance with all statutory Health and Safety guidance in all schools within the Trust, including those joining the Trust, oneSource time is used effectively to address areas of development on the school's H&S action plans.</p> | <p>3. To review and further develop our Trust ICT strategic plan to ensure the future proofing of the infrastructure across all our schools to improve the quality of education for all pupils and to ensure equal access to IT equipment for all staff and pupils so no person is disadvantaged by home learning/working.</p> |
|--|--|

Funds Held as Custodian Trustee on Behalf of Others

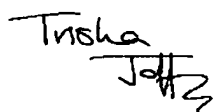
The trust does not hold funds as a custodian for others.

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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12th January 2021 and signed on the board's behalf by:



Trisha Jaffe,
Trustee
12th January 2021

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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The trust board has delegated the day-to-day responsibility to Paul Griffiths, 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 trust board 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 trust board has formally met six 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 |
|---|-------------------|-------------------|
| J Baines | 4 | 6 |
| S Cosgrow | 4 | 6 |
| I Duerden | 6 | 6 |
| M Fall | 6 | 6 |
| L Fergus (resigned 4 th June 2020) | 1 | 3 |
| P Griffiths (CEO and accounting officer) | 6 | 6 |
| K Goodacre (resigned 31 st March 2020) | 2 | 2 |
| T Jaffe | 6 | 6 |
| D Mummery | 4 | 6 |
| E Stonehouse | 6 | 6 |
| A Walker | 6 | 6 |

Governance reviews

A complete review of governance was carried out in the period 2017-2018 when the trust board was reconstituted. Following the review and skills audit, trustees were appointed according to their skill sets and experience, in line with the DfE competency framework for governance. A further review and skills audit will be carried out before 31st August 2021.

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

During the COVID-19 pandemic, the board held meetings online, the first of which was held on 24th April 2020. While developing the necessary skills and techniques to hold effective online meetings, trustees agreed to hold full board meetings in place of the scheduled meetings for the Standards and Resources committees.

| Trustee | Meetings attended | Out of a possible |
|---|--------------------------|--------------------------|
| J Baines | 0 | 0 |
| K Goodacre (resigned 31 st March 2020) | 1 | 1 |
| P Griffiths | 1 | 1 |
| T Jaffe | 1 | 1 |
| E Stonehouse | 0 | 0 |
| A Miller (co-opted) | 0 | 0 |

Attendance at the meeting held on 17th March 2020 was reduced to three members of the committee to ensure it was quorate. Four members of the committee were advised not to attend for their wellbeing and were invited to submit comments and questions.

During the period 1st September 2019 to 31st August 2020 the Audit and Risk Committee was also a sub-committee of the main board of trustees. Its purpose was:

- 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.

At their meeting of 16th June 2020, the trust board agreed to merge the responsibilities of the Resources Committee and the Audit and Risk Committee, with effect from 1st September 2020.

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------------|-------------------|-------------------|
| I Duerden | 3 | 3 |
| A Walker | 3 | 3 |
| K Willett (Co-opted) | 2 | 3 |

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 academy trust has delivered improved value for money during the year by:

- Business planning
- Financial governance by ensuring there is scrutiny of planned and actual expenditure
- Financial management including group purchasing and bulk order discounts
- Organisational structures

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 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy 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
- identification and management of risks

The board of trustees has decided:

- to buy-in an internal audit service from Mazars LLP

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

- Asset Management
- Business Continuity
- Due diligence processes
- Risk management
- Internal controls

On an annual basis, the auditor reports to the board of trustees, through the Resources, Audit and Risk committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The schedule of work agreed with the auditor has been completed. No material issues were identified.

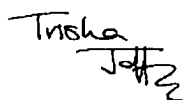
Review of Effectiveness

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:

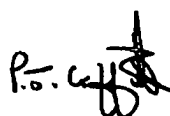
- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 12th January 2021 and signed on its behalf by:



Trisha Jaffe Trustee



Paul Griffiths, Accounting Officer

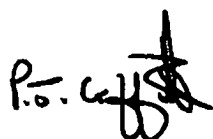
Osborne Co-operative Academy Trust

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

I confirm that I and the academy trust 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 2019.

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.

A handwritten signature in black ink, appearing to read 'P.G. Griffiths', with a stylized flourish at the end.

Paul Griffiths
Accounting Officer
12th January 2021

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

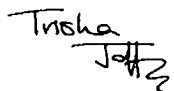
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 12th January 2021 and signed on its behalf by:



Trisha Jaffe
Trustee

Independent Auditor's Report on the Financial Statements 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 2020 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 2019 to 2020 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 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 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.

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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page ..., 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/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). 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

15th January 2021

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

In accordance with the terms of our engagement letter dated 5th November 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Osborne Co-operative Academy Trust during the period 1st September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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 2019 to 31st August 2020 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

15th January 2021

Osborne Co-operative Academy
Statement of Financial Activities for the year ended 31 August 2020
(including Income and Expenditure Account)

| | | <u>Unrestrict</u> <u>ed</u> | <u>Restricted</u> <u>General</u> | <u>Restricted</u> <u>Fixed Asset</u> | <u>2019/2</u> <u>0</u> | <u>2018/1</u> <u>9</u> |
|---|-------|--------------------------------|-------------------------------------|---|---------------------------|---------------------------|
| | | <u>Funds</u> | <u>Funds</u> | <u>Funds</u> | <u>Total</u> | <u>Total</u> |
| | Note | £000 | £000 | £000 | £000 | £000 |
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | 25 | - | 8,986 | 9,011 | 2,225 |
| . Transfer from local authority on conversion | | - | - | - | - | 3,566 |
| Charitable activities: | | | | | | |
| Funding for the academy trust's educational operations | 3 | - | - | - | - | - |
| | | 584 | 30,010 | 93 | 30,687 | 26,784 |
| Other trading activities | 4 | 381 | 236 | - | 617 | 800 |
| Investments | 5 | 4 | - | - | 4 | 5 |
| Total | | 994 | 30,246 | 9,079 | 40,319 | 33,380 |
| Expenditure on; | | | | | | |
| Raising funds | 6 | 57 | - | - | 57 | 158 |
| Charitable activities: | | | | | | |
| Grants | | - | - | - | - | - |
| Academy trust educational operations | 7 | - | 32,538 | 1,774 | 34,312 | 29,748 |
| Other | | - | - | - | - | - |
| Total | | 57 | 32,538 | 1,774 | 34,369 | 29,906 |
| Net incoming / (expenditure) | | 937 | (2,292) | 7,305 | 5,950 | 3,474 |
| Transfers between funds | 19 | (736) | 365 | 371 | - | - |
| Net income/(expenditure) | | 201 | (1,927) | 7,676 | 5,950 | 3,474 |
| Other recognised gains/(losses): | | | | | | |
| Actuarial (losses) gains on defined benefit pension schemes | 19,28 | - | (2,054) | - | (2,054) | (2,012) |
| Net movement in funds | | 201 | (3,981) | 7,676 | 3,896 | 1,462 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 3,704 | (16,657) | 74,868 | 61,915 | 60,453 |
| Total funds carried forward | | 3,905 | (20,638) | 82,544 | 65,811 | 61,915 |

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 2020

Company Number 07703865

| | Notes | 2020 £000 | 2020 £000 | 2019 £000 | 2019 £000 |
|---|-------|--------------|--------------|--------------|--------------|
| Fixed assets | | | | | |
| Intangible assets | 12 | 42 | | 46 | |
| Tangible assets | 13 | 81,067 | | 73,694 | |
| Investments | 14 | 84 | | 84 | |
| | | | 81,193 | | 73,824 |
| Current assets | | | | | |
| Stock | 15 | - | | - | |
| Debtors | 16 | 1,191 | | 1,824 | |
| Cash at bank and in hand | | 6,621 | | 6,765 | |
| | | 7,812 | | 8,589 | |
| Liabilities | | | | | |
| Creditors: Amounts falling due within one year | 17 | 2,341 | | 3,673 | |
| Net current assets | | | 5,471 | | 4,916 |
| Total assets less current liabilities | | | 86,664 | | 78,740 |
| Creditors: Amounts falling due after more than one year | 18 | | 25 | | 40 |
| Net assets excluding pension liability | | | 86,639 | | 78,700 |
| Defined benefit pension scheme liability | 28 | | (20,828) | | (16,785) |
| Total net assets | | | 65,811 | | 61,915 |
| Funds of the academy trust: | | | | | |
| Restricted funds | | | | | |
| . Fixed asset fund | 19 | 82,544 | | 74,868 | |
| . Restricted income fund | 19 | 190 | | 128 | |
| . Pension reserve | 19 | (20,828) | | (16,785) | |
| Total restricted funds | | | 61,906 | | 58,211 |
| Unrestricted income funds | 19 | | 3,905 | | 3,704 |
| Total funds | | | 65,811 | | 61,915 |

The financial statements on pages 31 to 60 were approved by the trustees, and authorised for issue on 12th January 2021 and are signed on their behalf by:

Trisha Jaffe

Trisha Jaffe
Trustee

Osborne Co-operative Academy Trust

Statement of Cash Flows for the year ended 31 August 2020

| | Notes | 2020 £000 | 2019 £000 |
|--|-------|--------------|--------------|
| Cash flows from operating activities | | | |
| Net cash provided by (used in) operating activities | 23 | (69) | 1,003 |
| Cash flows from investing activities | 25 | (61) | (190) |
| Cash flows from financing activities | 24 | (14) | (14) |
| Change in cash and cash equivalents in the reporting period | | <u>(144)</u> | <u>799</u> |
| Cash and cash equivalents at 1 September 2019 | | 6,765 | 5,966 |
| Cash and cash equivalents at 31 August 2020 | 26 | <u>6,621</u> | <u>6,765</u> |

Osborne Co-operative Academy Trust

Notes to the Financial Statements

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 2019 to 2020 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

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 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 and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 and liabilities 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 to the net assets received.

- **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.

- **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 donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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

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.

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 | - 2% on cost |
| Long lease buildings | - 2% on cost |
| Site Improvement - Diocesan property | - 50% on cost |
| Fixtures, fittings and equipment | - on a straight line basis over 7 years |
| Computer Hardware | - on a straight line basis over 3 years |
| Motor vehicles | - on a straight line basis over 7 years |

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

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost 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.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multiemployer 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

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.

General Reserve

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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability

2 Donations and capital grants

| | | | | 2019/20 | 2018/19 |
|----------------------|---------------------|-------------------|--------------------|--------------|--------------|
| | <u>Unrestricted</u> | <u>Restricted</u> | <u>Restricted</u> | | |
| | <u>Funds</u> | <u>Funds</u> | <u>Fixed Asset</u> | <u>Total</u> | <u>Total</u> |
| | <u>£000</u> | <u>£000</u> | <u>Funds</u> | <u>£000</u> | <u>£000</u> |
| | | | <u>£000</u> | | |
| Capital grants | - | - | 986 | 986 | 862 |
| Donated fixed assets | - | - | 8,000 | 8,000 | 1,270 |
| Other donations | 25 | - | - | 25 | 93 |
| | <u>25</u> | <u>-</u> | <u>8,986</u> | <u>9,011</u> | <u>2,225</u> |
| 2018/19 total | <u>93</u> | <u>-</u> | <u>2,132</u> | <u>2,225</u> | |

3 Funding for the Academy Trust's educational operations

| | | | 2019/20 | 2018/19 |
|--|---------------------|-------------------|---------------|--------------|
| | <u>Unrestricted</u> | <u>Restricted</u> | | |
| | <u>Funds</u> | <u>Funds</u> | <u>Total</u> | <u>Total</u> |
| | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| Dfe/ESFA Grants | | | | |
| General Annual Grant (GAG) | - | 23,471 | 23,471 | 20,717 |
| Start Up Grants | - | 270 | 270 | - |
| Other DfE Group Grants | - | 3,358 | 3,358 | 2,305 |
| National College Grants | - | - | - | - |
| | - | 27,099 | 27,099 | 23,022 |
| Other Government Grants | | | | |
| Local authority grants | - | 2,990 | 2,990 | 2,950 |
| Special educational projects | - | - | - | - |
| Other income from the academy trust's educational operations | 584 | 3 | 587 | 812 |
| | 584 | 2,993 | 3,577 | 3,762 |
| Exceptional Government Funding | | | | |
| Coronavirus Job Retention Scheme grant | - | - | - | - |
| Coronavirus exceptional support | - | 11 | 11 | - |
| Other Coronavirus funding | - | - | - | - |
| | 584 | 30,103 | 30,687 | 26,784 |
| 2018/19 total | 805 | 25,979 | 26,784 | |

4 Other trading activities

| | | | 2019/20 | 2018/19 |
|------------------------|---------------------|-------------------|--------------|--------------|
| | <u>Unrestricted</u> | <u>Restricted</u> | | |
| | <u>Funds</u> | <u>Funds</u> | <u>Total</u> | <u>Total</u> |
| | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| Educational visits | - | 144 | 144 | 211 |
| Non educational visits | - | - | - | 170 |
| Hire of facilities | 99 | - | 99 | 115 |
| Academy sales | 12 | - | 12 | 43 |
| Catering income | 12 | - | 12 | 23 |
| Sundry income | 258 | 92 | 350 | 238 |
| | 381 | 236 | 617 | 800 |
| 2018/19 total | 587 | 213 | 800 | |

5 Investment income

| | <u>Unrestricted</u> | <u>Restricted</u> | <u>2019/20</u> | <u>2018/19</u> |
|----------------------|---------------------|-------------------|----------------|----------------|
| | <u>Funds</u> | <u>Funds</u> | <u>Total</u> | <u>Total</u> |
| | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| Short term deposits | 4 | - | 4 | 4 |
| | 4 | - | 4 | 4 |
| 2018/19 total | 5 | - | 5 | |

6 Expenditure

| | <u>Non Pay Expenditure</u> | | | <u>Total</u> | <u>Total</u> |
|-----------------------------------|----------------------------|-----------------|--------------|----------------|----------------|
| | <u>Staff Costs</u> | <u>Premises</u> | <u>Other</u> | <u>2019/20</u> | <u>2018/19</u> |
| | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| Expenditure on raising funds: | | | | | |
| . Direct costs | - | - | - | - | - |
| . Allocated support costs | 49 | - | 8 | 57 | 158 |
| Academy's educational operations: | | | | | |
| . Direct costs | 21,971 | 98 | 1,453 | 23,522 | 19,708 |
| . Allocated support costs | 5,019 | 3,612 | 2,159 | 10,790 | 10,040 |
| | 27,039 | 3,710 | 3,620 | 34,369 | 29,906 |
| 2018/19 total | 22,634 | 2,902 | 4,370 | 29,906 | |

Net income/(expenditure) for the period includes:

| | <u>2019/20</u> | <u>2018/19</u> |
|--|----------------|----------------|
| | <u>£000</u> | <u>£000</u> |
| Operating leases rentals | 399 | 95 |
| Depreciation | 1,738 | 1,534 |
| (Gain)/loss on disposal of fixed assets | - | - |
| Amortisation of intangible fixed assets (includes within Charitable Activities - Academy trust educational operations) | 36 | 27 |
| Fees payable to auditor for: | | |
| . audit | 20 | 18 |
| . other services | 10 | 5 |
| | 2,230 | 1,679 |

7 Charitable activities

| | <u>Total</u> <u>2019/20</u> £000 | <u>Total</u> <u>2018/19</u> £000 |
|--|--|--|
| Direct costs - educational operations | 23,522 | 19,708 |
| Support costs - educational operations | <u>10,790</u> | <u>10,040</u> |
| | <u>34,312</u> | <u>29,748</u> |

| | <u>2019/20</u> | <u>2018/19</u> |
|----------------------------------|-----------------|--------------------|
| Analysis of support costs | | |
| | Boarding | Educational |
| | | operations |
| | £000 | £000 |
| Support staff costs | - | 4,916 |
| Depreciation | - | 1,738 |
| Amortisation | - | 36 |
| Impairment | - | - |
| Technology costs | - | 389 |
| Premises costs | - | 1,936 |
| Legal costs - conversion | - | 1 |
| Legal costs - other | - | 28 |
| Other support costs | - | 1,643 |
| Governance costs | - | 103 |
| Total support costs | <u>-</u> | <u>10,790</u> |
| | <u>-</u> | <u>10,040</u> |
| 2018/19 total | <u>-</u> | <u>10,040</u> |

8 Staff

a. Staff Costs

Staff costs during the period were:

| | 2019/20 | 2018/19 |
|--|---------------|---------------|
| | £000 | £000 |
| Wages and salaries | 19,498 | 16,812 |
| Social security costs | 1,762 | 1,510 |
| Operating costs of defined benefit pension schemes | 5,613 | 3,935 |
| Apprentice Levy | 84 | 70 |
| | <u>26,957</u> | <u>22,327</u> |
| Agency staff costs | 72 | 288 |
| Staff restructuring costs | 10 | 19 |
| | <u>27,039</u> | <u>22,634</u> |
| Staff restructuring costs comprise: | | |
| Redundancy payments | - | - |
| Severance Payments | 10 | 19 |
| Other restructuring costs | - | - |
| | <u>10</u> | <u>19</u> |

b. non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £9,975 (2019: £18,586). Individually, the payments were: £9,975.

c. Staff numbers

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

| | 2019/20 | 2018/19 |
|----------------------------|------------|------------|
| | No. | No. |
| Teachers | 290 | 283 |
| Administration and support | 607 | 606 |
| Management | 41 | 36 |
| | <u>938</u> | <u>925</u> |

d. Higher paid staff

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

| | 2019/20 | 2018/19 |
|---------------------|---------|---------|
| | No. | No. |
| £60,001 - £70,000 | 17 | 8 |
| £70,001 - £80,000 | 4 | 4 |
| £80,001 - £90,000 | 4 | 2 |
| £90,001 - £100,000 | - | 1 |
| £100,001 - £110,000 | 3 | 1 |
| £110,001 - £120,000 | - | - |
| £120,001 - £130,000 | - | - |
| £130,001 - £140,000 | - | 1 |
| £140,001 - £150,000 | 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 £545,319 (2019: £515,452)

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 6% 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:

| | 2019/20 | 2018/19 |
|---|----------------|----------------|
| | £000 | £000 |
| St Clere's School | 507 | 455 |
| East Tilbury Primary School | 197 | 190 |
| Thameside Primary School | 220 | 208 |
| Stanford Primary School | 140 | 127 |
| Arthur Bugler Primary School | 109 | 108 |
| Brentwood County High School | 319 | 355 |
| Horndon on the Hill CofE Primary School | 49 | 22 |
| Doddinghurst CofE Junior School | 46 | 14 |
| Little Thurrock Primary School | 139 | 34 |
| | 1,726 | 1,513 |

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 £145,000 - £150,000 (2019: £135,000 - £140,000)

Employer's pension contributions £nil (2019: £nil)

During the year ended 31 August 2020, travel and subsistence expenses totalling £455 (2019: £1,557) were reimbursed or paid to one trustee (2019: 1 trustee).

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

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 £5,000,000 on any one claim and the cost for the period ended 31 August 2020 for the whole Trust was £1,544.32 (2019: £1,276.27).

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

12 Intangible fixed assets

| | Computer Software £000 | 2019/20 Total £000 |
|------------------------|------------------------------|--------------------------|
| Cost | | |
| At 1 September 2019 | 90 | 90 |
| Additions | 32 | 32 |
| At 31 August 2020 | 122 | 122 |
| Amortisation | | |
| At 1 September 2019 | 44 | 44 |
| Charged in year | 36 | 36 |
| At 31 August 2020 | 80 | 80 |
| Carrying Amount | | |
| At 31 August 2019 | 46 | 46 |
| At 31 August 2020 | 42 | 42 |

13 Tangible fixed assets

| | <u>Freehold Land and Buildings</u> £000 | <u>Leasehold Land and Buildings</u> £000 | <u>Leasehold Improvements</u> £000 | <u>Site Improvements</u> £000 | <u>Assets Under Construction</u> £000 | <u>Furniture and Equipment</u> £000 | <u>Computer Equipment</u> £000 | <u>Motor Vehicles</u> £000 | <u>Total</u> £000 |
|----------------------------------|--|---|---|--------------------------------------|--|--|---------------------------------------|-----------------------------------|----------------------|
| Cost | | | | | | | | | |
| At 1 September 2019 | 50,987 | 26,207 | 1,619 | 46 | - | 288 | 906 | - | 80,053 |
| Transfers from LA on Conversion | - | - | - | - | - | - | - | - | - |
| Transfer from LA of New Building | 5,000 | - | - | - | 3,000 | - | - | - | 8,000 |
| Transfer from Existing Academies | - | - | - | - | - | - | - | - | - |
| Additions | 241 | - | 455 | 60 | - | 86 | 270 | - | 1,112 |
| Disposals | - | - | - | - | - | - | - | - | - |
| At 31 August 2020 | 56,228 | 26,207 | 2,074 | 106 | 3,000 | 374 | 1,176 | - | 89,165 |
| Depreciation | | | | | | | | | |
| At 1 September 2019 | 3,492 | 1,904 | 94 | 1 | - | 89 | 779 | - | 6,359 |
| Charged in year | 952 | 438 | 42 | 76 | - | 75 | 155 | - | 1,738 |
| Disposals | - | - | - | - | - | - | - | - | - |
| At 31 August 2020 | 4,444 | 2,342 | 136 | 77 | - | 164 | 934 | - | 8,097 |
| Impairment | | | | | | | | | |
| At 1 September 2019 | - | - | - | - | - | - | - | - | - |
| Charged in year | - | - | - | - | - | - | - | - | - |
| At 31 August 2019 | - | - | - | - | - | - | - | - | - |
| Net book values | | | | | | | | | |
| At 31 August 2019 | 47,495 | 24,303 | 1,525 | 45 | - | 199 | 127 | - | 73,694 |
| At 31 August 2020 | 51,784 | 23,865 | 1,938 | 29 | 3,000 | 210 | 242 | - | 81,068 |

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

The transfer from the Local Authority of freehold buildings at St Clere's School valued at £5,000,000 and a Sports Hall under construction valued at £3,000,000.

14 Investments

| | <u>Shares in Subsidiary</u> £000 |
|------------------------|---|
| Cost | |
| At 1 September 2019 | 84 |
| Additions | - |
| Disposals | - |
| At 31 August 2020 | <u>84</u> |
| Net book values | |
| At 31 August 2019 | <u>84</u> |
| At 31 August 2020 | <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>Shares held</u> | | | |
|--|-------------------------------------|--------------|----------|
| <u>Company</u> | <u>Country of Incorporation</u> | <u>Class</u> | <u>%</u> |
| Optima Community & Leisure Services CIC | 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> 2019/20 | <u>Profit/(loss) for the year</u> 2019/20 |
|--|--|--|--|
| Optima Community & Leisure Services CIC | Providing ancillary services to the Academy | 31,720 | (41,119) |
| 2018/19 total | | 72,839 | 7,563 |

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>2020</u> £000 | <u>2019</u> £000 |
|--------------------------------|---------------------|---------------------|
| Trade debtors | 171 | 60 |
| VAT recoverable | 300 | 464 |
| Other debtors | 7 | 63 |
| Prepayments and accrued income | 713 | 1,237 |
| | <u>1,191</u> | <u>1,824</u> |

17 Creditors: amounts falling due within one year

| | <u>2020</u> | <u>2019</u> |
|------------------------------------|---------------------|---------------------|
| | £000 | £000 |
| Trade creditors | 503 | 885 |
| Other taxation and social security | 427 | 421 |
| ESFA creditor: abatement of GAG | - | - |
| Loans | 14 | 14 |
| Other creditors | 768 | 1,028 |
| Accruals and deferred income | 629 | 1,325 |
| | <u>2,341</u> | <u>3,673</u> |

| Deferred income | <u>2020</u> | <u>2019</u> |
|-------------------------------------|--------------------|--------------------|
| | £000 | £000 |
| Deferred Income at 1 September 2019 | 419 | 225 |
| Released from previous years | (419) | (225) |
| Resources deferred in the year | 331 | 419 |
| Deferred Income at 31 August 2020 | <u>331</u> | <u>419</u> |

At the balance sheet date, the academy trust was holding funds: £218,504 Universal Infant Free School Meal Income received in advance for financial year 2020/21; £85,199 Trip income received for rescheduled trips in 2020/21; £25,925 High Needs Top Up received in advance for Autumn/Spring Term 2020/21; £900 School House rent received in advance for September 2020.

18 Creditors: amounts falling due in greater than one year

| | <u>2020</u> | <u>2019</u> |
|-----------------|--------------------|--------------------|
| | £000 | £000 |
| Loans | 25 | 40 |
| Other Creditors | - | - |
| | <u>25</u> | <u>40</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 ESFA 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 ESFA in the months of March and September until September 2024.

19 Funds

| | Balance at 01-Sep 2019 £000 | Income £000 | Expenditure £000 | Gains, Losses and Transfers £000 | Balance at 31-Aug 2020 £000 |
|---|---|----------------|---------------------|--|---|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 23,471 | (23,471) | - | - |
| Start Up Grant | - | 270 | (270) | - | - |
| Other DfE Grants | - | 3,265 | (3,265) | - | - |
| Exceptional Government funding | - | 11 | (11) | - | - |
| Other Grants | 571 | 3,228 | (3,831) | 665 | 633 |
| Transfer on conversion/existing academies | (443) | - | - | - | (443) |
| Pension reserve | (16,785) | - | (1,689) | (2,354) | (20,828) |
| | (16,657) | 30,245 | (32,537) | (1,689) | (20,638) |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion/existing academies | 69,953 | - | - | - | 69,953 |
| Transfer from LA of new buildings | 3,590 | 8,000 | - | - | 11,590 |
| DfE/ESFA capital grants | 1,048 | 964 | (1,774) | 371 | 609 |
| LA capital grants | 128 | 85 | - | - | 213 |
| Capital expenditure from GAG | 60 | - | - | - | 60 |
| Investment in Trading Subsidiary | 84 | - | - | - | 84 |
| Gain on Disposal of Assets | 5 | - | - | - | 5 |
| Donations | - | 30 | - | - | 30 |
| Sponsorship | - | - | - | - | - |
| | 74,868 | 9,079 | (1,774) | 371 | 82,544 |
| Total restricted funds | 58,211 | 39,324 | (34,311) | (1,318) | 61,906 |
| Total unrestricted funds | 3,704 | 994 | (57) | (736) | 3,905 |
| Total funds | 61,915 | 40,318 | (34,368) | (2,054) | 65,811 |

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 2020.

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, rental of buildings, local authority surplus on transfer.

19 Funds continued

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

| | Balance at 01-Sep | | | Gains, Losses and Transfers | Balance at 31-Aug |
|---|-------------------------|----------------|---------------------|--------------------------------------|-------------------------|
| | 2018 £000 | Income £000 | Expenditure £000 | £000 | 2019 £000 |
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 204 | 20,717 | (20,921) | - | - |
| Start Up Grant | - | - | - | - | - |
| Other DfE Grants | - | 2,305 | (2,305) | - | - |
| Exceptional Government funding | - | - | - | - | - |
| Other Grants | 210 | 3,170 | (3,466) | 657 | 571 |
| Transfer on conversion/existing academies | (443) | - | - | - | (443) |
| Pension reserve | (11,327) | (2,017) | (1,429) | (2,012) | (16,785) |
| | (11,356) | 24,175 | (28,121) | (1,355) | (16,657) |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion/existing academies | 64,776 | 5,177 | - | - | 69,953 |
| Transfer form LA of new buidlings | 2,320 | 1,270 | - | - | 3,590 |
| DfE/ESFA capital grants | 1,308 | 855 | (1,561) | 446 | 1,048 |
| LA capital grants | 78 | 50 | - | - | 128 |
| Capital expenditure from GAG | 60 | - | - | - | 60 |
| Investment in Trading Subsidiary | 84 | - | - | - | 84 |
| Gain on Disposal of Assets | 5 | - | - | - | 5 |
| Donations | - | - | - | - | - |
| Sponsorship | - | - | - | - | - |
| | 68,631 | 7,352 | (1,561) | 446 | 74,868 |
| Total restricted funds | 57,275 | 31,527 | (29,682) | (909) | 58,211 |
| Total unrestricted funds | 3,178 | 1,853 | (224) | (1,103) | 3,704 |
| Total funds | 60,453 | 33,380 | (29,906) | (2,012) | 61,915 |

19 Funds continued

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

| | Balance at 01-Sep | | | Gains, Losses and Transfers | Balance at 31-Aug |
|---|----------------------|----------------|---------------------|-----------------------------------|----------------------|
| | 2018 £000 | Income £000 | Expenditure £000 | £000 | 2020 £000 |
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 204 | 44,188 | (44,392) | - | - |
| Start Up Grant | - | 270 | (270) | - | - |
| Other DfE Grants | - | 5,570 | (5,570) | - | - |
| Exceptional Government funding | - | 11 | (11) | - | - |
| Other Grants | 210 | 6,398 | (7,297) | 1,322 | 633 |
| Transfer on conversion/existing academies | (443) | - | - | - | (443) |
| Pension reserve | (11,327) | (2,017) | (3,118) | (4,366) | (20,828) |
| | (11,356) | 54,420 | (60,658) | (3,044) | (20,638) |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion/existing academies | 64,776 | 5,177 | - | - | 69,953 |
| Transfer from LA of new buildings | - | 9,270 | - | - | 9,270 |
| DfE/ESFA capital grants | 1,308 | 1,819 | (3,335) | 817 | 609 |
| LA capital grants | 2,398 | 135 | - | - | 2,533 |
| Capital expenditure from GAG | 60 | - | - | - | 60 |
| Investment in Trading Subsidiary | 84 | - | - | - | 84 |
| Gain on Disposal of Assets | 5 | - | - | - | 5 |
| Donations | - | 30 | - | - | 30 |
| Sponsorship | - | - | - | - | - |
| | 68,631 | 16,431 | (3,335) | 817 | 82,544 |
| Total restricted funds | 57,275 | 70,851 | (63,993) | (2,227) | 61,906 |
| Total unrestricted funds | 3,178 | 2,847 | (281) | (1,839) | 3,905 |
| Total funds | 60,453 | 73,698 | (64,274) | (4,066) | 65,811 |

19 Funds continued

| | Total 2019/20 £000 | Total 2018/19 £000 |
|---|--------------------------|--------------------------|
| St Clere's School | 1,389 | 1,189 |
| East Tilbury Primary School | 701 | 711 |
| Thameside Primary School | 784 | 718 |
| Stanford Primary School | 501 | 487 |
| Arthur Bugler Primary School | 576 | 608 |
| Brentwood County High School | (348) | (233) |
| Horndon on the Hill CofE Primary School | 98 | 116 |
| Doddinghurst CofE Junior School | 42 | 82 |
| Little Thurrock Primary School | - | 9 |
| Central Service | 352 | 145 |
| Total before fixed assets and pension reserve | 4,095 | 3,832 |
| Restricted fixed asset fund | 82,544 | 74,868 |
| Pension reserve | (20,828) | (16,785) |
| Total | 65,811 | 61,915 |

Brentwood County High School is carrying a net deficit of £348k on these funds because:

Brentwood County High School joined the trust in September 2017 bringing a carry forward deficit on reserves of £443k. The first financial year 2017/18 with the trust saw a further deficit of £47k incurred. During 2018/19 a recovery plan was implemented which included staff restructuring across all areas, expenditure revenues and centralisation of key office functions and leadership resulting in a reduction of deficit reserves by £257k. Due to a fall in pupil numbers in Year 7, Brentwood County High incurred a further deficit in 2019/20 of £115 resulting in a cumulative deficit of £348k.

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

The academy trust continues to implement the recovery plan with ongoing reviews of staffing and expenditure.

Total cost analysis by academy

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

| | Teaching and Educational Support Staff Costs | Other Support Staff Costs | Educational Supplies | Other Costs Excluding Depreciation | Total 2019/20 | Total 2018/19 |
|---|---|------------------------------|-------------------------|--|------------------|------------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| St Clere's School | 6,050 | 1,168 | 185 | 1,527 | 8,930 | 8,504 |
| East Tilbury Primary School | 2,234 | 355 | 46 | 694 | 3,329 | 3,500 |
| Thameside Primary School | 2,817 | 404 | 42 | 676 | 3,939 | 3,822 |
| Stanford Primary School | 1,704 | 306 | 38 | 440 | 2,488 | 2,390 |
| Arthur Bugler Primary School | 1,370 | 227 | 21 | 346 | 1,964 | 2,022 |
| Brentwood County High School | 3,743 | 923 | 162 | 1,248 | 6,076 | 6,315 |
| Horndon on the Hill CofE Primary School | 722 | 127 | 18 | 254 | 1,121 | 519 |
| Doddinghurst CofE Junior School | 716 | 150 | 23 | 204 | 1,093 | 285 |
| Little Thurrock Primary School | 2,062 | 317 | 28 | 593 | 3,000 | 917 |
| Central Service | 553 | 1,091 | 3 | (992) | 655 | 71 |
| Academy Trust | 21,971 | 5,068 | 566 | 4,990 | 32,595 | 28,345 |
| 2018/19 total | 18,273 | 4,361 | 1,411 | 4,300 | 28,345 | |

20 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|--|--|------------------------|
| Intangible fixed assets | - | - | 42 | 42 |
| Tangible fixed assets | - | - | 81,151 | 81,151 |
| Current assets | 3,907 | 2,456 | 1,449 | 7,812 |
| Current liabilities | (2) | (2,241) | (98) | (2,341) |
| Non-current liabilities | - | (25) | - | (25) |
| Pension scheme liability | - | (20,828) | | (20,828) |
| Total net assets | 3,905 | (20,638) | 82,544 | 65,811 |

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 | - | - | 46 | 46 |
| Tangible fixed assets | - | - | 73,778 | 73,778 |
| Current assets | 3,738 | 3,535 | 1,316 | 8,589 |
| Current liabilities | (34) | (3,367) | (272) | (3,673) |
| Non-current liabilities | - | (40) | - | (40) |
| Pension scheme liability | - | (16,785) | - | (16,785) |
| Total net assets | 3,704 | (16,657) | 74,868 | 61,915 |

21 capital commitments

| | 2020 £000 | 2019 £000 |
|--|--------------|--------------|
| Contracted for, but not provided in the financial statements | - | - |

22 Financial commitments

Operating Leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under no-cancellable operating lease was:

| | 2020 | 2019 |
|--|------------|------------|
| | £000 | £000 |
| Amounts due within one year | 130 | 97 |
| Amounts due between one and five years | 107 | 58 |
| Expiring in over five years | - | - |
| | 237 | 155 |

No operating leases were in place for land or buildings

Contracts for Repairs and Maintenance

| | 2019 | 2018 |
|--|------|------|
| | £000 | £000 |
| Contracted for, but not provided in the financial statements | 43 | - |

23 reconciliation of net income/(expenditure) to net cash flow from operating activities

| | <u>2019/20</u> | <u>2018/19</u> |
|--|----------------|----------------|
| | £000 | £000 |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 5,950 | 3,474 |
| Adjusted for: | | |
| Amortisation (note 12) | 36 | 27 |
| Depreciation (note 13) | 1,738 | 1,534 |
| Capital grants from DfE and other capital income | (9,079) | (2,175) |
| Transfer of property on conversion | - | (5,177) |
| Interest receivable (note 6) | (4) | (5) |
| Defined benefit pension scheme obligation inherited | - | 2,017 |
| Defined benefit pension scheme cost less contributions payable (note 28) | 304 | 296 |
| Defined benefit pension scheme finance cost (note 28) | 1,385 | 1,133 |
| (Increase)/decrease in debtors | 633 | (1,060) |
| Increase/(decrease) in creditors | (1,032) | 939 |
| Net Cash provided by / (used in) Operating Activities | (69) | 1,003 |

24 cash flows from financing activities

| | 2019/20 | 2018/19 |
|--|----------------|----------------|
| | £000 | £000 |
| Repayments of borrowing | (14) | (14) |
| Cash inflows from new borrowing | - | - |
| Net cash provided by / (used in) financing activities | (14) | (14) |

25 cash flows from investing activities

| | 2019/20 | 2018/19 |
|---|----------------|----------------|
| | £000 | £000 |
| Dividends, interest and rents from investments | 4 | 5 |
| Proceeds from sale of tangible fixed assets | - | - |
| Purchase of intangible fixed assets | (32) | (64) |
| Purchase of tangible fixed assets | (1,112) | (1,036) |
| Capital grants from DfE/EFA | 964 | 855 |
| Capital funding received from sponsors and others | 115 | 50 |
| Net cash outflow from capital expenditure and financial investment | (61) | (190) |

26 Analysis of cash and cash equivalents

| | 2020 | 2019 |
|--|--------------|--------------|
| | £000 | £000 |
| Cash in hand and at bank | 6,621 | 6,765 |
| Notice Deposits (less than 3 months) | - | - |
| Total cash and cash equivalents | 6,621 | 6,765 |

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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%. The TPS valuation for 2012 determined an employer rate of 16.48%, 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 September 2019.

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

The employer's pension costs paid to TPS in the period amounted to £2,822,000 (2019: £1,663,000).

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 2020 was £1,781,000 (2019: £1,459,000), of which employer's contributions totalled £1,406,000 (2019: £1,139,000) and employees' contributions totalled £375,000 (2019: £320,000). 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 2020</u> | <u>At 31 August 2019</u> |
|--|--------------------------|--------------------------|
| Rate of increase in salaries | 3.3% | 3.7% |
| Rate of increase for pensions in payment / inflation | 2.3% | 2.2% |
| Discount rate for scheme liabilities | 1.6% | 1.85% |
| Inflation assumption (CPI) | 2.3% | 2.2% |
| 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 2020</u> | <u>At 31 August 2019</u> |
|-----------------------------|--------------------------|--------------------------|
| <i>Retiring today</i> | | |
| Males | 21.8 | 21.3 |
| Females | 23.8 | 23.6 |
| <i>Retiring in 20 years</i> | | |
| Males | 23.2 | 23.0 |
| Females | 25.2 | 25.4 |

Sensitivity analysis

| | <u>At 31 August 2020</u> | <u>At 31 August 2019</u> |
|--|--------------------------|--------------------------|
| | £ | £ |
| Discount rate +0.1% | (903,000) | (713,000) |
| Discount rate -0.1% | 928,000 | 730,000 |
| Mortality assumption – 1 year increase | 1,325,000 | 1,121,000 |
| Mortality assumption – 1 year decrease | (1,278,000) | (1,080,000) |
| CPI rate +0.1% | 852,000 | 653,000 |
| CPI rate -0.1% | (830,000) | (636,000) |

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

| | <u>Fair value at 31 August 2020</u> | <u>Fair value at 31 August 2019</u> |
|---|-------------------------------------|-------------------------------------|
| | £ | £ |
| Equities | 9,466,000 | 8,012,000 |
| Gilts | 653,000 | 698,000 |
| Other Bonds | 856,000 | 714,000 |
| Property | 1,188,000 | 1,016,000 |
| Cash | 415,000 | 368,000 |
| Alternative Assets | 1,775,000 | 1,243,000 |
| Other Managed Funds | 926,000 | 653,000 |
| Total market value of assets | 15,279,000 | 12,704,000 |
| Present value of scheme liabilities - Funded | (36,107,000) | (29,489,000) |
| (Deficit) in the scheme | (20,828,000) | (16,785,000) |

The actual return on scheme assets was £361,000. (2019 - £877,000)

Amounts recognised in the statement of financial activities

| | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|
| | £ | £ |
| Current service cost (net of employee contributions) | 2,782,000 | 2,026,000 |
| Past Service cost | - | 329,000 |
| Net interest cost | 304,000 | 296,000 |
| Loss on settlement | - | (86,000) |
| Total operating charge | 3,086,000 | 2,565,000 |

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

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|-------------------|
| | £ | £ |
| At 1 September 2019 | 29,489,000 | 20,662,000 |
| LGPS Deficit Transferred on conversion | - | 3,449,000 |
| Re-introduced closed school fund – now absorbed | 439,300 | - |
| Current service cost | 2,782,000 | 2,026,000 |
| Past service cost | - | 329,000 |
| Interest cost | 558,000 | 566,000 |
| Employee contributions | 375,000 | 320,000 |
| Actuarial (gain)/loss | 2,837,700 | 2,619,000 |
| Curtailments and settlements | - | (156,000) |
| Benefits paid | (374,000) | (326,000) |
| At 31 August 2020 | 36,107,000 | 29,489,000 |

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

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|-------------------|
| | £ | £ |
| At 1 September 2019 | 12,704,000 | 9,335,000 |
| LGPS Deficit Transferred on conversion | - | 1,432,000 |
| Re-introduced closed school fund – now absorbed | 139,000 | - |
| Return on plan assets (excluding net interest on the net defined pension liability) | 107,000 | 607,000 |
| Interest income | 254,000 | 270,000 |
| Administration expenses | (9,000) | (3,000) |
| Actuarial gain/(Loss) | 677,000 | - |
| Employer contributions | 1,406,000 | 1,139,000 |
| Employee contributions | 375,000 | 320,000 |
| Assets distributed on settlements | - | - |
| Settlements | - | (70,000) |
| Benefits paid | (374,000) | (326,000) |
| At 31 August 2020 | 15,279,000 | 12,704,000 |

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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1st April 2019 and obtaining their approval where required, 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.

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.

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.

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.

J Watkinson, son of T Jaffe, a trustee, is employed by the academy trust as an Assistant Headteacher. J Watkinson's appointment was made in open competition and T Jaffe was not involved in the decision making process regarding the appointment. J Watkinson 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 £211,073 (2019: £133,418)

30 Agency arrangements

The academy trust distributes bursary funds to students as an agent for the Education and Skills Funding Agency. In the accounting period ending 31st August 2020 the trust received £9,785 and disbursed £12,899 from the fund. An amount of £11,561 (2019: £13,931) is included in other creditors relating to undistributed funds that is repayable to the Education and Skills Funding Agency.

31 Events after the end of the reporting period

From September 2020 a new school was opened, Thames Park Secondary School.

From October 2020, Warren Primary School joined the Osborne Co-operative Academy Trust from local authority. The operations, buildings, pension obligations and fund balances from this school were transferred to the Academy for £nil consideration.

From December 2020, Bonnygate Primary School joined the Osborne Co-operative Academy Trust from local authority. The operations, buildings, pension obligations and fund balances from this school were transferred to the Academy for £nil consideration.