



CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

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CO-OPERATIVE EDUCATION EAST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD ENDED 31 AUGUST 2017

Members

Christine Herries (appointed 8 September 2016)
Paul Bunn (appointed 8 September 2016)
Clarke Willis MBE (appointed 8 September 2016)

Trustees

Mark Merrywest, Accounting Officer (appointed 8 September 2016)
Christine Herries, Chair (appointed 8 September 2016)
Jennifer Gill (appointed 8 September 2016)
Kathryn Dunning (appointed 8 September 2016)
Ceri Owen (appointed 8 September 2016)
Nick O'Dell (appointed 8 September 2016)
John Chilcott (appointed 8 September 2016)

Company registered number

10365323

Company name

Co-operative Education East

Principal and registered office

Honingham Thorpe Norwich Road, Colton, Norwich, Norfolk, NR9 5BZ

Chief Executive Officer

Mark Merrywest

Senior management team

Mark Merrywest, Chief Executive Officer
Michaela Rolph, Headteacher at Bunwell Primary School to 17 April 2017
Paul Seeman, Headteacher at Banham Community Primary School
Lisa Heath, Headteacher at Thompson Primary School

Independent auditors

MA Partners LLP, 7 The Close, Norwich, Norfolk, NR1 4DJ

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 8 September 2016 (incorporation) to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Bunwell Primary School and Banham Primary School joined the Academy Trust on 1 November 2016. Thompson Primary School joined the Academy Trust on 1 July 2017.

Since the Academy Trust qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy trust.

The Trustees of Co-operative Education East are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served during the period are included in the Reference and administrative details on page 1.

The principal objects of the Academy Trust are to advance for the public benefit Education in the United Kingdom. In particular, but without prejudice to the generality of foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on a values led education..

b. 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.

c. Trustees' indemnities

The Academy Trust has opted in to the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, error or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

d. Method of recruitment and appointment or election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

e. Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience and will include accompanied visits with the CEO to some of the Academy Trust schools to view strengths and potential risks at first hand and meet senior leaders and business leaders across the Academy Trust.

Additionally, Trustees are introduced to policies, procedures, minutes, accounts, budgets, plans and other documents as applicable that they will need to undertake their role as Trustees. As there is expected to be only two or three new Trustees a year, induction will be carried out informally and will be tailored specifically to the individual.

f. Organisational structure

The Academy Trust was set up with a management structure to support the Education Brief. The current structure consists of two levels: the Trustees and the Senior Leadership Team who are responsible for the day to day running of the schools.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy Trust by the use of budgets and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

A Senior Leadership Team (SLT) and wider SLT are responsible for leading each trust school on a day to day basis and regular scrutiny of their impact is completed by the CEO.

These managers control the Academy Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. They are responsible for the day to day operations of the Academy Trust, in particular organising the teaching staff, facilities and students.

The SLT is responsible for overall spending, scrutinised by the Finance Officers and overseen by the CEO Trustees and relevant committees. The appointment of all staff, through short listing and interviews for posts always contain a safe recruitment trained individual.

g. Pay policy for key management personnel

Our Academy Trust Scheme of Delegation indicates that pay, conditions and contractual terms for the CEO are the responsibility of Trust Chair.

Performance management and pay and conditions for the Head teachers in the Academy Trust are the responsibility of the CEO. This responsibility no longer rests with local governing bodies as in the past to ensure greater rigour and consistency and ensure all elements of pay and performance management are dealt with by a common format across the Academy Trust. This method of working also assists ongoing planning for sustainable leadership and ensures equality across the Academy Trust.

h. Connected organisations, including related party relationships

The Academy Trust is not part of a wider network although its academies do continue to work within their local clusters (as allocated by the Local Authority prior to conversion). Details of related party transactions that arose in the period are included in note 26.

CO-OPERATIVE EDUCATION EAST
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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Objectives and Activities

a. Objects and aims

For the Academy Trust to fully realise its aims, we recognise the role that the family, the immediate community and other schools and agencies have to play in the development of the children and we actively encourage their participation in the education of the children in our care. The Academy Trust also uses the internationally recognised Co-operative Values and Principles as a principle factor.

The aims of the Academy Trust are:

- to stimulate intellectual growth by encouraging enquiry and a love of learning;
- to teach children how to communicate effectively and to provide challenges and opportunities for each child's social, intellectual, emotional and physical development;
- to provide equal opportunity for each pupil to achieve their true potential;
- to provide for pupils a sensitive and stable community in which to work so every child can have the confidence to develop both as an individual and as a responsible member of society;
- to provide a secure and ordered environment in which pupils will be encouraged to respect themselves, others and the environment; and
- to prepare them to cope with the demands and rapidly changing circumstances of our modern world.

b. Objectives, strategies and activities

We aim to stimulate the following attitudes in the children through a wide range of activities and experiences:

- a desire to learn and to take an active part in their own personal development;
- an ability to express themselves creatively and use creative thought in solving problems;
- a desire to do their best for themselves and for others;
- positive behaviour, both in and out of school; and
- self-respect and respect for others, their beliefs, values and property.

We aim to provide an environment which supports pupils in realising these aims by:

- ensuring that the needs of pupils are met through quality professional planning and teaching;
- ensuring that all pupils have equal regard and access to the whole curriculum;
- providing a broad, balanced and relevant curriculum within the framework of the National Curriculum and school policies;
- meeting, with sensitivity, the pastoral needs of pupils; and
- providing security for all pupils through positive, fair and consistent discipline.

The Academy Trust's activities cover a broad curriculum range. Beyond the curriculum extracurricular clubs operates in each school and inter-school activities are a regular feature alongside other members of the local cluster. School visits are also regularly available for all pupils with the aim of providing experiences beyond that which they would normally receive.

c. Public benefit

The Trustees recognise their charitable responsibilities for the advancement of education as described in the Charity Commission's Statement of Recommended Practice. They have also considered public benefit guidance issued by the Charity Commission. The Trustees have recorded in this report the activities carried out by the Academy Trust in order to further charitable purposes for the public benefit.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Strategic report

Achievements and performance

a. Key performance indicators

Each of the schools within the Academy Trust continues to make progress from their starting points. The performance data for each school is analysed by the individual leadership teams and additionally by the CEO and Trustees to both support and challenge the schools. Specific results for the period are still deemed to be unvalidated at this time, but will be published on individual school websites.

Thompson Primary School joined the Academy Trust in July 2017 as a converter academy and has made rapid forward progress under the new structure and leadership of the new Head Teacher. The school has integrated well with the others in the group and is forming strong and lasting relationships across the Academy Trust. Results indicate a major improvement between 2016 and 2017, whilst still being slightly below National Standards.

None of the schools have been subject to Ofsted inspection during this period.

All of our schools are focused on achieving the Academy Trust's aims of high standards for both achievement and attainment for all of our young people.

b. 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 has adopted the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial review

a. Reserves policy

A formal Reserves Policy has yet to be adopted by the Trust. The Trustees have set as an action point for the first Board meeting of 2018 to review the current level of reserves to ensure adequate financial cover is balanced against the needs of each school and to establish a formal Reserves Policy.

b. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those related to the operations and finances of the Academy Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Trustees review the risk register identifying major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. A risk register is completed for overall risks for each Board meeting which is then submitted to Academy Trust members so the members may be satisfied that Trustees are fulfilling their duties effectively.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2017

Plans for future periods

a. Future developments

1. To effectively grow the Co-operative Education East Trust in order to best achieve outstanding outcomes for all pupils in all schools in the Academy Trust and to sponsor schools requiring development.
2. To continue develop a highly effective central services function to continue the smooth running of all schools allowing them to benefit from economies of scale and to focus on teaching and learning.
3. To further develop co-operative value and principles in all aspects of the Academy Trust, ensuring a evidential link between school improvement and being co-operative.
4. To appoint a Director of Education to oversee and drive forward school improvement across the Academy Trust.
5. To maintain Banham Primary's "outstanding" grading and to esure the Academy Trust's other schools are either "good" or "outstanding" by their next Ofsted.
6. Progress and attainment to exceed National Standards across all schools in the Academy Trust.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are 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 22 December 2017 and signed on its behalf by:


Christine Herries, Chair

CO-OPERATIVE EDUCATION EAST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Co-operative Education East and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mark Merrywest, Accounting Officer	5	5
Christine Herries, Chair	5	5
Jennifer Gill	5	5
Kathryn Dunning	5	5
Ceri Owen	4	5
Nick O'Dell	3	5
John Chilcott	5	5

Board members are appointed on the basis of the key skills offered by potential director volunteers.

Review of Value for Money

As Accounting Officer, the CEO 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:

Developing a database of all services and contracts in the Academy Trust's schools and has ensured the same supplier for most services in all schools. This aids efficiency and has created cost savings in many contracts, for instance, a saving of £6K in catering at two schools. By operating in this manner it also ensures no school can take a contract that would be outside ESFA regulations. Economies of scale have been achieved on a number of occasions by negotiating stronger deals with suppliers.

The Board of Trustees continues to hold the CEO and each school to account for pupil's progress, safeguarding and effective use of all resources. The Trustees receive detailed information, including potential risks, regarding each school on a half termly basis. If, for instance, the Trustees note potential difficulties in the budget setting by any school they quickly hold the school to account and provide support as required.

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GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Co-operative Education East for the period 8 September 2016 to 31 August 2017 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the period 8 September 2016 to 31 August 2017 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 CEO and LGCs of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trustees are aware of the requirement to manage a programme of risk review and checking of financial controls but have not yet appointed an internal auditor, "Responsible Officer" or peer reviewer.

Review of Effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:


- the work of the external auditors;
- 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 and a plan to address weaknesses and ensure improvement of the system is in place.

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GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board of Trustees on 22 December 2017 and signed on their behalf,
by:



.....
Christine Herries, Chair



.....
Mark Merrywest, Accounting Officer
Accounting Officer

CO-OPERATIVE EDUCATION EAST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Co-operative Education East 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 ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.



.....
Mark Merrywest
Accounting Officer

Date: 22 December 2017

CO-OPERATIVE EDUCATION EAST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2017

The Trustees (who act as governors of Co-operative Education East and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued 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 of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 22 December 2017 and signed on its behalf by:


.....
Christine Herries, Chair

CO-OPERATIVE EDUCATION EAST
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CO-OPERATIVE EDUCATION EAST

Opinion

We have audited the financial statements of Co-operative Education East (the 'Academy Trust') for the period ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CO-OPERATIVE EDUCATION EAST

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of 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 Trustees' report including the Strategic report.

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

- 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 Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CO-OPERATIVE EDUCATION EAST

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, 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.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.



F M E Shippam BSc FCA DChA (Senior statutory auditor)

for and on behalf of

MA Partners LLP

Chartered Accountants
Statutory Auditors

7 The Close
Norwich
Norfolk
NR1 4DJ
22 December 2017

CO-OPERATIVE EDUCATION EAST
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CO-OPERATIVE EDUCATION EAST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 9 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Co-operative Education East during the period 8 September 2016 to 31 August 2017 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 Co-operative Education East and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Co-operative Education East and the 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 Co-operative Education East and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Co-operative Education East's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Co-operative Education East's funding agreement with the Secretary of State for Education dated 28 October 2016, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 8 September 2016 to 31 August 2017 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 2016 to 2017 issued by the 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.

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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CO-OPERATIVE EDUCATION EAST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

Our procedures included, but were not limited to, the following:

- Reviewing the processes for identifying and declaring business interests, related parties and transactions with connected parties;
- Reviewing minutes of meetings and making enquiries of Trustees and management;
- Performing an evaluation of the general control environment;
- Sample testing of expenditure to ensure the Trust's lines of delegation and procurement policies have been adhered to, that employees have not personally benefitted from any transaction and that goods and services have been procured in an open and transparent manner;
- Sample testing of restricted income to ensure it has been spent as the purposes intended;
- Reviewing transactions which may not fall within the delegated authority of the Trust and ensuring any such transactions have been authorised and disclosed as necessary;
- Reviewing compliance with *Annex C: Schedule of requirements (the "musts")* of the Academies Financial Handbook 2016.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 8 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

1. No internal audit committee or a committee which discharges the functions of an audit committee was established in the period.
2. No programme of risk review and checking of financial controls had been undertaken in the period.



MA Partners LLP

Chartered Accountants
Statutory Auditors

7 The Close
Norwich
Norfolk
NR1 4DJ

22 December 2017

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Income from:					
Donations & capital grants:					
Transfer from local authority on conversion	2	216,392	(564,000)	2,486,143	2,138,535
Other donations and capital grants	2	2,194	10,171	-	12,365
Charitable activities	3	30,429	906,072	-	936,501
Other trading activities	4	15,582	-	-	15,582
Investments	5	60	-	-	60
Total income		<u>264,657</u>	<u>352,243</u>	<u>2,486,143</u>	<u>3,103,043</u>
Expenditure on:					
Charitable activities		722	1,055,619	20,219	1,076,560
Total expenditure	8	<u>722</u>	<u>1,055,619</u>	<u>20,219</u>	<u>1,076,560</u>
Net income / (expenditure) before transfers					
Transfers between Funds	18	263,935 (152,375)	(703,376) 122,683	2,465,924 29,692	2,026,483 -
Net income / (expenditure) before other recognised gains and losses					
		111,560	(580,693)	2,495,616	2,026,483
Actuarial losses on defined benefit pension schemes	23	-	(26,000)	-	(26,000)
Net movement in funds		<u>111,560</u>	<u>(606,693)</u>	<u>2,495,616</u>	<u>2,000,483</u>
Reconciliation of funds:					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u><u>111,560</u></u>	<u><u>(606,693)</u></u>	<u><u>2,495,616</u></u>	<u><u>2,000,483</u></u>

All of the Academy Trust's activities derive from acquisitions in the current financial period.

The notes on pages 20 to 45 form part of these financial statements.

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)
REGISTERED NUMBER: 10365323

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £
Fixed assets			
Tangible assets	15		2,495,616
Current assets			
Debtors	16	108,036	
Cash at bank and in hand		223,037	
		331,073	
Creditors: amounts falling due within one year	17	(187,206)	
Net current assets			143,867
Total assets less current liabilities			2,639,483
Defined benefit pension scheme liability	23		(639,000)
Net assets including pension scheme liabilities			2,000,483
Funds of the academy			
Restricted income funds:			
Restricted income funds	18	32,307	
Restricted fixed asset funds	18	2,495,616	
		2,527,923	
Restricted income funds excluding pension liability			
Pension reserve		(639,000)	
		1,888,923	
Total restricted income funds			1,888,923
Unrestricted income funds	18		111,560
Total funds			2,000,483

The financial statements on pages 17 to 45 were approved by the Trustees, and authorised for issue, on 22 December 2017 and are signed on their behalf, by:



Christine Herries, Chair

The notes on pages 20 to 45 form part of these financial statements.

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2017

	Note	2017 £
Cash flows from operating activities		
Net cash provided by operating activities	20	<u>26,106</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments		60
Purchase of tangible fixed assets		(29,692)
Capital grants from DfE/ESFA		10,171
Cash transferred on conversion to an academy trust		<u>216,392</u>
Net cash provided by investing activities		<u>196,931</u>
Change in cash and cash equivalents in the period		223,037
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	21	<u><u>223,037</u></u>

The notes on pages 20 to 45 form part of these financial statements.

All of the cash flows are derived from acquisitions in the current financial period.

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Co-operative Education East constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The Academy Trust is a private company limited by guarantee. The members and the Trustees of the Academy Trust are named on page 1. In the event of the Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy Trust.

1.3 Going concern

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

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. Accounting policies (continued)

1.4 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

1.5 Expenditure

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

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Termination payments

Termination payments are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination payments when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination payments as a result of an offer made to encourage voluntary redundancy.

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £3,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	-	not depreciated
Freehold buildings	-	2% straight line
Property improvements	-	2% straight line

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

On conversion to academy status, the freehold land and buildings for each school were transferred to the Trust. As such the school property has been recognised as a fixed asset in the Balance Sheet at a fair value of £2,486,143. The fair values for Bunwell Primary School (£928,472) and Banham Community Primary School (£942,671) are based upon the values written out of Norfolk County Council's financial statements on conversion. The fair value for Thompson Primary School (£615,000) is based upon a valuation performed by Brown & Co on 24 August 2017.

1.8 Debtors

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

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. Accounting policies (continued)

1.10 Liabilities and provisions

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

1.11 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 Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.12 Taxation

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

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. Accounting policies (continued)

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

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

1.14 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Bunwell Primary School, Banham Community Primary School and Thompson Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

1.15 Agency arrangements

The Trust acts as an agent in administering funds for the Acorn Co-operative Learning Alliance. Payments received from partner schools and subsequent payments on behalf of Acorn Co-operative Learning Alliance are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 27.

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

1. Accounting policies (continued)

1.16 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 the Department for Education where the asset acquired or created is held for a specific purpose.

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

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

1.17 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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 23, 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 2017. 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.

In assessing the carrying value of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets.

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Transfer from local authority on conversion	216,392	(564,000)	2,486,143	2,138,535
Donations	2,194	-	-	2,194
Capital Grants	-	10,171	-	10,171
Subtotal	2,194	10,171	-	12,365
	<u>218,586</u>	<u>(553,829)</u>	<u>2,486,143</u>	<u>2,150,900</u>

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
DfE/ESFA grants			
General Annual Grant (GAG)	-	760,513	760,513
Pupil Premium	-	23,985	23,985
Conversion grant	-	25,000	25,000
Rates relief	-	5,059	5,059
Teaching School grant	-	12,000	12,000
Universal Infant Free School Meals	-	14,602	14,602
PE and Sports grant	-	7,008	7,008
	<u>-</u>	<u>848,167</u>	<u>848,167</u>
Other government grants			
SEN funding	-	43,305	43,305
Other LA funding	-	14,600	14,600
	<u>-</u>	<u>57,905</u>	<u>57,905</u>
Other income from the academy trust's educational operations			
Catering income	3,334	-	3,334
Trip income	6,476	-	6,476
Clubs income	20,619	-	20,619
	<u>30,429</u>	<u>-</u>	<u>30,429</u>
	<u><u>30,429</u></u>	<u><u>906,072</u></u>	<u><u>936,501</u></u>

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Reimbursement of staff time	14,653	-	14,653
Other income	929	-	929
	<u>15,582</u>	<u>-</u>	<u>15,582</u>
	<u><u>15,582</u></u>	<u><u>-</u></u>	<u><u>15,582</u></u>

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Bank interest	<u>60</u>	<u>-</u>	<u>60</u>

6. Direct costs

	Total 2017 £
Educational supplies	18,726
Staff development	8,003
Educational professional services	6,788
Educational consultancy	4,054
Educational visits	9,403
Club provisions	1,093
Wages and salaries	508,354
National insurance	39,716
Pension cost	54,617
	<u>650,754</u>

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

7. Support costs

	Total 2017 £
Pension interest	11,000
Technology costs	14,675
Staff recruitment and support	482
Maintenance of property and equipment	46,390
Cleaning	3,142
Rent and rates	6,119
Energy and water costs	11,861
Insurance	5,464
Catering	40,203
Bank charges	1,500
Uniform	721
Subscriptions	9,724
Professional fees	17,239
Legal fees	15,959
Accountancy fees	10,949
Audit fees	6,950
Marketing and advertising	11,026
Payments to Cluster	12,639
Other admin expenses	10,956
Wages and salaries	86,397
National insurance	6,687
Pension cost	75,504
Depreciation	20,219
	425,806
	425,806

8. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £
Activities:				
Direct costs	602,687	-	48,067	650,754
Support costs	168,588	87,730	169,488	425,806
	771,275	87,730	217,555	1,076,560
	771,275	87,730	217,555	1,076,560

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

9. Net income/(expenditure)

This is stated after charging:

	2017 £
Depreciation of tangible fixed assets: - owned by the charity	20,219
Auditors' remuneration - audit	6,950
Auditors' remuneration - other services	5,050
Operating lease rentals	2,613
	<u> </u> <u> </u>

10. Staff costs

Staff costs were as follows:

	2017 £
Wages and salaries	565,126
Social security costs	46,403
Operating costs of defined benefit pension schemes	130,121
	<u> </u> 741,650
Supply teacher costs	9,625
Staff restructuring costs	20,000
	<u> </u> <u> </u> 771,275

Included within staff restructuring costs is a non-statutory / non-contractual severance payment totalling £20,000.

The average number of persons employed by the Academy Trust during the period was as follows:

	2017 No.
Teachers	11
Administration and Support	35
Management	2
	<u> </u> <u> </u> 48

No employee received remuneration amounting to more than £60,000 in the period.

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £129,205.

CO-OPERATIVE EDUCATION EAST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

11. Central services

The Academy Trust works as a co-operative, with member schools using equitable economic participation on many aspects jointly procured through the central services. In most instances, each school is given the option as to whether to be included in this joint procurement in order to achieve economies of scale. Examples of goods and services provided in this way are building and maintenance contracts and management information systems. Items procured centrally, but paid directly by each school are not included in the amounts shown in this section.

A few central services however are provided centrally for all academies in the Trust, reflecting the legal and operational nature of a Multi Academy Trust which are:

- Human resources
- Financial services
- Legal services
- Educational support services
- Central Trust administration and procurement
- Central management and co-ordination
- Design, marketing and web support

The Academy Trust charges for these services on the following basis:

A flat percentage of GAG income basis (6%).

The actual amounts charged during the year were as follows:

	2017 £
Banham Community Primary School	22,521
Bunwell Primary School	18,929
Thompson Primary School	4,181
	<hr/>
Total	45,631
	<hr/> <hr/>

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other 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:

	2017 £
M Merrywest (CEO and Trustee), employed from May 2017	Remuneration 15,000-20,000

During the period ended 31 August 2017, no Trustees received any reimbursement of expenses.

CO-OPERATIVE EDUCATION EAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

13. Trustees' and Officers' Insurance

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

14. Other finance income

	2017 £
Interest income on pension scheme assets	6,000
Interest on pension scheme liabilities	(17,000)
	(11,000)
	(11,000)

15. Tangible fixed assets

	Freehold property £	Property improvements £	Total £
Cost			
Additions	-	29,692	29,692
Transferred on conversion	2,486,143	-	2,486,143
At 31 August 2017	2,486,143	29,692	2,515,835
Depreciation			
Charge for the period	20,219	-	20,219
At 31 August 2017	20,219	-	20,219
Net book value			
At 31 August 2017	2,465,924	29,692	2,495,616

16. Debtors

	2017 £
Trade debtors	14,077
VAT repayable	19,281
Other debtors	2,011
Prepayments and accrued income	72,667
	108,036
	108,036

CO-OPERATIVE EDUCATION EAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

17. Creditors: Amounts falling due within one year

	2017
	£
Trade creditors	77,058
Other taxation and social security	17,257
Other creditors	16,664
Accruals and deferred income	76,227
	<hr/>
	187,206
	<hr/> <hr/>
	£
Deferred income	
Resources deferred during the year	29,343
	<hr/> <hr/>

At the balance sheet date the Trust had received the following income relating to the period after the balance sheet date:

- Free School Meals funding (£16,061)
- Cluster funding (£13,282)

CO-OPERATIVE EDUCATION EAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

18. Statement of funds

	Balance at 8 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General funds	-	264,657	(722)	(152,375)	-	111,560
Restricted funds						
General Annual Grant (GAG)	-	760,513	(849,845)	89,332	-	-
Pupil Premium	-	34,395	(26,862)	(3,780)	-	3,753
Universal Infant Free School Meals	-	14,602	(11,974)	-	-	2,628
Rates relief	-	5,059	(2,806)	-	-	2,253
Conversion grant	-	25,000	(15,158)	-	-	9,842
Devolved Formula Capital	-	14,361	(14,361)	-	-	-
PE and Sports grant	-	7,008	(5,364)	131	-	1,775
Teaching School grant	-	12,000	(6,000)	-	-	6,000
SEN funding	-	43,305	(37,249)	-	-	6,056
Pension reserve	-	(564,000)	(86,000)	37,000	(26,000)	(639,000)
	-	352,243	(1,055,619)	122,683	(26,000)	(606,693)
Restricted fixed asset funds						
Assets transferred on conversion	-	2,486,143	(20,219)	-	-	2,465,924
Capital assets purchased from GAG	-	-	-	25,912	-	25,912
Capital assets purchased from Pupil Premium	-	-	-	3,780	-	3,780
	-	2,486,143	(20,219)	29,692	-	2,495,616
Total restricted funds	-	2,838,386	(1,075,838)	152,375	(26,000)	1,888,923
Total of funds	-	3,103,043	(1,076,560)	-	(26,000)	2,000,483

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

The General Annual Grant (GAG) is for the normal running costs of the schools within the Trust. The following transfers have been made from the GAG: £37,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme, £25,912 for capital expenditure from the GAG fund and £131 to the PE and Sports grant fund to clear a deficit. £152,375 has been transferred from unrestricted funds to clear the deficit on the GAG fund.

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18. Statement of funds (continued)

The Pupil Premium income has been provided by the ESFA to help raise the attainment of disadvantaged pupils. £3,780 was used on capital items.

Funding was received from the ESFA to assist with the provision of Universal Infant Free School Meals.

Rates relief is received from the ESFA towards the cost of rates for the Trust.

A Conversion grant was awarded on conversion of Thompson Primary School to academy status. These monies are spent on legal costs and other transition expenses.

Devolved Formula Capital funding is received for minor capital works and ICT replacement within the Trust.

The PE and sports grant represents funding received towards the cost of improving PE provision.

Teaching School funding includes grant income from the NCTL.

SEN Funding is focused on children with special educational needs, and is utilised on SEN co-ordinators and additional teaching resources orientated to support normal curriculum learning.

The Pension reserve deficit at the year end was £639,000 and represents the Trust's share of the deficit of the relevant Local Government Pension Schemes.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £
Bunwell Primary School	34,398
Banham Community Primary School	80,788
Thompson Primary School	76,267
Central services	(47,586)
Total before fixed asset fund and pension reserve	143,867
Restricted fixed asset fund	2,495,616
Pension reserve	(639,000)
Total	2,000,483

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Analysis of academies by cost

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 2017 £
Bunwell Primary School	238,104	27,041	8,121	94,659	367,925
Banham Community Primary School	321,597	17,828	9,608	81,433	430,466
Thompson Primary School	42,986	3,592	567	23,994	71,139
Central services	-	120,127	430	66,254	186,811
	<u>602,687</u>	<u>168,588</u>	<u>18,726</u>	<u>266,340</u>	<u>1,056,341</u>

19. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	2,495,616	2,495,616
Current assets	111,560	219,512	-	331,072
Creditors due within one year	-	(187,205)	-	(187,205)
Provisions for liabilities and charges	-	(639,000)	-	(639,000)
	<u>111,560</u>	<u>(606,693)</u>	<u>2,495,616</u>	<u>2,000,483</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £
Net income for the year (as per Statement of Financial Activities)	2,026,483
Adjustment for:	
Depreciation charges	20,219
Dividends, interest and rents from investments	(60)
Increase in debtors	(108,036)
Increase in creditors	187,206
Capital grants from DfE and other capital income	(10,171)
Defined benefit pension scheme obligation inherited	564,000
Defined benefit pension scheme cost less contributions payable	38,000
Defined benefit pension scheme finance cost	11,000
Net (loss) on assets and liabilities from local authority on conversion	(2,702,535)
Net cash provided by operating activities	26,106

21. Analysis of cash and cash equivalents

	2017 £
Cash in hand	223,037
Total	223,037

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

22. Conversion to an academy trust

On 1 November 2016 Bunwell Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Co-operative Education East from Norfolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Freehold/leasehold land and buildings	-	-	928,472	928,472
Budget surplus/(deficit) on LA funds	97,102	-	-	97,102
LGPS pension surplus/(deficit)	-	(154,000)	-	(154,000)
	<u>97,102</u>	<u>(154,000)</u>	<u>928,472</u>	<u>871,574</u>
Net assets/(liabilities)	<u>97,102</u>	<u>(154,000)</u>	<u>928,472</u>	<u>871,574</u>

The above net assets include £97,102 that were transferred as cash.

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Conversion to an academy trust

On 1 November 2016 Banham Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Co-Operative Education East from Norfolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	942,671	942,671
Budget surplus/(deficit) on LA funds	67,324	-	-	67,324
LGPS pension surplus/(deficit)	-	(270,000)	-	(270,000)
Net assets/(liabilities)	<u>67,324</u>	<u>(270,000)</u>	<u>942,671</u>	<u>739,995</u>

The above net assets include £67,324 that were transferred as cash.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

Conversion to an academy trust

On 1 July 2017 Thompson Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Co-Operative Education East from Norfolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Freehold/leasehold land and buildings	-	-	615,000	942,671
Budget surplus/(deficit) on LA funds	51,941	-	-	67,324
LGPS pension surplus/(deficit)	-	(140,000)	-	(270,000)
	<u>51,941</u>	<u>(140,000)</u>	<u>615,000</u>	<u>739,995</u>
Net assets/(liabilities)	<u>51,941</u>	<u>(140,000)</u>	<u>615,000</u>	<u>739,995</u>

The above net assets include £51,941 that were transferred as cash.

23. Pension commitments

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

As described in note 22 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £16,663 were payable to the schemes at 31 August 2017 and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £54,020.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

23. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £48,000, of which employer's contributions totalled £37,000 and employees' contributions totalled £11,000. The agreed contribution rates for future years are 18.8-21.3% for employers and 5.5-12.5% 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.

Norfolk Pension Fund

Principal actuarial assumptions:

	2017
Discount rate	2.50 %
Salary increase rate	2.70 %
Pension increase rate	2.40 %

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

	2017
Retiring today	
Males	22.1
Females	24.4
Retiring in 20 years	
Males	24.1
Females	26.4

	At 31 August
Sensitivity analysis	2017
	£
Discount rate -0.1%	27,600
Salary increase rate +0.1%	7,600
Pension increase rate +0.1%	19,400

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2017 £
Equities	236,840
Debt instruments	95,500
Property	42,020
Cash	7,640
	382,000
Total market value of assets	382,000

The actual return on scheme assets was £31,000.

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £
Current service cost	(75,000)
Interest income	6,000
Interest cost	(17,000)
	(86,000)
Total	(86,000)

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

	2017 £
Current service cost	75,000
Interest cost	17,000
Employee contributions	11,000
Actuarial losses	51,000
Benefits paid	(3,000)
Liabilities assumed in a business combination	870,000
	1,021,000
Closing defined benefit obligation	1,021,000

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23. Pension commitments (continued)

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

	2017 £
Interest income	6,000
Return on assets excluding amounts included in net interest	25,000
Employer contributions	37,000
Employee contributions	11,000
Benefits paid	(3,000)
Assets acquired in a business combination	306,000
	<hr/>
Closing fair value of scheme assets	382,000
	<hr/> <hr/>

24. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £
Amounts payable:	
Within 1 year	2,613
Between 1 and 5 years	2,960
	<hr/>
Total	5,573
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25. 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.

CO-OPERATIVE EDUCATION EAST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2017

26. Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the period, £1,764 was paid to Nick O'Dell, a trustee, for his role as Business Manager for the Acorn Co-operative Learning Alliance.

During the period, £5,638 was paid to Mark Merrywest, a trustee, for consultancy services provided to the Trust.

During the period a total of £28,076 was paid to Anglian Farmers Limited and a subsidiary, AF Affinity Limited, for services provided to the Trust. For part of the period, Clarke Willis MBE, a member, was a director of Anglian Farmers Limited and AF Affinity Limited.

27. Agency Arrangements

The Trust acts as agent for the Acorn Co-operative Learning Alliance and makes payments to a Business Manager for services provided. In the accounting period ending 31 August 2017 the Trust received £4,760 from partner schools, £1,764 was contributed from its own resources as its equitable share of the cost and £8,247 was disbursed from the fund. An amount of £1,723 is included in other debtors relating to amounts due from partner schools.