



**CO-OPERATIVE EDUCATION EAST**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Christine Herries Paul Bunn Clarke Willis MBE
<b>Trustees</b>	Mark Merrywest, Accounting Officer (resigned 4 June 2019) Jennifer Gill, Accounting Officer from 5 June 2019 Kathryn Dunning Nick O'Dell John Chilcott (resigned 7 June 2019) Paul Bunn, Chair David Clover Julie Fletcher (appointed 20 June 2019)
<b>Company registered number</b>	10365323
<b>Company name</b>	Co-operative Education East
<b>Principal and registered office</b>	Bunwell Primary School The Old Turn Pike Bunwell Norfolk NR16 1SN
<b>Chief Executive Officer</b>	Mark Merrywest to 4 June 2019 Jennifer Gill from 5 June 2019
<b>Senior Leadership Team</b>	Mark Merrywest, Chief Executive Officer to 4 June 2019 Jennifer Gill, Chief Executive Officer from 5 June 2019 Emma Nelson, Chief Finance Officer to 12 September 2018 Simon Gray, Chief Finance Officer from 3 December 2018 Emily Husbands, Headteacher at Bunwell Primary School Paul Seeman, Headteacher at Banham Community Primary School Lisa Heath, Headteacher at Thompson Primary School
<b>Independent auditors</b>	MA Partners Audit LLP Chartered Accountants 7 The Close Norwich Norfolk NR1 4DJ

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**CO-OPERATIVE EDUCATION EAST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates three primary schools for pupils aged 3 to 11 serving the South Norfolk villages of Banham, Bunwell and Thompson. It has a pupil capacity of 315 and had a roll of 287 in the school census in January 2019. There were no schools joining the Trust during the academic year.

**Structure, governance and management**

**a. Constitution**

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

The charitable company's memorandum and articles of association are the primary governing document of the Trust.

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

Each school operates as a trading arm of the company and are known as Banham Community Primary School, Bunwell Primary School and Thompson Primary School.

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

The principal objects of the 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 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 Trust business, and provides cover up to £10,000,000.

**d. Method of recruitment and appointment or election of Trustees**

The management of the Trust is the responsibility of the Trustees who are elected and co opted under the terms of the memorandum and articles of association.

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**CO-OPERATIVE EDUCATION EAST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Structure, governance and management (continued)**

**e. Policies 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 Trust schools to view strengths and potential risks at first hand and meet senior leaders and business leaders across the 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 one or two new Trustees a year, induction will be carried out informally and will be tailored specifically to the individual.

**f. Organisational structure**

The Trust follows the governance and executive structures outlined by the Department for Education. Our Members appoint Trustees who are accountable for every aspect of the Trust.

Trustees delegate most governance responsibilities to Trust Challenge Groups and Local Governing Committees as outlined in the Trust Scheme of Delegation.

Trustees also delegate the executive function to the CEO and Trust Senior Leadership Team ("SLT") who are responsible for the day to day running of the schools.

The SLT is responsible for overall spending, scrutinised by the Chief Finance Officer and overseen by the Trustees and relevant Trust Challenge Groups.

**g. Arrangements for setting pay and remuneration of key management personnel**

Our 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 Headteachers in the 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 Trust. This method of working also assists ongoing planning for sustainable leadership and ensures equality across the Trust.

**h. Trade union facility time**

Each school contributes to the combined Trade Union Facility arrangement via the Local Authority.

**i. Related parties and other connected charities and organisations**

The Trust is not part of a connected wider network; however, our schools also 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Objectives and activities**

**a. Objects and aims**

For the 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 Trust also uses the internationally recognised Co operative Values and Principles as a principle factor.

The aims of the 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**

Our schools implemented a Trust wide, Growth Mind-set development project, instigated and led by each Headteacher and the Trust Deputy Headteacher as part of the Senior Leadership Team. 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;
- a 'can do' attitude towards all aspects of school life;
- 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 Trust's activities cover a broad curriculum range. Beyond the curriculum, extracurricular clubs operate in each school and inter school activities are a regular feature alongside other members of the local cluster. School visits and experiences 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 Trust in order to further charitable purposes for the public benefit.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

Each of the schools within the 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.

Headline results for each school are as follows:

**Banham Primary**

<b>Attainment EXP</b>	Maths: 87%	Read: 93%	Writ: 81%	GPS: 93%	Combined: 81.3%
<b>Attainment GDS</b>	Maths: 43.8%	Read: 12.5%	Writ: 0%	GPS: 38%	
<b>Progress</b>	Maths: +2.7	Read: +0.1	Writ: +0.6		

**Bunwell Primary**

<b>Attainment EXP</b>	Maths: 64%	Read: 55%	Writ: 64%	GPS: 45%	Combined: 55%
<b>Attainment GDS</b>	Maths: 27%	Read: 18%	Writ: 9%		
<b>Progress</b>	Maths: +0.6	Read: +2.0	Writ: -0.1		

**Thompson Primary**

<b>Attainment EXP</b>	Maths: 85%	Read: 77%	Writ: 69%	GPS: 62%	Combined: 62%
<b>Attainment GDS</b>	Maths: 38%	Read: 31%	Writ: 15%	GPS: 38%	
<b>Progress</b>	Maths: +1	Read: +0.5	Writ: -3.5		

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

The Trustees fully recognise the need for improvement in each individual school and at Thompson Primary in particular. Relevant improvement plans are in place and all of our schools are focused on achieving the 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 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 accounting policies.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Strategic report (continued)**

**Financial review**

**a. Reserves policy**

The Trust will work towards establishing a level of free reserves to provide sufficient working capital to cover unforeseen delays between spending and receipt of grants, provide a cushion to deal with unexpected emergencies such as urgent maintenance, and allow for fluctuations in pupil numbers in future years. They will aim for the level of these reserves to be in the range of £100,000 to £150,000; representing approximately: -

- One month's payroll (the lower end of the range)
- 12% of GAG (the higher end of the range)

The actual level of reserves held will be determined by the Trustees annually in accordance with the review and approval of on-going budget setting, so this can fluctuate depending on operational needs and strategic investment priorities.

As at 31 August 2019, the Trust held free (unrestricted) reserves of £67,359 (2018: £20,792), with total reserves excluding restricted fixed asset funds and pension reserve being £86,988 (2018: £47,725). The deficit held in the pension reserve was £879,000 (2018: £594,000 deficit) and the net book value of fixed assets was held in restricted fixed asset funds, being £2,467,831 (2018: £2,469,492).

**b. Principal risks and uncertainties**

The Trust has a risk register to identify major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The aim is for the risk register to be reviewed in the next academic year and made available for discussion by the Trustees.

**Fundraising**

The Trust does not actively raise funds from the school community. Professional fundraisers or commercial participators are not used. No complaints have been received in relation to fundraising activities. The Trust endeavours to take all practical measures to protect the public from unreasonable intrusion on a person's privacy, unreasonably persistent approaches and undue pressure to give.

The schools have Friends / PTA organisations that raise money through activities such as bake sales, non uniform days etc. but those organisations choose how the money that they have raised will be spent in conjunction with the Headteacher of each school.

The Trust does not have any plans to raise significant monies via any Trust wide fundraising activity.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Plans for future periods**

- Embed good practice across all three schools focusing on teaching and learning
- To continue to grow the Trust into Good and Outstanding schools in order to best achieve outstanding outcomes for all pupils in all schools
- To develop strong links, partnerships and relationships with other small Multi Academy Trusts
- To further develop the Acorn Alliance, sharing best practice and resources where appropriate
- To develop the Trust within the Eastern Region focusing on growth with other schools with the same mind-set and values
- To continue to develop co-operative values and principles in all aspects of the Trust, ensuring an evidential link between school improvement and being co-operative
- To continue to 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
- To develop the role of the Trust Deputy Headteacher to support all Headteachers and to drive forward school improvement across the Trust.
- To maintain Banham Primary's "outstanding" grading and to ensure the Trust's other schools are either "good" or "outstanding" by their next Ofsted.
- Progress and attainment measures to exceed National Standards across all schools in the Trust.

**Funds held as custodian on behalf of others**

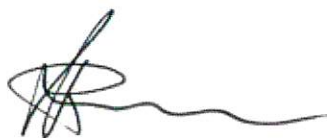
The Trust does not currently hold any funds on behalf of others.

**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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors, on 16 December 2019 and signed on its behalf by:



**Paul Bunn**  
Chair

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**CO-OPERATIVE EDUCATION EAST**  
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**GOVERNANCE STATEMENT**

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**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 7 times during the year, to ensure a robust focus on the management of finances is undertaken.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mark Merrywest, Accounting Officer to 4 June 2019	4	4
Jennifer Gill, Accounting Officer from 5 June 2019	6	7
Nick O'Dell	4	7
Kathryn Dunning	7	7
Paul Bunn, Chair	7	7
David Clover	6	7
Julie Fletcher, appointed 20 June 2019	2	2

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

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**CO-OPERATIVE EDUCATION EAST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

The Finance Committee is a sub committee of the main Board of Trustees. Its purpose is to exercise responsibility and oversight of:

1. The overall finances of the Trust
2. The financial aspects of personnel of the Trust and its constituent schools
3. The premises of the Trust

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Kathryn Dunning	1	1
David Clover	1	1
Mark Merrywest	1	1
Paul Bunn	1	1
Nick O'Dell	1	1

NB. The reason only one meeting was held is that during the year the Trustees decided to combine the function of the Finance Committee with the Trustees meetings, as they were meeting frequently with the purpose of focusing on finance.

The Board of Trustees also fulfils the purpose of an Audit Committee, the purpose of which is to:

1. Advise the Board on the appointment, re appointment, dismissal and remuneration of the auditor
2. Ensure effective co-ordination between the internal audit service and the financial statements auditor
3. Advise the Board on audit strategy and annual internal audit plans
4. Consider and advise the Board on relevant reports by the National Audit Office and ESFA
5. Establish relevant annual performance measures and indicators and using them to monitor the effectiveness of the internal audit service and auditor
6. Monitor the risk management plan and advising the Board on its effectiveness

**Review of value for money**

As Accounting Officer, the CEO has responsibility for ensuring that the 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 Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Building further on the database of all services and contracts in the Trust's schools.
- Ensuring the same supplier for services in all schools where possible to benefit from economies of scale.
- Renegotiating contracts and deferring price increases with suppliers.

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**CO-OPERATIVE EDUCATION EAST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Co-operative Education East for the year 1 September 2018 to 31 August 2019 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 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 Trust's significant risks, that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The risk and control framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have instructed Price Bailey LLP to perform additional assurance work in the accounting period.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current year included:

- review of ESFA "musts"
- review of key financial controls

The Trustees have delegated the CEO to review the findings of the report from Price Bailey LLP and to work with the Chief Finance Officer going forward to implement changes to reflect the findings.

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**CO-OPERATIVE EDUCATION EAST**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

As Accounting Officer, the CEO 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 external auditors;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 16 December 2019 and signed on their behalf by:



**Paul Bunn**  
Chair



**Jennifer Gill**  
Accounting Officer

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

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As Accounting Officer of Co-operative Education East I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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.

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

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



**Jennifer Gill**  
Accounting Officer  
Date: 16 December 2019

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**CO-OPERATIVE EDUCATION EAST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 16 December 2019 and signed on its behalf by:



**Paul Bunn**  
Chair

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

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**Opinion**

We have audited the financial statements of Co-operative Education East (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, 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 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & 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 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 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 (CONTINUED)**

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**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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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 the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic 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 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' remuneration specified by law are 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 (CONTINUED)**

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**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the 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 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 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the charitable 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 charitable Trust's Members those matters we are required to state in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable Trust and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Frank Shippam BSc FCA DChA (Senior statutory auditor)**

for and on behalf of  
**MA Partners Audit LLP**  
Chartered Accountants  
Statutory Auditors  
7 The Close  
Norwich  
Norfolk  
NR1 4DJ

19 December 2019

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

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CO-OPERATIVE EDUCATION EAST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 10 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 year 1 September 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 year 1 September 2018 to 31 August 2019 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 2018 to 2019 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 Trust's income and expenditure.

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

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CO-OPERATIVE EDUCATION EAST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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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 benefited 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 purpose 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 2018.

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, nothing has come to our attention which suggests in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MA Partners Audit LLP*

**MA Partners Audit LLP**  
7 The Close  
Norwich  
Norfolk  
NR1 4DJ

Date: 19 December 2019

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	8,318	-	39,420	47,738	30,477
Charitable activities		43,233	1,514,099	-	1,557,332	1,515,305
Other trading activities		13,256	-	-	13,256	17,049
Investments	6	92	-	-	92	98
<b>Total income</b>		<b>64,899</b>	<b>1,514,099</b>	<b>39,420</b>	<b>1,618,418</b>	<b>1,562,929</b>
<b>Expenditure on:</b>						
Charitable activities		-	1,604,106	37,041	1,641,147	1,773,195
<b>Total expenditure</b>		<b>-</b>	<b>1,604,106</b>	<b>37,041</b>	<b>1,641,147</b>	<b>1,773,195</b>
<b>Net income/(expenditure)</b>		<b>64,899</b>	<b>(90,007)</b>	<b>2,379</b>	<b>(22,729)</b>	<b>(210,266)</b>
Transfers between funds	18	(18,332)	17,703	629	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>46,567</b>	<b>(72,304)</b>	<b>3,008</b>	<b>(22,729)</b>	<b>(210,266)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	23	-	(220,000)	-	(220,000)	133,000
<b>Net movement in funds</b>		<b>46,567</b>	<b>(292,304)</b>	<b>3,008</b>	<b>(242,729)</b>	<b>(77,266)</b>

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019

Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
<b>Reconciliation of funds:</b>					
Total funds brought forward	20,792	(567,067)	2,469,492	1,923,217	2,000,483
Net movement in funds	46,567	(292,304)	3,008	(242,729)	(77,266)
<b>Total funds carried forward</b>	<u>67,359</u>	<u>(859,371)</u>	<u>2,472,500</u>	<u>1,680,488</u>	<u>1,923,217</u>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 24 to 53 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	15	2,467,831	2,469,492
		<u>2,467,831</u>	<u>2,469,492</u>
<b>Current assets</b>			
Debtors	16	38,678	83,210
Cash at bank and in hand		192,476	74,063
		<u>231,154</u>	<u>157,273</u>
Creditors: amounts falling due within one year	17	(139,497)	(109,548)
<b>Net current assets</b>		<u>91,657</u>	<u>47,725</u>
<b>Total assets less current liabilities</b>		<u>2,559,488</u>	<u>2,517,217</u>
<b>Net assets excluding pension liability</b>		<u>2,559,488</u>	<u>2,517,217</u>
Defined benefit pension scheme liability	23	(879,000)	(594,000)
<b>Total net assets</b>		<u><u>1,680,488</u></u>	<u><u>1,923,217</u></u>
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	2,472,500	2,469,492
Restricted income funds	18	19,629	26,933
		<u>2,492,129</u>	<u>2,496,425</u>
Restricted funds excluding pension asset	18	2,492,129	2,496,425
Pension reserve	18	(879,000)	(594,000)
<b>Total restricted funds</b>	18	<u>1,613,129</u>	<u>1,902,425</u>
<b>Unrestricted income funds</b>	18	67,359	20,792
<b>Total funds</b>		<u><u>1,680,488</u></u>	<u><u>1,923,217</u></u>

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

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BALANCE SHEET (CONTINUED)  
AS AT 31 AUGUST 2019

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The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 19 to 53 were approved by the Trustees, and authorised for issue on 16 December 2019 and are signed on their behalf, by:



.....  
**Paul Bunn**  
Chair

The notes on pages 24 to 53 form part of these financial statements.



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

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	<b>120,399</b>	(156,723)
<b>Cash flows from investing activities</b>	21	<b>(1,986)</b>	7,749
<b>Change in cash and cash equivalents in the year</b>		<b>118,413</b>	(148,974)
Cash and cash equivalents at the beginning of the year		<b>74,063</b>	223,037
<b>Cash and cash equivalents at the end of the year</b>	22	<b>192,476</b>	74,063

The notes on pages 24 to 53 from part of these financial statements

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. 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.

**1.1 Basis of preparation of financial statements**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Co-operative Education East meets the definition of a public benefit entity under FRS 102.

**1.2 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 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the 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 year 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.

• **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 year it is receivable and to the extent the Trust has provided the goods or services.

**1.4 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.6 Taxation**

The 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 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.

**1.7 Tangible fixed assets**

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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 land	- not depreciated
Freehold buildings	- 2% straight line
Fixtures, fittings and equipment	- 15% 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.

On conversion to academy status, the freehold land and buildings for each school were transferred to the Trust. As such the school property was 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) were based on the values written out of Norfolk County Council's financial statements on conversion. The fair value of Thompson Primary School (£615,000) was based on 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**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.

**1.10 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**1.11 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases 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. 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 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 instrument.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.12 Pensions**

Retirement benefits to employees of the 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 so as to spread the cost of pensions over employees' working lives with the 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.13 Agency arrangements**

The Trust acts as an agent in distributing School Improvement Grants to partner schools for the DfE. Payments received from the DfE and subsequent distributions 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.

**1.14 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 funds 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 Department for Education Group.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2019. 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.

**3. Income from donations and capital grants**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Donations	8,318	-	6,118	<b>14,436</b>	6,721
Capital Grants	-	-	33,302	<b>33,302</b>	15,184
Transfer from local authority on conversion	-	-	-	-	8,572
<b>Total 2019</b>	<b>8,318</b>	<b>-</b>	<b>39,420</b>	<b>47,738</b>	<b>30,477</b>
<i>Total 2018</i>	<i>15,293</i>	<i>15,184</i>	<i>-</i>	<i>30,477</i>	

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**4. Funding for the Trust's educational operations**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,277,680	<b>1,277,680</b>	1,238,340
Pupil Premium	-	46,830	<b>46,830</b>	49,382
Rates relief	-	6,337	<b>6,337</b>	7,755
Universal Infant Free School Meals	-	42,180	<b>42,180</b>	43,920
PE and Sports grant	-	50,380	<b>50,380</b>	50,470
Conversion grant	-	34,618	<b>34,618</b>	17,279
Teachers' Pay Grant	-	9,413	<b>9,413</b>	-
Other ESFA grants	-	11,300	<b>11,300</b>	-
	-	1,478,738	<b>1,478,738</b>	1,407,146
<b>Other government grants</b>				
SEN funding	-	31,761	<b>31,761</b>	60,057
Teacher training funding	-	-	-	5,800
Other LA funding	-	3,600	<b>3,600</b>	4,432
	-	35,361	<b>35,361</b>	70,289
<b>Other income from the Trust's educational operations</b>				
Catering income	3,146	-	<b>3,146</b>	2,384
Trip income	10,470	-	<b>10,470</b>	11,295
Clubs income	29,617	-	<b>29,617</b>	24,191
	43,233	-	<b>43,233</b>	37,870
<b>Total 2019</b>	<b>43,233</b>	<b>1,514,099</b>	<b>1,557,332</b>	<b>1,515,305</b>
<i>Total 2018</i>	<i>37,870</i>	<i>1,477,435</i>	<i>1,515,305</i>	



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**5. Income from other trading activities**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Reimbursement of staff time	3,666	-	<b>3,666</b>	12,490
Catering income (staff)	108	-	<b>108</b>	96
Lettings income	180	-	<b>180</b>	-
Acorn Co-operative Learning Alliance	-	-	-	556
Other income	9,302	-	<b>9,302</b>	3,907
<b>Total 2019</b>	<u>13,256</u>	<u>-</u>	<u><b>13,256</b></u>	<u>17,049</u>
<i>Total 2018</i>	<u>16,493</u>	<u>556</u>	<u>17,049</u>	

**6. Investment income**

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank interest	92	<b>92</b>	98
	<u>92</u>	<u><b>92</b></u>	<u>98</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**7. Expenditure**

	<b>Staff Costs</b> <b>2019</b> £	<b>Premises</b> <b>2019</b> £	<b>Other</b> <b>2019</b> £	<b>Total</b> <b>2019</b> £	<i>Total</i> <i>2018</i> £
Educational operations:					
Direct costs	1,061,176	-	73,650	<b>1,134,826</b>	1,214,288
Support costs	191,575	115,858	198,888	<b>506,321</b>	558,907
<b>Total 2019</b>	<u>1,252,751</u>	<u>115,858</u>	<u>272,538</u>	<u><b>1,641,147</b></u>	<u>1,773,195</u>
<i>Total 2018</i>	<u>1,335,411</u>	<u>151,714</u>	<u>286,070</u>	<u>1,773,195</u>	

**8. Analysis of expenditure by activities**

	<b>Activities</b> <b>undertaken</b> <b>directly</b> <b>2019</b> £	<b>Support</b> <b>costs</b> <b>2019</b> £	<b>Total</b> <b>funds</b> <b>2019</b> £	<i>Total</i> <i>funds</i> <i>2018</i> £
Educational operations	<u>1,134,826</u>	<u>506,321</u>	<u><b>1,641,147</b></u>	<u>1,773,195</u>
<i>Total 2018</i>	<u>1,214,288</u>	<u>558,907</u>	<u>1,773,195</u>	

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**CO-OPERATIVE EDUCATION EAST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	<b>1,061,176</b>	<i>1,092,930</i>
Educational supplies	<b>19,985</b>	<i>46,809</i>
Staff development	<b>6,793</b>	<i>18,613</i>
Educational professional services	<b>20,329</b>	<i>20,138</i>
Educational consultancy	<b>8,888</b>	<i>13,168</i>
Educational visits	<b>16,427</b>	<i>20,965</i>
Club provisions	<b>1,228</b>	<i>1,665</i>
	<hr/> <b>1,134,826</b> <hr/>	<hr/> <i>1,214,288</i> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Pension interest	17,000	16,000
Staff costs	191,575	242,481
Depreciation	37,041	33,657
Technology costs	23,294	23,449
Staff recruitment and support	2,027	2,383
Maintenance of property and equipment	28,793	64,172
Cleaning	20,354	14,883
Rent and rates	11,714	17,904
Energy and water costs	21,802	22,252
Insurance	7,848	15,012
Catering	56,432	40,036
Bank charges	2,008	1,698
Uniform	-	955
Subscriptions	20,866	19,701
Marketing and advertising	-	367
Payments to Cluster	-	1,171
Other admin expenses	6,825	11,378
Governance costs	58,740	31,408
	<u>506,321</u>	<u>558,907</u>

**9. Analysis of specific expenses**

Included within expenditure are the following transactions:

	<b>Total £</b>	<b>Individual items above £5,000 Amount £</b>	<b>Reason</b>
Unrecoverable debts	405	-	

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**FOR THE YEAR ENDED 31 AUGUST 2019**

**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	37,041	33,657
Auditors' remuneration - audit	7,180	6,975
Auditors' remuneration - other services	4,490	4,704
Operating lease rentals	6,980	9,813
	<u>          </u>	<u>          </u>

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	967,385	1,003,505
Social security costs	79,180	77,774
Pension costs	203,728	239,455
	<u>          </u>	<u>          </u>
	1,250,293	1,320,734
Agency staff costs	2,458	14,677
	<u>          </u>	<u>          </u>
	1,252,751	1,335,411
	<u>          </u>	<u>          </u>

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	17	15
Administration and Support	35	41
Management	5	5
	<u>          </u>	<u>          </u>
	57	61
	<u>          </u>	<u>          </u>

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**FOR THE YEAR ENDED 31 AUGUST 2019**

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**11. Staff costs (continued)**

**b. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	<b>2019</b>	<i>2018</i>
	<b>No.</b>	<i>No.</i>
Teachers	13	14
Administration and Support	22	19
Management	5	4
	<u>40</u>	<u>37</u>

**c. Higher paid staff**

No employee received remuneration amounting to more than £60,000 in either year.

**d. Key management personnel**

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the Trust was £258,992 (2018: £231,156).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**12. Central services**

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

The Trust charges for these services on the following basis:

A flat percentage of GAG income basis (10%) (2018: 10%)

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Banham Community Primary School	44,103	44,960
Bunwell Primary School	42,484	37,912
Thompson Primary School	41,181	40,962
<b>Total</b>	<b>127,768</b>	<b>123,834</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		<b>2019</b>	<i>2018</i>
		<b>£</b>	<i>£</i>
Mark Merrywest, Accounting Officer (resigned 4 June 2019)	Remuneration	<b>15,000 - 20,000</b>	<i>10,000 - 15,000</i>
	Pension contributions paid	<b>0 - 5,000</b>	<i>0 - 5,000</i>
Jennifer Gill, Accounting Officer (appointed 5 June 2019)	Remuneration	<b>5,000 - 10,000</b>	<i>N/A</i>
	Pension contributions paid	<b>0 - 5,000</b>	<i>N/A</i>

During the year ended 31 August 2019, expenses totalling £426 were reimbursed or paid directly to 1 Trustee (2018 - £NIL).

**14. Trustees' and Officers' insurance**

The Trust has opted into the Department of 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 membership.



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**15. Tangible fixed assets**

	Freehold property £	Furniture and equipment £	Other fixed assets £	Total £
<b>Cost or valuation</b>				
At 1 September 2018	2,486,143	3,147	34,078	2,523,368
Additions	-	32,362	3,018	35,380
At 31 August 2019	<u>2,486,143</u>	<u>35,509</u>	<u>37,096</u>	<u>2,558,748</u>
<b>Depreciation</b>				
At 1 September 2018	52,722	472	682	53,876
Charge for the year	32,503	3,847	691	37,041
At 31 August 2019	<u>85,225</u>	<u>4,319</u>	<u>1,373</u>	<u>90,917</u>
<b>Net book value</b>				
At 31 August 2019	<u>2,400,918</u>	<u>31,190</u>	<u>35,723</u>	<u>2,467,831</u>
At 31 August 2018	<u>2,433,421</u>	<u>2,675</u>	<u>33,396</u>	<u>2,469,492</u>

**16. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	1,167	35,097
Other debtors	13,524	22,430
Prepayments and accrued income	23,987	25,683
	<u>38,678</u>	<u>83,210</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	27,111	49,147
Other taxation and social security	18,971	20,053
Other creditors	24,701	3,378
Accruals and deferred income	68,714	36,970
	<u>139,497</u>	<u>109,548</u>
	2019 £	2018 £
<b>Deferred income</b>		
Deferred income at 1 September 2018	25,620	29,343
Resources deferred during the year	25,337	25,620
Amounts released from previous periods	(25,620)	(29,343)
<b>Deferred income at 31 August 2019</b>	<u>25,337</u>	<u>25,620</u>

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 (£23,836)
- Trips income (£1,501)

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General funds	20,792	64,899	-	(18,332)	-	67,359
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	1,277,680	(1,226,290)	(47,532)	-	3,858
Pupil Premium	1,298	46,830	(50,725)	2,597	-	-
Universal Infant Free School Meals	6,575	42,180	(48,755)	-	-	-
Rates relief	3,548	6,337	(5,374)	-	-	4,511
Conversion grants	-	34,618	(34,618)	-	-	-
PE and Sports grant	15,512	50,380	(29,049)	(25,847)	-	10,996
SEN funding	-	31,761	(31,761)	-	-	-
LAC funding	-	3,600	(3,336)	-	-	264
Teachers' pay grant	-	9,413	(9,413)	-	-	-
Other restricted grants	-	11,300	(11,300)	-	-	-
DFC spent on revenue expenditure	-	-	(30,485)	30,485	-	-
Pension reserve	(594,000)	-	(123,000)	58,000	(220,000)	(879,000)
	<u>(567,067)</u>	<u>1,514,099</u>	<u>(1,604,106)</u>	<u>17,703</u>	<u>(220,000)</u>	<u>(859,371)</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Restricted fixed asset funds</b>						
Assets transferred on conversion	2,433,421	-	(32,503)	-	-	2,400,918
Capital assets purchased from GAG	32,367	-	(1,088)	3,018	-	34,297
Capital assets purchased from Pupil Premium	3,704	-	(75)	-	-	3,629
Capital assets purchased from PE grant	-	-	(3,064)	28,215	-	25,151
Devolved Formula Capital	-	33,302	-	(28,633)	-	4,669
Donations for staging	-	6,118	(311)	(1,971)	-	3,836
	<u>2,469,492</u>	<u>39,420</u>	<u>(37,041)</u>	<u>629</u>	<u>-</u>	<u>2,472,500</u>
<b>Total Restricted funds</b>	<u>1,902,425</u>	<u>1,553,519</u>	<u>(1,641,147)</u>	<u>18,332</u>	<u>(220,000)</u>	<u>1,613,129</u>
<b>Total funds</b>	<u><u>1,923,217</u></u>	<u><u>1,618,418</u></u>	<u><u>(1,641,147)</u></u>	<u><u>-</u></u>	<u><u>(220,000)</u></u>	<u><u>1,680,488</u></u>

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

The General Annual (GAG) is for the normal running costs of the schools within the Trust. The following transfers have been made from the GAG: £58,000 to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme, £3,018 for capital expenditure from the GAG fund and £6,817 to clear deficits arising in restricted funds. £20,303 has been transferred from unrestricted funds to reduce the deficit on the GAG fund.

The Pupil Premium income has been provided by the ESFA to help raise the attainment of disadvantaged pupils.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**18. Statement of funds (continued)**

Conversion grants were awarded in anticipation of an additional 3 schools joining the Trust. These monies were spent on legal costs and other transition expenses.

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

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.

Funding was received from the Local Authority to support Looked After Children at schools within the Trust.

The pension reserve deficit at the year end was £879,000 and represents the Trust's share of the deficit of the relevant Local Government Pension Schemes.

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	<b>2019</b>	<i>2018</i>
	<b>£</b>	<i>£</i>
Bunwell Primary School	<b>8,011</b>	<i>(22,360)</i>
Banham Community Primary School	<b>(33,013)</b>	<i>(6,957)</i>
Thompson Primary School	<b>110,396</b>	<i>77,035</i>
Central services	<b>1,594</b>	<i>7</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>86,988</b>	<i>47,725</i>
Restricted fixed asset fund	<b>2,472,500</b>	<i>2,469,492</i>
Pension reserve	<b>(879,000)</b>	<i>(594,000)</i>
	<hr/>	<hr/>
<b>Total</b>	<b>1,680,488</b>	<i>1,923,217</i>
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. Statement of funds (continued)**

The following academy is carrying a net deficit on its portion of the funds as follows:

	<b>Deficit £</b>
Banham Community Primary School	<b>33,013</b>

The school is continuing to improve its governance and processes relating to the management of finances and budget management, which have historically suffered.

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

Changes are being made to staffing and other costs, which although still a challenge, have enabled a balanced budget to be set in the next academic year, and a future years forecast which returns the school to an overall surplus position by 2021.

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciation £</b>	<b>Total 2019 £</b>	<i>Total 2018 £</i>
Bunwell Primary School	316,046	51,080	5,098	61,638	<b>433,862</b>	<i>511,657</i>
Banham Community Primary School	383,517	56,588	6,505	96,529	<b>543,139</b>	<i>637,437</i>
Thompson Primary School	301,785	31,969	8,382	93,935	<b>436,071</b>	<i>455,442</i>
Central services	59,828	51,938	-	79,268	<b>191,034</b>	<i>135,002</i>
<b>Trust</b>	<b>1,061,176</b>	<b>191,575</b>	<b>19,985</b>	<b>331,370</b>	<b>1,604,106</b>	<i>1,739,538</i>

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**18. Statement of funds (continued)**

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>						
General funds	111,560	69,754	(955)	(159,567)	-	20,792
<b>Restricted general funds</b>						
General Annual Grant (GAG)	-	1,238,340	(1,284,479)	46,139	-	-
Pupil Premium	3,753	49,382	(52,387)	550	-	1,298
Universal Infant Free School Meals	2,628	43,920	(39,973)	-	-	6,575
Rates relief	2,253	7,755	(6,460)	-	-	3,548
Conversion grants	9,842	17,279	(27,121)	-	-	-
Developed Formula Capital	-	15,184	(15,184)	-	-	-
PE and Sports grant	1,775	50,470	(36,733)	-	-	15,512
Teaching School grant	6,000	-	(6,000)	-	-	-
SEN funding	6,056	60,057	(102,081)	35,968	-	-
SCITT teacher training	-	5,800	(5,800)	-	-	-
Acorn Co-operative Learning Alliance	-	556	(1,933)	1,377	-	-
LAC Funding	-	4,432	(4,432)	-	-	-
Pension Reserve	(639,000)	-	(156,000)	68,000	133,000	(594,000)
	<u>(606,693)</u>	<u>1,493,175</u>	<u>(1,738,583)</u>	<u>152,034</u>	<u>133,000</u>	<u>(567,067)</u>

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Restricted fixed asset funds</b>						
Assets transferred on conversion	2,465,924	-	(32,503)	-	-	2,433,421
Capital assets purchased from GAG	25,912	-	(1,078)	7,533	-	32,367
Capital assets purchased from Pupil Premium	3,780	-	(76)	-	-	3,704
	<u>2,495,616</u>	<u>-</u>	<u>(33,657)</u>	<u>7,533</u>	<u>-</u>	<u>2,469,492</u>
<b>Total Restricted funds</b>	<u>1,888,923</u>	<u>1,493,175</u>	<u>(1,772,240)</u>	<u>159,567</u>	<u>133,000</u>	<u>1,902,425</u>
<b>Total funds</b>	<u><u>2,000,483</u></u>	<u><u>1,562,929</u></u>	<u><u>(1,773,195)</u></u>	<u><u>-</u></u>	<u><u>133,000</u></u>	<u><u>1,923,217</u></u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	2,467,831	<b>2,467,831</b>
Current assets	67,359	159,126	4,669	<b>231,154</b>
Creditors due within one year	-	(139,497)	-	<b>(139,497)</b>
Provisions for liabilities and charges	-	(879,000)	-	<b>(879,000)</b>
<b>Total</b>	<u>67,359</u>	<u>(859,371)</u>	<u>2,472,500</u>	<u><b>1,680,488</b></u>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	2,469,492	<i>2,469,492</i>
Current assets	20,792	136,481	-	<i>157,273</i>
Creditors due within one year	-	(109,548)	-	<i>(109,548)</i>
Provisions for liabilities and charges	-	(594,000)	-	<i>(594,000)</i>
<b>Total</b>	<u>20,792</u>	<u>(567,067)</u>	<u>2,469,492</u>	<u><i>1,923,217</i></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**20. Reconciliation of net expenditure to net cash flow from operating activities**

	2019 £	2018 £
Net expenditure for the year (as per Statement of financial activities)	<b>(22,729)</b>	<i>(210,266)</i>
<b>Adjustments for:</b>		
Depreciation	<b>37,041</b>	<i>33,657</i>
Capital grants from DfE and other capital income	<b>(33,302)</b>	<i>(15,184)</i>
Defined benefit pension scheme cost less contributions payable	<b>48,000</b>	<i>72,000</i>
Defined benefit pension scheme finance cost	<b>17,000</b>	<i>16,000</i>
Decrease in debtors	<b>44,532</b>	<i>24,826</i>
Increase/(decrease) in creditors	<b>29,949</b>	<i>(77,658)</i>
Dividends, interest and rents from investments	<b>(92)</b>	<i>(98)</i>
<b>Net cash provided by/(used in) operating activities</b>	<b>120,399</b>	<i>(156,723)</i>

**21. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	<b>92</b>	<i>98</i>
Purchase of tangible fixed assets	<b>(35,380)</b>	<i>(7,533)</i>
Capital grants from DfE Group	<b>33,302</b>	<i>15,184</i>
<b>Net cash (used in)/provided by investing activities</b>	<b>(1,986)</b>	<i>7,749</i>

**22. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	<b>192,476</b>	<i>74,063</i>
<b>Total cash and cash equivalents</b>	<b>192,476</b>	<i>74,063</i>

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**23. Pension commitments**

The Trust's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

A further valuation of the LGPS was underway at the date of signing of these accounts, but the results were not finalised and therefore are not reflected within this note.

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

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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 2016 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 in March 2019. The key elements of the valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge), this rise has been delayed from 1 April 2019 to 1 September 2019
- 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
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs resulting from the scheme valuation. Funding for 2020/21 onwards will be discussed as part of the next Spending Review round.

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**23. Pension commitments (continued)**

The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £96,250 (2018 - £99,496).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £74,000 (2018 - £87,000), of which employer's contributions totalled £58,000 (2018 - £68,000) and employees' contributions totalled £16,000 (2018 - £19,000). The agreed contribution rates for future years are 19.5 - 21.3 per cent for employers and 5.5 - 12.5 per cent 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**

	2019	2018
	%	%
Rate of increase in salaries	2.6	2.6
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate	1.9	2.8

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.4	24.1
Females	25.0	26.4

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23. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.1%	40,200	29,800
Salary increase rate +0.1%	8,200	7,000
Pension increase rate +0.1%	31,000	22,200
	40,200	29,800

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	288,610	306,900
Bonds	212,040	123,750
Property	70,680	54,450
Cash	17,670	9,900
<b>Total market value of assets</b>	<b>589,000</b>	<b>495,000</b>

The actual return on scheme assets was £29,000 (2018 - £26,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
Current service cost	(100,000)	(140,000)
Past service cost	(6,000)	-
Interest income	15,000	11,000
Interest cost	(32,000)	(27,000)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(123,000)</b>	<b>(156,000)</b>

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**23. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>1,089,000</b>	<b>1,021,000</b>
Current service cost	100,000	140,000
Interest cost	32,000	27,000
Employee contributions	16,000	19,000
Actuarial losses/(gains)	234,000	(118,000)
Benefits paid	(9,000)	-
Past service costs	6,000	-
<b>At 31 August</b>	<b>1,468,000</b>	<b>1,089,000</b>

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>495,000</b>	<b>382,000</b>
Interest income	15,000	11,000
Actuarial gains	14,000	15,000
Employer contributions	58,000	68,000
Employee contributions	16,000	19,000
Benefits paid	(9,000)	-
<b>At 31 August</b>	<b>589,000</b>	<b>495,000</b>

**24. Operating lease commitments**

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancelable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	1,609	6,628
Later than 1 year and not later than 5 years	3,638	532
	<b>5,247</b>	<b>7,160</b>

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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.

**26. Related party transactions**

Owing to the nature of the 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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

**Expenditure Related Party Transaction**

During the year, £700 (2018: £6,938) was paid to Nick O'Dell, a Trustee, for his role as Business Manager for the Acorn Co-operative Learning Alliance. The Trust made the purchase at arms' length. In entering into the transaction the Trust has complied with the requirements of the Academies Financial Handbook 2018.

During the year, £1,760 (2018: £NIL) was paid to Made Agency Limited, a company of which Mark Merrywest (former Trustee and CEO) is a Shareholder and Director. At the Balance Sheet date, the Trust owed Made Agency Limited £101, this amount is recognised within trade creditors. The Trust made the purchases at arms' length. In entering into the transactions the Trust has complied with the requirements of the Academies Financial Handbook 2018.

**27. Agency arrangements**

The Trust distributes School Improvement Grants to partner schools as an agent for the DfE. In the accounting period ending 31 August 2019 the Trust received £24,700 and disbursed £NIL from the fund. At 31 August 2019, £24,700 was included within other creditors relating to undistributed funds which will be paid to partner schools post year end.