

Company Registration No. 11697576 (England and Wales)

ODYSSEY COLLABORATIVE TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 31 AUGUST 2019

ODYSSEY COLLABORATIVE TRUST

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ODYSSEY COLLABORATIVE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- (appointed 26 November 2018) R Arnold
V Warner
M Needham
A Hardman
M Seller

Trustees

M Seller (Chair of Trustees) (Appointed 26 November 2018)
S Pringle (Appointed 26 November 2018)
T Clay (Appointed 26 November 2018)
A Brown (Appointed 26 November 2018)
M Moore (Appointed 8 May 2019)
R Burton (Appointed 26 November 2018 and resigned 26 November 2019)
S Charles (Appointed 26 November 2018)
L Partridge (Appointed 26 November 2018)
L Baddiley (Appointed 1 March 2019)

Senior management team

- Chief Executive Officer & Accounting Officer D Blackwell
- Chief Finance Officer J Bunting
- Chief Operations Officer A Greaves
- Headteacher, Asterdale Primary School K Forrest
- Headteacher, Borrow Wood Primary School Z Fletcher
- Acting Headteacher, Springfield Primary School J Joyce
- Headteacher, Beaufort Community Primary School C Dewberry
- Headteacher, Portway Junior School K Puszczynska
- Headteacher, Cherry Tree Hill Primary School P Appleton

Company registration number 11697576 (England and Wales)

Principal and registered office c/o Springfield Primary School
West Road
Spondon
Derby
DE21 7AB

ODYSSEY COLLABORATIVE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor UHY Hacker Young
14 Park Row
Nottingham
NG1 6GR

Bankers Lloyds
St Peters Street
Derby
DE1 2AA

Solicitors Flint Bishop LLP
St Michaels Court
St Michaels Lane
Derby
DE1 3HQ

ODYSSEY COLLABORATIVE TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 26 November 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Odyssey Collaborative Trust was formed on 26 November 2018 and from 1 April 2019 has operated 6 primary schools in the City of Derby. Its schools have a combined pupil capacity of 2,358 and a roll of 2,109 in the school census on 3 October 2019.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Odyssey Collaborative Trust are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Odyssey Collaborative Trust. The names of the schools are as follows:-

- Asterdale Primary School
- Beaufort Primary School
- Borrow Wood Primary School
- Cherry Tree Hill Primary School
- Portway Junior School
- Springfield Primary School (contains an Enhanced Resource Facility to support 30 pupils with a diagnosis of autism and an Education Health Care Plan)

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy trust maintains trustees' liability insurance which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as directors of the academy trust.

Details of the insurance cover are provided in note 12 to the financial statements.

ODYSSEY COLLABORATIVE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Method of recruitment and appointment or election of trustees

The method of recruitment and appointment or election of Trustees is laid down in the Articles and Memorandum of Association. The number shall not be less than 3. The members may appoint by ordinary resolution up to 11 Trustees. The total number of Trustees, including the Chief Executive Officer if they so choose to act as Trustee under Article 57, who are employees of the academy trust, shall not exceed one third of the total number of Trustees. The term of office for any Trustee shall be four years and they may be re-appointed or re-elected at an Annual General Meeting.

Policies and procedures adopted for the induction and training of trustees

The Trustees have a vital role in our organisation. We aim to attract and retain people who have commitment, experience and the necessary skills to make a difference in the communities that we serve.

Training for the Trustees is delivered on the following levels:

- Training received during Trust meetings delivered in house
- External trainers deliver key elements particularly covering statutory responsibilities
- Attendance at regional and national events
- Email alerts from National Bodies and the Clerk to Trustees

Organisational structure

The Chief Executive Officer is the Accounting Officer for the Odyssey Collaborative Trust and has the responsibility, under the Trust's Scheme of Delegation, for the overall organisation, management, and staffing and for its procedures in financial and other matters, including conduct and discipline. The Chief Executive Officer has the personal responsibility for the propriety and regularity of the public finances for which he is answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in his charge. The Scheme of Delegation sets out clearly where decision making lies, and sets out the Chief Executive Officer's core roles and responsibilities.

School	Date of Conversion	Type
Asterdale Primary School	1 March 2019	Primary (Convertor)
Borrow Wood Primary School	1 March 2019	Primary (Convertor)
Springfield Primary School	1 March 2019	Primary (Convertor)
Beaufort Primary School	1 April 2019	Primary (Convertor)
Cherry Tree Hill Primary School	1 April 2019	Primary (Convertor)
Portway Junior School	1 April 2019	Primary (Convertor)

Odyssey Collaborative Trust has established a Board of Trustees, who are responsible for identifying and establishing strategies and policies and for ensuring they are implemented. Where appropriate, duties are delegated to committees and employees of Odyssey Collaborative Trust.

During the period to 31st August 2019 the Board of Trustees had an Audit & Resources Committee and Education Committee to assist them, in carrying out their responsibilities.

The Committee Terms of Reference are reviewed and agreed on an annual basis by the Board of Trustees. The trustees have a detailed scheme of delegation for effective and efficient decision making for its committees and senior staff throughout the Odyssey Collaborative Trust.

The appointment of trustees, auditors, approval of annual financial statements and budgets along with the approval of policies and procedures implemented within the trust remain the responsibility of the Board.

ODYSSEY COLLABORATIVE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

The salaries of the key management personnel of the trusts central team are set by the Board of Trustees at a level consistent with the skills and experience required and appropriate to market rates. These will link to annual performance reviews carried out by a panel appointed by the Trustees.

The scheme of delegation requires that any pay recommendations for the CEO must be approved by the Board of Trustees.

Performance is measured in terms of setting objectives with robust targets that delivers key strategic priorities across the Trust.

Senior management personnel are considered to be the key staff in driving the continued success of the Trust and their pay is set to reflect this and to recruit and retain excellent staff. This is also viewed with Best Value in mind and is looked at in terms of benchmarking against other similar academy trusts and other sectors where applicable.

The Board of Trustees take great care to ensure the public obtain value for money from the personnel appointed within the Trust and are attentive to excessive levels of pay. The Board of Trustees and its committees ensure any changes to previously approved salary ranges are reported discussed and challenged through this process, this includes annual reports and recommendations for senior leaders to the Resources and Audit Committee. All reports submitted follow an evidence-based process and reflects the individuals' roles and responsibilities and the context and challenges the particular role faces.

Trade union facility time

During the period Odyssey Collaborative Trust employed no relevant union officials.

Related parties and other connected charities and organisations

There have been no transactions with related parties in this accounting period.

Objectives and activities

Objects and aims

Odyssey Collaborative Trust was formed to advance, for the public benefit, education in the United Kingdom, in particular, by establishing, maintaining, carrying on, managing and developing schools, offering a broad and balanced curriculum.

Objects and Aims

Odyssey Collaborative Academy Trust aims to:

- Provide a lifelong love of learning
- Achieve personal and academic excellence
- Create opportunities and experiences which raise aspirations
- Deliver a creative, relevant and inspirational curriculum
- Foster positive, confident learners
- Promote equality, citizenship and respect
- Celebrate diversity and individuality
- Develop Healthy and active communities

ODYSSEY COLLABORATIVE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Objectives, strategies and activities

The Trust aims to provide a high quality of education to all pupils attending its schools. During the period covered by this report, the focus has been on the creation of the Odyssey Collaborative Trust, with the aims for it to be secure financially, compliant with the Academies Financial Handbook and improving the schools within the Trust. The Trust Improvement Plan had the following four objectives:

1. To ensure that Borrow Wood Primary School achieves a judgement of 'Good' at its next Inspection
2. To support Asterdale Primary School in ensuring that pupils make more progress during KS1 and is still judged to be 'Good' at its next inspection.
3. To raise the attainment of disadvantaged pupils across the Trust.
4. To ensure that the creation of the Trust leads to improvements in leadership at all levels within each school.

Asterdale Primary School was judged to still be good at its last inspection in autumn 2018, with its KS1 pupils making significantly more progress in 2018-2019, than in the previous year. The Trust's internal and external evaluations show that Borrow Wood is on course to achieve a judgement of 'good', when it is next inspected. This view is supported by the upward trajectory of the school's formal assessment data, since its last inspection. The attainment of disadvantaged pupil rose from 51% of pupils achieving the expected standard at the end of KS2 in 2018 to 55% in 2019. School Performance Reviews have all been undertaken with a focus on Leadership and Management, together with networks implemented designed to increase the effectiveness and impact of all leaders.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

The Trust performed broadly in-line with national expectations for the academic year 2018-2019, with the Trust being within 6% of national averages at all points of assessment, and in all subjects.

ODYSSEY COLLABORATIVE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Pupil Outcomes

EYFS and Phonics

Percentage of Odyssey pupils achieving a Good Level of Development in EYFS	Percentage of pupils nationally achieving a Good Level of Development in EYFS	Percentage of Odyssey pupils achieving the expected standard in Phonics at the end of Y1	Percentage pupils nationally achieving the expected standard in Phonics at the end of Y1
76	72	84	82

Key Stage 1

Percentage of Odyssey pupils achieving the expected standard in Reading (National 2019)	Percentage of Odyssey pupils achieving the expected standard in Writing (National 2019)	Percentage of Odyssey pupils achieving the expected standard in Maths (National 2019)
75 (75)	67 (69)	74 (76)
Percentage of Odyssey pupils exceeding the expected standard in Reading (National 2019)	Percentage of Odyssey pupils exceeding the expected standard in Writing (National 2019)	Percentage of Odyssey pupils exceeding the expected standard in Maths (National 2019)
30 (26)	19 (16)	24 (22)

ODYSSEY COLLABORATIVE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Key Stage 2

66.5% (65% nationally) of Odyssey pupils achieved the expected standard in Reading, Writing and Maths in 2019.

8% (11% nationally) of Odyssey pupils exceeded the expected standard in Reading, Writing and Maths in 2019.

Percentage of Odyssey pupils achieving the expected standard in Reading (National 2019)	Percentage of Odyssey pupils achieving the expected standard in Writing (National 2019)	Percentage of Odyssey pupils achieving the expected standard in Maths (National 2019)	Percentage of Odyssey pupils achieving the expected standard in Spelling, Punctuation and Grammar (National 2019)
75 (73)	76 (78)	82 (79)	75 (78)
Percentage of Odyssey pupils exceeding the expected standard in Reading (National 2019)	Percentage of Odyssey pupils exceeding the expected standard in Writing (National 2019)	Percentage of Odyssey pupils exceeding the expected standard in Maths (National 2019)	Percentage of Odyssey pupils exceeding the expected standard in Spelling, Punctuation and Grammar (National 2019)
24 (27)	18 (20)	22 (27)	30 (36)

Key performance indicators

The Ofsted grades of the schools in the Trust are:

School	Grade	Last inspection
Asterdale Primary School	Good	Autumn 2018
Beaufort Primary School	Good	Autumn 2017
Borrow Wood Primary School	Requires Improvement	Spring 2017
Cherry Tree Hill Primary School	Good	Summer 2018
Portway Junior School	Good	Autumn 2017
Springfield Primary School	Good	Spring 2018

The attendance of the 6 schools for the academic year, 2018-2019 was:

School	Attendance
Asterdale Primary School	95.4%
Beaufort Primary School	96.0%
Borrow Wood Primary School	96.1%
Cherry Tree Hill Primary School	95.1%
Portway Junior School	96.9%
Springfield Primary School	96.4%

The national average for primary schools in 2018-2019 was 96.1%.

ODYSSEY COLLABORATIVE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Going concern

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

Financial review

During the period the academy trust inherited the assets and liabilities in hand on 1 March 2019 and 1 April 2019, the dates of conversion to academy status for the six schools. A net donation of £25,290,972, which includes a valuation of land and buildings, is included within income in the Statement of Financial Activities, in accordance with the ESFA Accounts Direction. Fixed assets inherited are included in the Restricted Fixed Asset Fund; all other assets and liabilities, excluding the opening Local Government Pension Scheme position, are shown as a net donation into unrestricted funds. The opening Local Government Pension Scheme liability is shown within Restricted Funds.

Most of the academy trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2019, incoming resources totalled £30,005,456 and total expenditure was £5,206,814 creating a surplus of £24,798,642. When the movements on the local government pension scheme of £1,295,000 are taken into account there was a surplus of £23,503,642.

An in-year surplus, excluding the donation on conversion, fixed asset restricted fund and pension reserve, is £2,998. Cash received on conversion of the 6 schools totalling £823,768 has been taken to the unrestricted fund. Total reserves at 31 August 2019, excluding fixed asset fund and pension reserve, were £826,766.

At 31 August 2019, the net book value of fixed assets was £27,135,876 and movements in tangible fixed assets are shown in note 13 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

ODYSSEY COLLABORATIVE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Reserves policy

Level of Reserves

As Odyssey Collaborative Trust only uses one bank account this reduces the cash flow risk to specific individual Academies.

Odyssey Collaborative Trust fully appreciates the variable nature of school funding. As a result it is not possible to authorise a fixed level of reserves for each of its academies.

The Trust continues to believe that the preferred reserves to be held by an individual Academy is 5% - 8% of its most recent General Annual Grant Income. But it must be acknowledged that each individual Academy within the Trust will vary in terms of forward projections.

The Chief Finance Officer will therefore present to the Resource Committee a termly projection of the forecast reserve level of each Academy. This will coincide with the 3-year outturn projections. Discussion upon use of such reserves can then be tabled, discussed and minuted on a regular basis.

As at 31 August 2019 the trust's 'free' reserves i.e. those reserves that are freely available for general purposes of the trust total £826,766. The restricted fixed asset fund totals £27,135,876 which can only be realised by disposing of tangible fixed assets. The restricted reserves deficit of £4,459,000 relates to the Local Government Pension Fund which is due to be repaid in line with the agreed terms of the Fund. Total funds as at 31 August 2019 equate to £23,503,642.

Investment policy

The Trust does not yet have an Investment Policy. Surplus finances have remained in the Trust's bank account, with no investments made during this period.

Principal risks and uncertainties

The Trust agreed and adopted a comprehensive and robust Risk Register on 24 October 2019, following extensive work from one of the Members, supported by the Chair of Trustees and the Chief Executive Officer. This Risk Register has identified potential risks to the Trust and the controls that have been put in place to minimise risk and ensure that the Trust is protected. The Trust is a member of the DfE Risk Protection Arrangements. As with most Academy Trusts, the main risk is around maintaining financial stability during the current period of uncertainty regarding future funding, both locally and nationally. Additional identified risks include the loss of crucial information in the event of fire, theft or vandalism, the risk of which has been mitigated by adopting a Business Continuity Plan.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year at an individual school level was monitored by the Trustees.

ODYSSEY COLLABORATIVE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Plans for future periods

Odyssey Collaborative Trust has a Growth Plan, as the Trust recognises that it needs to grow, in order to become more financially efficient and make a greater contribution to the Education system in Derby City and the local area, exerting a greater influence on the education of more pupils. The Trust also recognises that Growth needs to be carefully managed, particularly in the Trust's early stages, as it ensures that the schools currently in the Trust have the foundations in place and the capacity, both educationally and financially, to ensure that when new schools are admitted into the Trust, the transition will be smooth and ultimately a successful one for both parties.

Trustees have adopted a due diligence framework to ensure that the risk of admitting new schools is minimised and that the Trust is protected from future dilution of its current strengths.

The Trust is in the early stages of developing a Strategic Business Plan, which will ensure that schools have access to continued high quality core services from the Trust. Greater efficiencies of scale will be reviewed and refined in the areas of:

- Finance and administration
- Facilities and property maintenance
- Procurement processes that give further economies of scale

Funds held as custodian trustee on behalf of others

The Trust does not currently hold any funds on behalf of other people or organisations.

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 09 December 2019 and signed on its behalf by:

M Seller

Chair of Trustees

ODYSSEY COLLABORATIVE TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2019

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform to 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 Odyssey Collaborative Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the period between 26 November 2018 and 31 August 2019. Attendance during this period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
M Seller (Chair of Trustees) (Appointed 26 November 2018)	4	5
S Pringle (Appointed 26 November 2018)	4	5
T Clay (Appointed 26 November 2018)	5	5
A Brown (Appointed 26 November 2018)	5	5
M Moore (Appointed 8 May 2019)	2	2
R Burton (Appointed 26 November 2018 and resigned 26 November 2019)	4	5
S Charles (Appointed 26 November 2018)	3	5
L Partridge (Appointed 26 November 2018)	5	5
L Baddiley (Appointed 1 March 2019)	2	3

The Board was initially formed with seven Trustees, selected to provide the skills and experiences necessary to run a medium sized Multi Academy Trust. These included School Improvement, Law, HR, Finance and Governance, both of educational establishments and otherwise. Following a skills audit, the Trustees added two more Trustees with particular expertise in Early Years and Health and Safety/ Premises Management. The Board has two Committees; Education and Resources & Audit, with the latter breaking into two separate committees, when appropriate, to assist the decision making of the Board of Trustees. The Trust has appointed three interim central roles to lead and manage the work of the Trust.

Following the completion of its first year, the process of evaluating the Trust's effectiveness during its first year of existence began, with completion in January 2020. The Trust has also completed a skills audit, with the subsequent identification and appointment of two additional Trustees, and Trustees have received training on their roles and responsibilities. Following internal review, it was identified that a suitably qualified and experienced Clerk be procured by the Trust. He has been working with the Trust since April 2019.

ODYSSEY COLLABORATIVE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

The Resources and Audit committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the Board of Trustees, by enabling more detailed discussion and consideration on the financial management and utilisation of resources, risk management and audit matters:

Attendance at meetings in the year was as follows:

Trustees		Meetings attended	Out of possible
L Partridge (Chair)	(Appointed 26 November 2018)	2	2
L Baddiley	(Appointed 1 March 2019)	1	2
S Pringle	(Appointed 26 November 2018)	1	2
R Burton	(Appointed 26 November 2018 and resigned 26 November 2019)	1	2
T Clay	(Appointed 26 November 2018)	0	0
M Moore	(Appointed 8 May 2019)	1	1

The Education committee is also a sub-committee of the main board of trustees. Its purpose is to ensure that outcomes for pupils improve in all Trust schools and that pupils receive the best possible Quality of Education.

Attendance at meetings in the period covered by this report was as follows:

Trustees		Meetings attended	Out of possible
S Charles	(Appointed 26 November 2018)	2	2
A Brown	(Appointed 26 November 2018)	2	2
M Seller	(Appointed 26 November 2018)	0	2

ODYSSEY COLLABORATIVE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Review of value for money

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

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

- Ensuring that services supplied centrally are of a high quality, offering savings for individual schools through economies of scale;
- Successfully bidding for funding from the MAT Development and Improvement Fund to reduce set-up costs for the Trust;
- Procuring an external Education Improvement Officer as a Trust, giving high quality and Value for Money support to its schools.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Odyssey Collaborative Trust for the period to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

The risk and control framework

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

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

ODYSSEY COLLABORATIVE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

The board of trustees has considered the need for a specific internal audit function and has decided to appoint UHY Hacker Young LLP as internal auditor.

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

- testing of payroll systems;
- testing of purchase systems;
- testing of controls / bank reconciliations.

On a triannual basis, the internal auditor reports to the board of trustees through the audit and resources committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

Review of effectiveness

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

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

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

Approved by order of the board of trustees on 09 December 2019 and signed on its behalf by:

M Seller
Chair of Trustees

D Blackwell
Accounting Officer

ODYSSEY COLLABORATIVE TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 AUGUST 2019

As accounting officer of Odyssey Collaborative Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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

D Blackwell
Accounting Officer

09 December 2019

ODYSSEY COLLABORATIVE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 AUGUST 2019

The trustees (who are also the directors of Odyssey Collaborative Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 09 December 2019 and signed on its behalf by:

M Seller
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ODYSSEY COLLABORATIVE TRUST

FOR THE PERIOD ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Odyssey Collaborative Trust for the Period ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the Period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ODYSSEY
COLLABORATIVE TRUST (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial Period for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ODYSSEY
COLLABORATIVE TRUST (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019**

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

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

**Elizabeth Searby (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young**

9 December 2019

**Chartered Accountants
Statutory Auditor**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO ODYSSEY COLLABORATIVE TRUST AND THE EDUCATION &
SKILLS FUNDING AGENCY
FOR THE PERIOD ENDED 31 AUGUST 2019**

In accordance with the terms of our engagement letter dated 30 April 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 Odyssey Collaborative Trust during the period 26 November 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 Odyssey Collaborative Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Odyssey Collaborative Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Odyssey Collaborative Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Odyssey Collaborative Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Odyssey Collaborative Trust's funding agreement with the Secretary of State for Education dated 1 March 2018 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 period 26 November 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 academy trust's income and expenditure.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO ODYSSEY COLLABORATIVE TRUST AND THE EDUCATION &
SKILLS FUNDING AGENCY (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2019**

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety within the trust.
- Testing of those areas identified through risk assessment, including reviewing internal controls, analytical review of enquiries of management.
- Consideration of the evidence and concluding on the work carried out.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 26 November 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.

Reporting Accountant

UHY Hacker Young

Dated: 09 December 2019

ODYSSEY COLLABORATIVE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £		Total 2019 £
Income and endowments from:					
Donations and capital grants	3	17,372	-	20,115	37,487
Donations - transfer from local authority on conversion	24	823,768	(3,094,000)	27,561,204	25,290,972
Charitable activities:					
- Funding for educational operations	4	-	4,487,078	-	4,487,078
Other trading activities	5	92,666	97,080	-	189,746
Investments	6	173	-	-	173
Total		933,979	1,490,158	27,581,319	30,005,456
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	4,721,716	485,098	5,206,814
Total	7	-	4,721,716	485,098	5,206,814
Net income/(expenditure)		933,979	(3,231,558)	27,096,221	24,798,642
Transfers between funds	17	(107,213)	67,558	39,655	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	19	-	(1,295,000)	-	(1,295,000)
Net movement in funds		826,766	(4,459,000)	27,135,876	23,503,642
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		826,766	(4,459,000)	27,135,876	23,503,642

ODYSSEY COLLABORATIVE TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019	
		£	£
Fixed assets			
Tangible assets	13		27,135,876
Current assets			
Debtors	14	803,826	
Cash at bank and in hand		732,304	
		<u>1,536,130</u>	
Current liabilities			
Creditors: amounts falling due within one year	15	(709,364)	
		<u></u>	
Net current assets			826,766
			<u></u>
Net assets excluding pension liability			27,962,642
Defined benefit pension scheme liability	19	(4,459,000)	
		<u></u>	
Total net assets			23,503,642
			<u><u></u></u>
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds			27,135,876
- Pension reserve			(4,459,000)
			<u></u>
Total restricted funds			22,676,876
Unrestricted income funds	17		826,766
			<u></u>
Total funds			23,503,642
			<u><u></u></u>

The accounts on pages 23 to 48 were approved by the trustees and authorised for issue on 09 December 2019 and are signed on their behalf by:

M Seller
Chair of Trustees

Company Number 11697576

ODYSSEY COLLABORATIVE TRUST

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2019

	Notes	2019	
		£	£
Cash flows from operating activities			
Net cash used in operating activities	20		(51,982)
Cash funds transferred on conversion			823,768
			<u>771,786</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		173	
Capital grants from DfE Group		20,115	
Purchase of tangible fixed assets		(59,770)	
			<u>(39,482)</u>
Net cash used in investing activities			(39,482)
Net increase in cash and cash equivalents in the reporting period			732,304
Cash and cash equivalents at beginning of the year			-
Cash and cash equivalents at end of the year			<u><u>732,304</u></u>

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2019

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

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Odyssey Collaborative Trust meets the definition of a public benefit entity under FRS 102.

These accounts have been prepared for the period 26 November 2018 to 31 August 2019 which is a period of less than twelve months. Academy trusts are required by the Education & Skills Funding Agency to report annually to 31 August and the academy trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Derby City Council to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 24.

1.4 Income

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

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Transfer of assets on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred on conversion is recognised within donations and capital grant income.

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

Leasehold land and buildings	2% straight line
Computer equipment	20% - 33.3% straight line
Fixtures, fittings & equipment	20% straight line

Long Leasehold Land and Buildings were transferred at their valuation as at their respective transfer date when transferring into the academy trust. The valuation basis used was depreciated replacement cost.

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

1.7 Liabilities

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

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.10 Taxation

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

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

1.12 Fund accounting

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

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

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

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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.

For 2018-2019 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "McCloud/Sargeant judgement". This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019 by £57,000 which has reflected as a past service cost, within staff costs. There will also be an increase in the cost of benefits from 1 September 2019.

There will also be an increase in the cost of benefits from 1 September 2019.

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

(2) Guaranteed Minimum Pension (GMP). GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial

(3) Discount rates. There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

(4) Mortality assumptions. Details of the changes in mortality assumptions are shown in note 19. The actuary calculations use a model prepared by the Continuous Mortality Investigation (CMI) which is updated on an annual basis, incorporating the latest mortality data in the national population. This year the mortality assumptions use an updated CMI model which now anticipates a significant reduction in projected life expectancies. The lower life expectancy assumptions result in a more positive balance sheet position than if the mortality rates at the start of the period had been used, and the impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £
Capital grants	-	20,115	20,115
Other donations	17,372	-	17,372
	<hr/>	<hr/>	<hr/>
	17,372	20,115	37,487
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £
DfE / ESFA grants			
General annual grant (GAG)	-	3,377,828	3,377,828
Start up grants	-	245,000	245,000
Other DfE group grants	-	508,198	508,198
	-----	-----	-----
	-	4,131,026	4,131,026
	=====	=====	=====
Other government grants			
Local authority grants	-	356,052	356,052
	-----	-----	-----
	-	4,487,078	4,487,078
	=====	=====	=====

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £
Trip income	-	27,555	27,555
Catering income	-	69,525	69,525
Letting and other income	92,666	-	92,666
	-----	-----	-----
	92,666	97,080	189,746
	=====	=====	=====

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £
Short term deposits	173	-	173
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ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs	Non Pay Expenditure		Total
	£	Premises	Other	2019
	£	£	£	£
Academy's educational operations				
- Direct costs	3,192,406	-	163,672	3,356,078
- Allocated support costs	821,713	783,267	245,756	1,850,736
	<u>4,014,119</u>	<u>783,267</u>	<u>409,428</u>	<u>5,206,814</u>

Net income/(expenditure) for the PERIOD includes:	2019
	£
Fees payable to auditor for:	
- Audit	13,800
- Other services	2,000
Depreciation of tangible fixed assets	485,098
	<u>485,098</u>

8 Charitable activities

	2019
	£
All from restricted funds:	
Direct costs	
Educational operations	3,356,078
Support costs	
Educational operations	1,850,736
	<u>5,206,814</u>

	2019
	£
Analysis of support costs	
Support staff costs	821,789
Depreciation	485,098
Premises costs	298,169
Other support costs	79,888
Governance costs	165,792
	<u>1,850,736</u>

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the Period were:

	2019
	£
Wages and salaries	2,868,300
Social security costs	246,792
Pension costs	737,793
	<hr/>
Amounts paid to employees	3,852,885
Agency staff costs	161,234
	<hr/>
Amounts paid to staff	4,014,119
Staff development and other staff costs	14,784
	<hr/>
Total staff expenditure	4,028,903
	<hr/> <hr/>

Non statutory/non-contractual staff severance payments

Included in staff costs are non-contractual severance payments totalling £15,000, which was one individual payment.

Staff numbers

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

	2019
	Number
Teachers	198
Administration and support	131
Management	9
	<hr/>
	338
	<hr/> <hr/>

Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £322,743.

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

10 Central services

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

- human resources;
- financial services;
- payroll services;
- school improvement services; and
- governance.

The academy trust charges for these services are based on a percentage of 5% of the basic entitlement age weighted pupil unit (AWPU) and the lump sum.

The amounts charged during the Period were as follows:

	2019
	£
Asterdale Primary School	18,050
Beaufort Community Primary School	21,678
Borrow Wood Primary School	29,471
Springfield Primary School	21,848
Portway Junior School	22,599
Cherry Tree Hill Primary School	36,473
Odyssey Collaborative Trust	-
	<hr/>
	150,119
	<hr/> <hr/>

11 Trustees' remuneration and expenses

There are no staff trustees.

12 Trustees and officers insurance

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

ODYSSEY COLLABORATIVE TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2019****13 Tangible fixed assets**

	Leasehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 26 November 2018	-	-	-	-
Transfer on conversion	27,370,000	116,393	74,811	27,561,204
Additions	-	9,953	49,817	59,770
At 31 August 2019	27,370,000	126,346	124,628	27,620,974
Depreciation				
At 26 November 2018	-	-	-	-
Charge for the Period	406,800	48,071	30,227	485,098
At 31 August 2019	406,800	48,071	30,227	485,098
Net book value				
At 31 August 2019	26,963,200	78,275	94,401	27,135,876

Included in leasehold land and buildings is land at a valuation of £7,030,000 which has not been depreciated.

The long leasehold land and buildings occupied by Asterdale Primary School, Beaufort Community Primary School, Borrow Wood Primary School, Cherry Tree Hill Primary School, Portway Junior School and Springfield Primary School were transferred by Derby City Council to Odyssey Collaborative Trust at the date the six schools converted to academy status. The land and buildings are held under the terms of six 125-year lease agreements at nil rental.

The leasehold land and buildings were valued at depreciated replacement cost on their date of transfer.

14 Debtors	2019
	£
Trade debtors	5,784
VAT recoverable	166,427
Other debtors	283,553
Prepayments and accrued income	348,062
	<u>803,826</u>

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

15 Creditors: amounts falling due within one year	2019
	£
Trade creditors	125,415
Other taxation and social security	145,333
Other creditors	134,511
Accruals and deferred income	304,105
	<hr/>
	709,364
	<hr/> <hr/>
 16 Deferred income	 2019
	£
Deferred income is included within:	
Creditors due within one year	289,421
	<hr/> <hr/>
Resources deferred in the Period	289,421
	<hr/>
Deferred income at 31 August 2019	289,421
	<hr/> <hr/>

At the balance sheet date, the academy trust was holding funds of £289,421 received in advance for educational funding relating to the upcoming financial year.

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

17 Funds

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds				
General Annual Grant (GAG)	3,377,828	(3,445,386)	67,558	-
Start up grants	245,000	(245,000)	-	-
Other DfE / ESFA grants	508,198	(508,198)	-	-
Other government grants	356,052	(356,052)	-	-
Other restricted funds	97,080	(97,080)	-	-
Pension reserve	(3,094,000)	(70,000)	(1,295,000)	(4,459,000)
	<u>1,490,158</u>	<u>(4,721,716)</u>	<u>(1,227,442)</u>	<u>(4,459,000)</u>
Restricted fixed asset funds				
Inherited on conversion	27,561,204	(485,098)	59,770	27,135,876
DfE group capital grants	20,115	-	(20,115)	-
	<u>27,581,319</u>	<u>(485,098)</u>	<u>39,655</u>	<u>27,135,876</u>
Total restricted funds	<u>29,071,477</u>	<u>(5,206,814)</u>	<u>(1,187,787)</u>	<u>22,676,876</u>
Unrestricted funds				
General funds	933,979	-	(107,213)	826,766
Total funds	<u>30,005,456</u>	<u>(5,206,814)</u>	<u>(1,295,000)</u>	<u>23,503,642</u>

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

17 Funds

(Continued)

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency / Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise of all other restricted funds received and include grants from the Education and Skills Funding Agency / Department for Education.

The pension reserve held within restricted funds was in deficit by £4,459,000 at 31 August 2019. This does not mean an immediate liability for this amount crystallises. The deficit position will result in a cash flow effect for the academy trust in the form of employer's pension contributions assessed by the actuary.

Under the funding agreement with the Secretary of State, the academy 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

	2019
	£
Fund balances at 31 August 2019 were allocated as follows:	
Asterdale Primary School	151,019
Beaufort Community Primary School	209,648
Borrow Wood Primary School	108,107
Springfield Primary School	184,281
Portway Junior School	28,424
Cherry Tree Hill Primary School	59,162
Odyssey Collaborative Trust	86,125
	<hr/>
Total before fixed assets fund and pension reserve	826,766
Restricted fixed asset fund	27,135,876
Pension reserve	(4,459,000)
	<hr/>
Total funds	23,503,642
	<hr/> <hr/>

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019
	£	£	£	£	£
Asterdale Primary School	366,421	111,649	17,413	61,647	557,130
Beaufort Community Primary School	551,980	49,897	17,367	129,348	748,592
Borrow Wood Primary School	506,116	123,553	19,237	103,390	752,296
Springfield Primary School	638,902	76,781	38,579	120,376	874,638
Portway Junior School	386,789	36,962	23,293	112,654	559,698
Cherry Tree Hill Primary School	721,096	144,095	31,235	143,543	1,039,969
Odyssey Collaborative Trust	35,810	278,852	1,840	23,010	339,512
	<u>3,207,114</u>	<u>821,789</u>	<u>148,964</u>	<u>693,968</u>	<u>4,871,835</u>

18 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	27,135,876	27,135,876
Current assets	826,766	709,364	-	1,536,130
Creditors falling due within one year	-	(709,364)	-	(709,364)
Defined benefit pension liability	-	(4,459,000)	-	(4,459,000)
Total net assets	<u>826,766</u>	<u>(4,459,000)</u>	<u>27,135,876</u>	<u>23,503,642</u>

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

19 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £132,986 were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

19 Pension and similar obligations

(Continued)

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to the TPS in the period amounted to £271,907.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21% for employers and 5% to 12.5% for employees.

As described in note 24 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained schools and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2019
	£
Employer's contributions	230,000
Employees' contributions	64,000
	<hr/>
Total contributions	294,000
	<hr/> <hr/>

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

19 Pension and similar obligations (Continued)

Principal actuarial assumptions	2019
	%
Rate of increase in salaries	2.8
Rate of increase for pensions in payment/inflation	2.3
Discount rate for scheme liabilities	1.9

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

	2019
	Years
Retiring today	
- Males	21.9
- Females	24.4
Retiring in 20 years	
- Males	23.9
- Females	26.5

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

	2019
	£'000
0.5% decrease in Real Discount Rate	1,127
0.5% increase in the Salary Increase Rate	136
0.5% increase in the Pension Increase Rate (CPI)	970

The academy trust's share of the assets in the scheme	2019
	Fair value
	£
Equities	2,287,000
Bonds	900,000
Property	300,000
Other assets	262,000
Total market value of assets	3,749,000

The actual return on scheme assets was £280,000.

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

19 Pension and similar obligations	(Continued)
Amount recognised in the Statement of Financial Activities	2019
	£
Current service cost	402,000
Past service cost	57,000
Interest income	(239,000)
Interest cost	80,000
	<hr/>
Total operating charge	300,000
	<hr/> <hr/>
Changes in the present value of defined benefit obligations	2019
	£
Obligations acquired on conversion	6,269,000
Current service cost	402,000
Interest cost	80,000
Employee contributions	64,000
Actuarial loss	1,336,000
Past service cost	57,000
	<hr/>
At 31 August 2019	8,208,000
	<hr/> <hr/>
Changes in the fair value of the academy trust's share of scheme assets	2019
	£
Assets acquired on conversion	3,175,000
Interest income	239,000
Actuarial gain	41,000
Employer contributions	230,000
Employee contributions	64,000
	<hr/>
At 31 August 2019	3,749,000
	<hr/> <hr/>

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

20 Reconciliation of net income to net cash flow from operating activities

	2019
	£
Net income for the reporting period (as per the statement of financial activities)	24,798,642
Adjusted for:	
Net surplus on conversion to academy	(25,290,972)
Capital grants from DfE and other capital income	(20,115)
Investment income receivable	(173)
Defined benefit pension costs less contributions payable	229,000
Defined benefit pension scheme finance income	(159,000)
Depreciation of tangible fixed assets	485,098
(Increase) in debtors	(803,826)
Increase in creditors	709,364
Net cash used in operating activities	(51,982)

21 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019
	£
Amounts due within one year	1,914
Amounts due in two and five years	3,828
	<u>5,742</u>

22 Related party transactions

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

23 Members' liability

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

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

24 Conversion to an academy

Between the 1 March 2019 and 1 April 2019, 6 schools (listed below) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Odyssey Collaborative Trust from the Derby City Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion	
Asterdale Primary School	Spondon	1 March 2019	
Beaufort Community Primary School	Derby	1 April 2019	
Borrow Wood Primary School	Spondon	1 March 2019	
Springfield Primary School	Spondon	1 March 2019	
Portway Junior School	Allestree	1 April 2019	
Cherry Tree Hill Primary School	Chaddesden	1 April 2019	

	2019
Net assets transferred:	£
Other tangible fixed assets	27,561,204
Cash	823,768
Pension scheme deficit	(3,094,000)
	25,290,972
	25,290,972

	Unrestricted Funds	Restricted funds:		Total
Funds surplus/(deficit) transferred:	£	General	Fixed asset	2019
		£	£	£
Fixed assets funds	-	-	27,561,204	27,561,204
LA budget funds	823,768	-	-	823,768
LGPS pension funds	-	(3,094,000)	-	(3,094,000)
	823,768	(3,094,000)	27,561,204	25,290,972
	823,768	(3,094,000)	27,561,204	25,290,972

The properties are held under 125-year lease arrangements.

ODYSSEY COLLABORATIVE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

24 Conversion to an academy

(Continued)

The split of funds transferred on conversion for each academy is as follows:

	£
Asterdale Primary School	
- Land & Buildings	6,135,000
- Tangible fixed assets	24,067
- Cash	164,584
Beaufort Community Primary School	
- Land & Buildings	4,475,000
- Tangible fixed assets	34,400
- Cash	210,793
Borrow Wood Primary School	
- Land & Buildings	3,135,000
- Tangible fixed assets	20,552
- Cash	125,623
Springfield Primary School	
- Land & Buildings	4,750,000
- Tangible fixed assets	13,763
- Cash	222,207
Portway Junior School	
- Land & Buildings	3,690,000
- Tangible fixed assets	39,242
- Cash	14,564
Cherry Tree Hill Primary School	
- Land & Buildings	5,185,000
- Tangible fixed assets	59,180
- Cash	85,997
	<hr/>
	28,384,972
Defined benefit pension obligation inherited on conversion	(3,094,000)
	<hr/>
	25,290,972
	<hr/> <hr/>