



ACHIEVING MORE TOGETHER

Ormiston Academies Trust

(a company limited by guarantee)

Annual report and financial statements for
the year ended 31 August 2019

Company Registration No. 06982127 (England and Wales)

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Reference and administrative details

Members

The Ormiston Trust
Peter Murray
Paul Hann

Trustees

Paul Hann (Chair of Trustees)
Peter Murray (Founding Chairman)
Ian Brookman
Frances Hall
Nick Hudson (Accounting Officer)
Andrew Jones (appointed 13 September 2018)
Janet Renou (appointed 1 November 2019)
Kate Rutherford (appointed 1 September 2019)
Bal Samra
Mark Stanyer

Wendy Barnes (resigned 13 December 2018)
Robin Boshier (resigned 28 January 2019)

Executive team

- Chief Executive Officer and Accounting Officer
- National Director of Education
- National Director of Estates and Technology
- National Director of Finance
- National Director of HR and Operations
- National Director of Strategy and Quality Improvement
- National Director of Teaching and Training

Nick Hudson
Robert Pritchard
James Miller
Joanne Dawson
Carmel Brown
Amelia Walker
Tuesday Humby

Company secretary

Sunita Yardley-Patel

Company registration number

06982127 (England and Wales)

Principal address and registered office

Ormiston House
144 Newhall Street
Birmingham
B3 1RY

Academies operated	Location	Principal	Designation
North			
Ormiston Chadwick Academy	Widnes	Jennifer Lowry-Johnson	Secondary
Ormiston Horizon Academy	Stoke on Trent	Andy Fitzgibbon	Secondary
Ormiston Ilkeston Enterprise Academy	Ilkeston	Nia Salt	Secondary
Ormiston Maritime Academy	Grimsby	Carianne Robson*	Secondary
Ormiston Meridian Academy	Stoke on Trent	Claire Stanyer	Secondary
Ormiston Sir Stanley Matthews Academy	Stoke on Trent	Mark Stanyer	Secondary
West			
Ormiston Forge Academy	Cradley Heath	Andrew Burns	Secondary
George Salter Academy	West Bromwich	Adrian Price	Secondary
Ormiston NEW Academy	Wolverhampton	Craig Cooling	Secondary
Ormiston Sandwell Community Academy	Oldbury	Marie McMahon	Secondary
Ormiston Shelfield Community Academy	Walsall	Stuart Turnbull	Secondary
Ormiston SWB Academy	Bilston	Rod Hughes	Secondary
Tenbury High Ormiston Academy	Tenbury Wells	Vicki Dean	Secondary
Wodensborough Ormiston Academy	Wednesbury	Leigh Moore	Secondary
South			
Ormiston Bushfield Academy	Peterborough	Dennis Kirwan	Secondary
Cowes Enterprise College – An Ormiston Academy	Cowes	Rachel Kitley	Secondary
Ormiston Endeavour Academy	Ipswich	Jamie Daniels	Secondary
Ormiston Park Academy	Aveley	Huw Derrick	Secondary
Ormiston Rivers Academy	Burnham on Crouch	Paul Healy	Secondary
Ormiston Six Villages Academy	Chichester	Paul Slaughter	Secondary
Stoke High School - Ormiston Academy	Ipswich	Andrew Robinson	Secondary
Ormiston Sudbury Academy	Sudbury	Caroline Wilson	Secondary
East			
Broadland High Ormiston Academy	Hoveton	Aron Whiles	Secondary
City of Norwich School - An Ormiston Academy	Norwich	Jo Philpott	Secondary
Cliff Park Ormiston Academy	Gorleston-on-Sea	Tamsin Poulter	Secondary
Ormiston Denes Academy	Lowestoft	Jim Nixon*	Secondary
Flegg High Ormiston Academy	Martham	Kate Williams	Secondary
Ormiston Venture Academy	Gorleston-on-Sea	Simon Gilbert-Barnham	Secondary
Ormiston Victory Academy	Norwich	Naomi Palmer	Secondary
Primary and special schools			
Ormiston Cliff Park Infant Academy	Gorleston-on-Sea	Kate Rutherford	Infant
Ormiston Cliff Park Junior Academy	Gorleston-on-Sea	Kate Rutherford	Junior
Edward Worlledge Ormiston Academy	Great Yarmouth	Mark Thompson	Primary
Ormiston Herman Academy	Great Yarmouth	Kate Rutherford	Primary
Ormiston Meadows Academy	Peterborough	Kelly Moore	Primary
Packmoor Ormiston Academy	Stoke on Trent	Sharon May	Primary
Ormiston South Parade Academy	Grimsby	Kate Robinson	Primary
Thomas Wolsey Ormiston Academy	Ipswich	Helen MacDougall	All-through, special

* Interim.

Trustees' report

About OAT

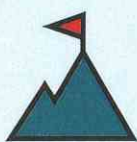
Ormiston Academies Trust (OAT) is an educational charity and one of the largest not-for-profit multi-academy trusts in England. We are one of the longest established trusts and have been sponsoring academies since 2009. Our mission is to become the trust that makes the biggest difference, both inside and outside the classroom.

We educate 30,000 pupils across six English regions, in 30 secondary schools (including Ormiston Bolingbroke Academy, which is operated by a subsidiary undertaking), seven primary schools and one special school. Two of these schools joined within the 2018/19 academic year, Cliff Park Infant School and Cliff Park Junior School.

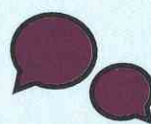
We consider ourselves to be a values-led organisation. We expect our values to apply equally to pupils, to our staff and to how we treat people outside our organisation.



Anyone can excel



Enjoy the challenge



Share what is best



Be inclusive

We consider working to our values to be one of the ways that we demonstrate public benefit. Public benefit is at the heart of our purpose as an organisation. As a charity, our trustees have regard to the Charity Commission guidance on public benefit in agreeing our purposes, priorities and strategies and plans. We have four purposes and these are all focused on the benefit we give to the pupils we serve:

Teach: We teach all our pupils the knowledge and skills they are entitled to, and how to apply this in how they think and work.

Develop: We develop all our pupils socially and emotionally so that they can make good choices about education and life.

Change: We aim to understand what is needed for any pupil to excel, so we can create schools where no one is disadvantaged.

In order to achieve our purposes, we also need to have an organisation that is well designed and run:

Support: We support this work by being efficient and by investing in getting the best from our people, resources, estate and technology.



Teach



Develop



Change



Support

How we are run

Constitution

The trust is a company limited by guarantee and an exempt charity. The charitable company's articles of association are the primary governing documents of the trust.

Our trustees act as the directors of the charitable company for the purposes of company law, as well as fulfilling their obligations as trustees for the charitable activities of Ormiston Academies Trust. Details of the trustees who served during the year are included in the reference and administrative details pages of the financial statements.

Our Ormiston family of organisations

Our parent organisation is Ormiston Trust. The Trust Board includes three members who are appointed by Ormiston Trust. We share this parent organisation with another multi-academy trust, Gateway Learning Community Trust, and with two single academy trusts, Birmingham Ormiston Academy (BOA) and Ormiston Bolingbroke Academy Trust. OAT sponsors Ormiston Bolingbroke Academy.

In 2018/19 we began the process to transfer Ormiston Bolingbroke Academy into OAT in order to facilitate ongoing improvement so that this becomes a good school. We expect this transfer to complete in spring 2020.

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.

Organisational structure

Trustees come together three times a year as part of the **Trust Board**.

There are four committees of the board of trustees:

- **Financial oversight and risk committee** oversees the efficient and effective management of finance and resources within the trust.
- **School improvement committee** oversees and challenges the work to improve levels of attainment and achievement in the academies.
- **Audit committee** oversees the financial management of the trust, with particular regard to the control environment and the internal and external audit functions.
- **Remuneration committee** sets and agrees the remuneration of the executive team and principals.

The Trust Board delegates the day to day running of the organisation to the Chief Executive, Nick Hudson. The Chief Executive appoints Directors and they make up the **Executive Board**.

Reporting to the Director of Education are four **Regional Directors**. We have Regional Directors for schools in our East, South, West and North regions. During the 2018/19 year we also appointed a Director for Primary and SEND who started their role in September 2019.

Our schools are led by **Principals**. In most schools the Principal is line managed by the relevant Regional Director. In some of our schools, we have also appointed Executive Principals who line manage more than one principal in order to provide closer support for development and improvement.

Our **head office** staff work across schools. These staff work in teams headed by the National Directors of Education, Estates & Technology, Finance, HR & Operations and Strategy & Quality. During 2018/19 we also appointed a new National Director for Teaching and Training who will begin their role in 2019/20.

Trustees' indemnities

There are no qualifying third party indemnity provisions in respect of trustees, other than trustees' and officers' insurance which is in place.

Method of recruitment and appointment or election of trustees

Potential new trustees are identified by the board, ensuring that the skills and experience of new trustees are complementary to those of existing board members. Ormiston Trust has the power to appoint a majority of trustees.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary the induction process will provide training on charity, educational, legal and financial matters. All new trustees are welcome to visit the academies and to meet with staff and students. All trustees are provided with copies of procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally no more than one or two new trustees a year, induction tends to be done informally and is tailored specifically to the individual trustees. Appropriate on-going training is arranged as necessary.

Strategy and achievements

In January 2019 we published a five-year strategy. This strategy sets out five priorities for change:

- Curriculum and teaching
- Specialist practitioners
- Learning time
- Knowledge for opportunity
- Focus on education

In this report we provide comment on what we have achieved against each of these priorities during 2018/19.

The strategy sets out our plans for the future. It is published on our website at www.ormistonacademiestrust.co.uk/about-us/our-aims. The priority actions within it will be delivered over the coming years. Each year we will decide what specific actions we will take within that academic year that will enable us to deliver the ambitions overall within the five-year window.

Curriculum and teaching

One of our core purposes is to teach. All human beings have a right to acquire knowledge and skill in every subject before they leave education. The actions within this priority area are about making sure all pupils receive their full entitlement. We want to create greater consistency and alignment in what we do, so that every classroom can share in our collective knowledge of what makes for the best curriculum and teaching.

Curriculum Statement

During 2018/19, middle leaders from across OAT schools came together to debate curriculum principles and develop a curriculum statement for the trust.

The Trust Board agreed the statement which sets out:

1. OAT's definition of curriculum
2. Our curriculum aims
3. Expectations that parents and pupils can have of a curriculum in an OAT school

What's distinctive about curriculum in OAT?

The curriculum statement links the OAT strategy, OAT values, our history and the communities we serve. Some of the key elements we have agreed to are distinctive to our trust:



Enjoy the challenge: This is one of our trust values. Resilience and self-efficacy are two areas of social and emotional development that are particularly significant for our pupils.



Values, ethics and social action: The trust is investing heavily in embedding social action through the #iwill programme leading to its inclusion within our aims for our pupils.



Knowledge for opportunity: This is one of the trust's priorities and links to our strategic planning around what our pupils need, to be able to turn education into opportunity.



Our place in the world: This curriculum aim reflects our commitment as a trust to valuing the places where our schools are located. Pupils should have an entitlement to learn about the rich history and future potential of the places they come from.

Interpreting the OAT direction locally

For the first time this year, all OAT schools were asked to make explicit links between their plans for the coming year and the OAT strategy. Curriculum and Assessment was the area most often identified by schools as a key priority for the year ahead within their schools.

Some of the ways that schools demonstrated how the OAT strategy would be realised locally included:

- **George Salter Academy** has done a lot of work on their school values, and have mapped these against the OAT values.
- **Cowes Enterprise College** has reworked the OAT Strategy document to produce their own locally relevant version of the original.
- **Ormiston Venture Academy** has reworked the Curriculum Statement, taking the original trust version and making it distinctive and relevant for their school.

OAT West Conference 'Excellence Together'

On Monday 1 July, OAT held its first ever regional conference. Over 900 staff engaged in a full staff training day at the Bethel Convention Centre, where they had the opportunity to engage with the values of OAT, working together to 'share what is best'.

During the day, teaching and support staff had the opportunity to hear from Nick Hudson and Peter Murray, as well as enjoying an inspirational presentation from Sir John Jones, reminding colleagues about the importance of schools as places where 'magic weaving' takes place. Chris Moyse then followed for teaching staff, with an engaging session on 'stretch and challenge'.

The theme of the day was 'Excellence Together' and the second half of the day was spent at George Salter Academy where 37 break out groups allowed staff to meet other colleagues in similar roles to themselves, network and share best practice.

Feedback was extremely positive with staff commenting that they felt 'inspired and motivated' and that they 'enjoyed having the opportunity to network and talk to colleagues in similar roles'.

Many of the networks are keen to continue next academic year and we are hoping to host another conference in 2021.

The OAKS and ignite

OAT oversees one SCITT, The OAKS and a teaching school alliance in the East, ignite. The OAKS is a partnership with Keele University in Staffordshire. In 2018/19 we started the process of making The OAKS a truly national resource for all our schools. This will be made possible by the appointment of a new Director for Teaching and Training. Our commitment is that The OAKS serves 50% of all OAT schools by the end of 2020/21.



Best in class: Nicola Whiston

One of the trust's most exceptional teachers, Nicola Whiston, was again recognised for her work teaching maths. Nicola worked first in Ormiston Bolingbroke Academy, followed by Ormiston Chadwick Academy, and is now taking her maths magic to Ormiston Horizon Academy. Nicola was awarded teacher of the year by TES in 2018, and received a silver award for secondary teacher of the year by Pearson in 2019.

Specialist practitioners

We have appointed a number of specialist practitioners to support and strengthen our curriculum and teaching.

Regional Lead Practitioners

Regional Lead Practitioners (RLPs) have been appointed in English, maths and science. Our aim is to increase the number of RLPs across the trust over time. RLPs work in classrooms and with subject departments in OAT academies, but they are employed by Head Office and deployed in different schools according to need.

National Subject Leaders

National Subject Leaders (NSLs) have been appointed in 10 subject areas and one Key Stage (post-16). They will be co-ordinating subject networks, subject training and CPD. When networks collaborate on curriculum, the National Subject Leader will be the key contact to signpost to support and resources.

Learning time

Learning time is an important factor in improving attainment. A pupil that learns at home, attends school regularly and is involved in enrichment activities outside the formal curriculum can accumulate 40% more learning time in a single year than a peer who is persistently absent and whose only learning is through the timetable.

The trust has always had a strong commitment to the wider curriculum and the value that enrichment gives. Our aim is to make that commitment more sharply focused on the pupils who need it most.

Action on attendance

Practitioners identified that, while the government mandates codes for attendance and absence, there is no consistent guidance on the use of those codes. In 2018/19 OAT issued a comprehensive guide to the use of attendance codes to all academies, providing clarity on common situations such as coding absence for year 11 pupils in the small window after the end of exams and before the final day of term.

Enrichment in OAT

Every academy in OAT has started the process of benchmarking their enrichment practice and offer against the trust's quality standard. 34 of 38 academies have initiated an #iwill funded social action project during 2018/19. So far this has involved 5,120 pupils compared to a baseline of 1,960 prior to the start of #iwill delivery.

We procured an enrichment monitoring and tracking tool to be made available for use from 2019/20 onwards.

We are appointing a technology developer to build a ground-breaking tool to allow us to report participation in enrichment, wellbeing and social and emotional development alongside more traditional academic assessment.

Social action at Edward Worlledge Ormiston Academy

Over 300 pupils from Edward Worlledge Ormiston Academy took part in beach cleans in Great Yarmouth and Gorleston as their social action project for #iwill. They are now taking steps to reduce their academy plastic waste, concentrating on recycling and banning single use plastic bottles.

Fourth Annual OAT Sports Cup 2019

A number of schools from across the North and West regions joined together to compete in the esteemed OAT Sports Cup 2019. Over 700 pupils and staff took part in the annual sporting event, where schools competed against one another for the cup across a variety of events – including athletics, dance, long jump, discus and team sports such as dodgeball, football and a crucial game of tug of war.

State-of-the-art football pitch at Cowes Enterprise College

This was made possible thanks to a £448,815 capital grant from the Premier League, The FA and Government's Football Foundation as well as a £400,000 capital grant from The Isle of Wight Council to create a state-of-the-art facility for Academy and the Island.

The new football pitch is open to the community in the evenings and at weekends, as well as the school's pupils during the day. The pitch provides an excellent addition to the already well used sports amenities at Cowes and will enhance the sport and physical activity curriculum of the college through its partnerships with local primary schools and Island sports events.



Knowledge for opportunity

One of our core purposes is change. An important contributing factor to underachievement is that different communities have different access to knowledge about what it takes to use education to achieve prosperity. If we want all of our pupils to succeed, then we will need to make sure that we are sharing knowledge, with our pupils, and with their parents.

Bostin Fittle: creating pride in local history and identity

On 17 July 2019, at the Black Country Living Museum, students, teachers, parents, partners and professionals came together to celebrate the success of the 'Bostin Fittle' project and launch the online sharing portal and final recipe book.

The 'Bostin Fittle' project is a youth-led initiative focused on the exciting time of the 1940–60s and the impact this period had on the food consumption and diet of Black Country residents. The project was launched in January 2019 and students from Ormiston NEW Academy and Ormiston Sandwell Community Academy (OSCA) have been working with experts, partners and the Enrichment team to develop their journalistic, historical and research skills to find out about the changing societal landscape throughout that period.

The work created through the project is a genuine celebration of the history of food and community in the Black Country, and this wonderful collection of engaging audio and visual content has been made possible through the combined efforts of 50 students aged 11–16, their teachers and other professionals.

The project was funded by revenue grants of £25k which were received during 2018/19 from the National Lottery Heritage Fund and Ormiston Trust, and supported by a partnership with the Black Country Living Museum. It is hoped the work produced as part of this project will create a lasting legacy for all to enjoy.

A new maritime curriculum at Cowes Enterprise College

Cowes Enterprise College have launched their Maritime Futures Curriculum. The curriculum aims to embrace Cowes' rich local heritage and place demanding academic concepts and techniques into 'real life' settings using their close ties with the maritime industry.

The project is part funded through a £122k revenue grant from the Edge Foundation and aims to help meet skills gaps in the industry. £28k of this funding has been recognised in 2018/19, with the remainder to be recognised once relevant performance conditions have been achieved.

Across the year students will have the opportunity to work on sailing dinghy prototypes in Design Technology and visit the Mary Rose in History. Students will explore boat-building, including design and specifications; tides; shipping forecasts; and attend a Cowes Regatta to celebrate the production of boats. The Maritime Skills Alliance and CECAMM (a specialised education and training centre which is part of the Isle of Wight College) are among the partners supporting on curriculum development.

New curriculum for careers

A Gold standard Careers curriculum is being developed by the #iwill team, which will lead to the development of a full Subject Master Scheme that is perfectly aligned with the curriculum statement and criteria. This Subject Master Scheme will cover Years 7–11 inclusive, and although managed by the #iwill project is working in tandem with the Curriculum and Assessment project.

National Student Voice Council

OAT celebrated the launch of its new National Student Voice Council this year, made up of students across the national network. Their first meeting was held in Birmingham to break the ice and to discuss their national social action project.

The Council agreed that the most important issue affecting OAT's young people is eradicating stigma and encourage acceptance across the trust. Since forming their vision, they have arranged regular meetings to discuss and plan and are making great steps with their project.

The OAT National Student Voice Council has been set up through some of the £1.9 million funding awarded from the #iwill fund and national charity Ormiston Trust, which was recognised in the 2017/18 financial year. Comprised of 29,000 pupils, the OAT network of academies nominated students to become part of the National Student Voice Council. Nine students were successful and will use the funding to support a national social action project across all of the academies and to support all students across the network to have their voice heard on the issues that matter to them.

Focus on education

New look for OAT's corporate website

The previous OAT corporate website was first created in September 2014 and needed to be redesigned on a new content management system (CMS) that was more user friendly and secure. The design was also out of date and needed to be refreshed. At the end of May 2019, the new OAT corporate website was launched.

The format and navigation of the new site remain fairly similar, but it now has a greater focus on raising our profile as a trust, and family of academies. To do this a blog feature/functionality was created to showcase fresh news content that's interesting and has a clear benefit to inspire readers and encourage them to engage and value OAT as a well-respected multi-academy trust.

Branding refresh

The range of OAT's brand had been growing at a considerable rate and there was a need to greatly simplify it. There were more than 30 iterations of the logo and many had no value and served no useful purpose, diluting and devaluing our impact and identity. It was becoming increasingly difficult to police despite guidelines, and non-standard logos were appearing in the public domain which could adversely affect our reputation.

All brands should evolve over time to remain visually fresh and *move with the times*.

During January to March 2019 we refreshed the brand to just two distinct versions of the OAT logo – the corporate logo and 'An OAT Academy' logo – and no colour variants other than cyan, white and black. Information was shared across the communication platforms about the changes, and across head office and academies all digital materials and all physical materials were updated, and new logo packs and guidelines made available.



The Trust Network National Conference 2019

The Trust Network is endorsed and supported by the Education and Skills Funding Agency and aims to assist small developing multi-academy trusts to manage their estate and capital funding. It was founded, and is chaired by James Miller, National Director of Estates and Technology.

Around 100 MATs and trusts, (collectively representing over 900 academies and 425,000 students) from across the country, attended the third annual national conference for The Trust Network (TTN), with keynote speaker Rory Kennedy, Director of Capital at the Department for Education.



Redevelopment of Ormiston Endeavour Academy

A £15 million redevelopment of Ormiston Endeavour Academy (which shares its site with Thomas Wolsey Ormiston Academy) is underway for completion in September 2020. The project has been over two years in the planning, and is being funded and managed by the ESFA. Work started on site on 29 April 2019.



The first phase will see the new building created on the existing tennis courts, before the second phase sees the part of the old building (which dates back to the 1960s) demolished. An impairment provision of £2.5m has been recognised during 2018/19 in respect of the partial demolition. Five floodlit multi-use games areas will then be created on the land.

The new building will provide 30 classrooms including science labs, music rooms, an ICT suite, art and drama space, and rooms kitted out for design and technology lessons. Other facilities will include a multi-purpose hall, kitchen and dining hall and an activity studio.

The new build will reduce the ongoing maintenance costs, which the aging building was incurring, and allow more funds to be pumped into teaching. Below is an artist's impression of what the new building will look like. The building will be donated to the trust by the ESFA once the project is complete.

Performance against targets

Progress against strategy

Overall, our performance this year compares favourably to many other multi-academy trusts nationwide. This year we have broadly maintained our position in terms of progress and made some important improvements, for example, in Key Stage 4 attainment in English and maths and for disadvantaged pupils reaching the national benchmark in primary. Across the trust, we have seen some significant changes in some key areas this year:

- Over the long term our Ofsted ratings are rising. The average over five years was 2.22, rising to 2.16 over three years and with a latest score of 2.13.
- Though many of our schools have a history of being undersubscribed, secondaries in three of our four regions are now significantly over their published admission number (PAN). This represents both a strategic challenge due to demographic changes, as well as a genuine reflection of changes in local perceptions of quality.
- Many years of strategic investment in our school estate has seen the number of academies with a 'good' building condition rating rise from 14% last year to 21% this year.

We believe our ambitious strategy will set us on a trajectory to put us among the top performing trusts nationally. We will formally report on progress against our strategy in March 2020. The table below shows our provisional outturn against these stretching targets.

Overall success measure	Baseline (2018 prov)	Threshold (2016/17)	2020 target	2020 provisional outturn ¹
KS2 progress score for reading, writing and maths combined for all pupils	0.01	1.26	0.5	Data not yet available ²
KS4 Progress 8 score for all pupils	-0.09	0.23	0.05	-0.05

Baseline for January 2019	Baseline	National (2017)	2020 target	2020 provisional outturn
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TEACH	T1	% disadvantaged pupils reaching the expected standard in reading, writing and maths at the end of KS2	52% (2018 prov)	47% (64% all)	50%	50%
	T2	% KS4 pupils graded 4+ for both English and maths	54.1% (2018 prov)	65.2% (2018)	55.0%	54.9%
	T3	% KS4 pupils graded 5+ for both English and maths	30.3% (2018 prov)	43.9% (2018)	34.0%	31.7%
	T4	Progress score for disadvantaged pupils with high prior attainment (secondary)	-0.53 (2018 prov)	n/a	-0.45	-0.42
	T5	Progress score for White British disadvantaged pupils (secondary)	-0.47 (2018 prov)	n/a	-0.40	-0.46
	T6	% classroom teachers without relevant subject qualification	8% (2017)	7%	5%	Data not yet available ³
	T7	Average point score all Level 3 qualifications	27.79 (2018 prov)	32.02	30.25	28.60

DEVELOP	D1	% pupils sustaining a place at university	52.0% (2017)	59.0%	53.0%	47.1%
	D2	% pupils sustaining a place at a Russell Group university	4.9% (2017)	17.0%	6.0%	7.0%
	D3	% pupils sustaining an apprenticeship after KS5	9.5% (2017)	6.0%	10.5%	7.5%
	D4	% of pupils not sustaining any education, employment or training after KS4 (NEET)	7.7% (2017)	6.1%	7.0%	7.1%

¹ 2020 provisional outturn data relates to the latest data published by the DfE.

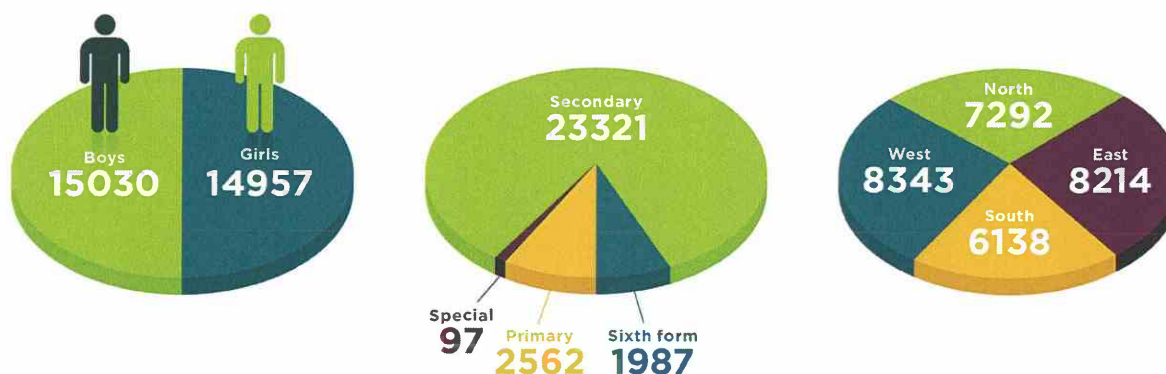
² Data not yet published by the DfE; expected by the end of December 2019.

³ Data pending school-level collection; to be published in March 2020.

Baseline for January 2019			Baseline	National (2017)	2020 target	2020 provisional outturn
CHANGE	C1	% overall absence in primary	4.37% (aut 2018)	4.00%	4.25%	4.48%
	C2	% pupils with persistent absence in primary	11.35% (aut 2018)	8.30%	11.00%	9.51%
	C3	% overall absence in secondary	5.68% (2017)	4.70%	5.55%	5.83%
	C4	% students with persistent absence in secondary	13.69% (2017)	12.40%	13.00%	15.33%
	C5	% EBacc average point score	3.39 (2018 prov)	4.11	3.55	3.44
	C6	% students with high prior attainment entered for the EBacc	33.7% (2018 prov)	57.2%	35.0%	32.7%

Our pupils

In the 2018/19 spring school census there were 29,987 pupils in OAT schools. We taught:



Our employees

Employee voice

We are a geographically spread organisation and this means it can be challenging to feel like part of one team. This year we have prioritised improving internal communications and staff consultation.

For the first time as a trust we ran an all staff consultation exercise. Every member of staff was invited to give their views on proposals for a five-year strategy for the trust. The survey was sent to around 4,000 members of staff. Just over 800 people responded with 633 who completed the full survey – a response rate of approximately 20%. 34 academies plus OAT head office responded – which represents 87% of all targeted groups (head office, academy staff and governing bodies).

In summary, respondents supported every aspect of the strategy that was proposed. All top-level elements received support of at least 77%. The most widely supported element was 'Develop' with 92% of respondents saying that this should be one of our core purposes as an organisation.

This year we delivered a major project to consult on and then implement the support staff pay policy and pay scale. As a result of this consultation and implementation, we now have a single policy for all schools, evaluated consistent job families and pay rates.

Pay and benefits

We published our report on the gender pay gap within the trust in March 2019. Within the trust for the year 2017/18 women were paid 18.8% less than men. This was a reduction from 24.5% in 2016/17. The outcome for 2017/18 was close to the national level which was 17.9%. We expect the outturn for the trust for 2018/19 to be even closer.

All our academy staff are employed on recognised National pay/benefits terms through the Green Book for support staff and the STCPD for our teaching staff.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is determined by the Chief Executive Officer in consultation with the remuneration committee, taking into account a variety of contributory factors such as: role and responsibilities, market factors, and results of annual performance review process, including performance against agreed objectives. The pay and remuneration of the Chief Executive Officer is determined by the remuneration committee.

Equality

The trust is committed to promoting the welfare and equality of its staff, pupils and other member of the academy community. This policy describes the protected characteristics such as age; disability; ethnicity; gender reassignment; marriage and civil partnerships; pregnancy and maternity, religion or belief; sex and sexual orientation.

Staff consultation and trade unions

The trust has strong working relationships with the trade unions that we work in partnership with through our Joint Consultation Committee (JCC) which meets nationally on a termly basis with all key teaching and support staff unions in attendance. These meetings highlight issues that our staff have raised either to us or through their trade union representatives and we consult and agree upon all key HR policies affecting our staff. Once a year this meeting would focus on the performance of the trust and give our trade unions the opportunity to question and challenge our approach to running the trust.

For employees, having access to a representative from outside the school when they need one is also important. During 2018/19 there were 36 trade union representatives within the trust. Of these 36 union representatives stated that they spent none of their time on union duties.

The trust paid a total of £40,232 to local authorities for facility time. This represented 0.4% of the total wage bill inclusive of on costs. We have a trade union recognition agreement and senior leaders meet regularly with both teaching and non-teaching unions to discuss and consult on matters relating to staffing, pay and policies.

At academy level there are also regular weekly staff briefings where the principals update staff on academy-based news and any relevant trust initiatives. Any key changes to employment terms through things like restructures are consulted upon fully at local academy level.

Fundraising

In order to provide the highest quality of education for our pupils, the trust employs a full-time fundraiser who coordinates and prepares applications to national funding bodies and supports delivery of funded projects.

In 2018/19 we were awarded £120,500 by the Edge Foundation and Ormiston Trust to deliver an innovative new curriculum design intended to break down the barriers between academic and vocational learning. The project is being delivered at Cowes Enterprise Academy on the Isle of Wight and is focused on the maritime economy.

We submitted three further applications to the National Communities Lottery Fund, the Youth Endowment Foundation and NESTA. We also secured new funding from Wolverhampton City Council (£35K), Garfield Weston Foundation (£15K), Ormiston Trust and Heritage Lottery Fund (£28K). Three posts in head office were part funded by Ormiston Trust to the end of August 2018.

Because of our strategic commitment to social action, we aim to provide opportunities for pupils to serve their communities and we also engage members of the community in our projects. This involves encouraging members of the community to donate their time to our schools and to pupils' education.

Case study: Six Villages cleans up

Breaking ground on their community garden space, the pupils and staff at Ormiston Six Villages Academy spent a day on site with a host of local volunteers from Natures Way Foods, getting the space prepared for work to begin.

We encourage our pupils and staff to raise funds for local and national charities.

Fundraising activity in this financial year consisted of applications to grant making trusts and National Lottery funded organisations. No appeals to members of the public have been made. No professional fundraisers or commercial participators have been engaged.

The fundraising function of the trust is monitored through regular line management, the review of grant applications and the monitoring and evaluation of grants received.

Our financial performance

Financial review

We continue to operate in an environment where our income is significantly constrained. This reflects the wider climate of restraint in public services. We work hard to manage resources that we have effectively so that our pupils experience the highest quality education possible within the resources available.

Education funding received from DfE/ESFA grants during the year was £163.2m (2018: £153.0m), an increase of 6.7% (2018: 13.8%) in comparison to the previous year. During this time, pupil numbers increased by 11.4%, compared to a 15.3% increase between 2017 and 2018. The increase in funding in 2019 reflects the transfer in of Ormiston Cliff Park Infant and Junior Academies in December 2018, the receipt of the Teachers' Pay Grant from the ESFA and a full year of funding having been received for the three academies that joined the trust part-way through 2018.

Staff costs (excluding agency and restructuring costs) have increased from £132.1m in 2018 to £140.0m in 2019. This is an increase of 5.6%, compared to the 11.4% increase in the number of pupils being educated by the trust. During this period, there has been a 1.9% increase in full time equivalent employee numbers. Teachers represent 46.1% of the trust's full-time equivalent workforce (2018: 48.2%); this change in staffing reflects the trust's work to deliver balanced budgets while delivering a broad and balanced curriculum to all pupils.

Social security and pension costs have remained stable as a proportion of staff costs, however pension costs have risen from 1 September 2019 following an increase in the employer contribution rate for the Teachers' Pension Scheme from 16.4% to 23.6%, which will be reflected in the trust's financial performance for 2019/20. Funding will be received from the ESFA in relation to the increased pension contributions.

The trust continues to seek to maintain and improve the building standards across its academies through effective use of the School Condition Allocation, which is allocated to academy projects across the trust according to building condition and need. During the year premises costs remained stable at £17.2m (2018: £17.2m), reflecting the ongoing efforts of the Estate team to obtain best value for money in maintaining school buildings.

In autumn 2018, Peterborough City Council donated a new building, valued at £5.6m, to Ormiston Bushfield Academy. The extension included new facilities for science, humanities, languages and the sixth form.

At 1 September 2018, the trust held unspent capital grants of £2.9m. During 18/19, further capital grants of £7.1m have been received, with £5.4m of this funding being spent during the year on capital projects, repairs and maintenance to maintain and enhance the school buildings across the trust. At 31 August 2019, unspent capital grants of £4.1m were held in relation to ongoing projects which are expected to be completed during 2019/20.

During 2018/19, £0.5m was spent on the delivery of the OAT #iwill project. This is a three-year project worth £1.9m funded by the National Communities Lottery Fund and Ormiston Trust. The related income was recognised in 2017/18. This project is focused on increasing social action and improving social and emotional development of pupils. The project runs until December 2020.

The trust has reported net expenditure for the year of £0.8m (2018: net income of £42.5m). The underlying result for the year, before pension costs of £12.7m (2018: £13.3m), net income on conversions of £10.6m (2018: £59.1m) and expenditure related to the #iwill project of £0.5m (2018: income of £1.9m), was a surplus of £1.8m (2018: deficit of £5.2m)

During the year ended 31 August 2019, there was an increase in cash of £3.2m (2018: increase of £2.1m). The net movement in cash included a £2.3m outflow in respect of operating cash flows (2018: outflow of £2.9m), offset by inflows of £5.5m (2018: inflow of £3.6m) in respect of investing activities.

The operating cash outflows for 2019 and 2018 have arisen partly due to the use of the School Condition Allocation (which is included within the cash inflow on investing activities) to fund repairs and renewals works, the costs of which are included within operating cash flows.

Financial risk management and objectives

The trust's exposure to financial risks is minimal as the principal financial instruments which it deals with are cash balances, which are held at a main UK corporate bank, and are therefore considered to be low risk. Trade and other debtors are minimal.

During the year ended 31 August 2019, £0.3m of loans have been received from the ESFA to assist with cash flow management at certain academies (2018: £1.2m), representing the final advance of the support arrangement agreed with the ESFA in 2018. Repayments of £0.2m have been made against the Salix loan and £0.1m against an ESFA loan which were previously advanced to fund a pilot project in energy efficiency. Processes are in place to ensure that there is close monitoring and management of cash flows in relation to these balances.

Reserves

The reserves levels held by the trust have fallen during 2019 and are expected to reduce again in 2019/20. This is due to committed spend in school improvement and the timing of #iwill expenditure. This trend is expected to reverse in 2020/21 and 21/22 as the trust starts to benefit from integrated planning and operating efficiency initiatives. The year-on-year decrease in reserves was in line with expectations. The trust is managing its finances so that we balance the need to invest in school improvement and deliver a long-term reserves position that is within the target range.

The trustees have reviewed the financial statements of the trust. The review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves.

The trust's policy is that reserves are held as follows:

- to cover working capital requirements (forming part of restricted and unrestricted general funds)
- as a contingency to meet unforeseeable expenditure (forming part of restricted and unrestricted general funds)
- to fund planned and specific future capital expenditure (forming part of the restricted fixed asset fund)

The level of reserves is kept under review by the trustees and they assess it in relation to these three purposes. The trustees consider that the level of reserves held at 31 August 2019 is consistent with the reserves policy outlined above.

Free reserves are represented by the unrestricted funds balance at 31 August 2019.

The restricted fixed asset fund includes £406m that can only be realised by the disposal of tangible fixed assets.

Similarly to other trusts, the support staff of the trust and its academies are members of various Local Government Pension Schemes (LGPSs), in which there are significant funding deficits. Details of these obligations and the actuarial assumptions applied in the valuation of the liability are included in the notes to the financial statements. Arrangements vary between the different LGPSs however the deficits on each scheme are being funded through additional contributions. The trustees are satisfied that the funding of the pension schemes does not represent a going concern risk for the trust.

As set out below in the key performance indicators, income funds as a percentage of relevant income have decreased to 3.0% (2018: 3.8%) which remains within the target range. Included within total income funds are restricted funds of £1.4m (2018: £1.9m) in respect of the #iwill project and £0.8m (2018: £0.8m) in respect of endowment funds receivable from Ormiston Trust.

Investment policy

The trust does not hold any long-term investments. Cash surpluses may be placed upon overnight or fixed term deposit with the trust's bankers.

KPIs

The trustees use certain high-level key performance indicators to monitor the overall financial position of the trust. These key performance indicators for the past three years have been as follows:

	2019	2018	2017
Staff costs/(funding for educational operations + trading income)	76.4%	79.1%	77.7%
Net current assets	£12.1m	£12.0m	£9.9m
Income funds/ funding for educational operations	3.0%	3.8%	2.6%

Staff costs remain within the target range, and net current assets remain at an appropriate level.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. This is based on detailed budgets and cash flow forecasts prepared by management and monitored by the board of trustees. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Principal risks and uncertainties

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the trust, and its finances. The trustees have adopted procedures to mitigate these risks for the executive team to implement and report back on any non-compliance. Where financial risk still remains the trustees have ensured that the trust has relevant insurance cover. The trust has an effective system of internal financial controls.

The principal operational risks and uncertainties relating to the trust are included in the trust's risk register and are outlined below:

Risk	Mitigation
1. A serious safeguarding incident occurs which puts a child at risk.	Safeguarding audits are carried out across all academies on a regular basis. There is a regular safeguarding report to the Financial oversight and risk (FOR) committee each time it meets. There is a designated safeguarding trustee and a safeguarding governor attached to every LGB.
2. The risk that exam results are significantly below expectations within an academy or more generally.	There is a programme of data collection to provide the school improvement team with academies' predictions of exam performance. Regional directors are tasked with reviewing and challenging the practice that sits behind this data and putting in place interventions where there is underperformance. Progress Boards are used to support Local Governing Bodies.
3. The risk of changes in the basis of funding for academies which reduces income or creates financial challenges.	All academies produce three-year budgets which are reviewed in detail by management and by the FOR committee. Changes in funding are likely to be publicised well in advance and be accompanied by transitional arrangements. The trust is able to allocate financial resources to the areas of greatest need.
4. The risk that the trust overall is unable to produce a balanced budget.	All academies produce annual budgets which are approved by the FOR committee. Academies are challenged if budgetary projections are not robust. Restructuring plans can be put into place to reduce costs if necessary. More is being done to drive efficiencies by sharing back office facilities between academies.
5. The trust will be unable to recruit and retain sufficient highly skilled teachers especially in certain key subjects.	Principals are fully engaged with anticipating future teacher vacancies. A proactive approach is taken in seeking out and recruiting the best teachers from the UK and overseas. Certain academies are working to train their own teachers. Work is on-going to ensure that the trust remains an employer of choice. Our approach to teacher development is led by the OAT Institute of Education, which is made up of The Oaks (our SCITT with Keele University) and Ignite (our teaching school alliance based in Norfolk).
6. Academies are unexpectedly placed in a category by Ofsted.	Annual reviews forecast which academies might be due for inspection and at risk. Intervention boards established as necessary. Expectations within the DfE are managed.
7. The risk of an incident occurring which causes damage to the reputation of the trust.	Robust recruitment procedures are in place for new staff. Trustees and employees are aware of the need to act with decorum at all times, and have received relevant training. The trust is supported by internal and external specialists.
8. Over expansion leads to loss of control.	Growth is carefully controlled in coordination with the trustees and the DfE. Growth is within the control of the trust. Budgets and cash flow forecasts are carefully monitored by the Financial oversight and risk committee. Growth is matched to the capacity in head office.

Plans for future periods

The trust will continue to improve the levels of attainment of its students at all levels and it will continue its efforts to ensure its students enter employment or a place in higher education or training once they leave. In addition, the trust will provide a variety of high quality enrichment opportunities to its students to further strengthen their social and practical skills and to enhance overall levels of attachment.

We expect the trust to continue to grow sustainably, where this aligns with our values and is in accord with our strategic direction. When taking on new schools we will be mindful of: the balance of primary, secondary and special schools within the trust; being open to including a wide profile of schools; and the role that geography plays in how we work together.

We are working to enhance monitoring controls across the trust to support the achievement of our mission to become the trust that makes the biggest difference, both inside and outside the classroom.

Funds held as custodian trustee on behalf of others

The trust does not act as custodian trustee on behalf of any others.

Auditor

RSM UK Audit LLP indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure of information to auditor

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 12 December 2019 and signed on its behalf by:



Paul Hann
Chair of Trustees

12.12.19

Governance statement

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the master funding agreement between Ormiston Academies 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.

Chair's message

This has been an eventful year for the trust. As Chair of the Board one of the key messages I have often given to leaders and staff is that the organisation now has the strongest Executive Team it has ever had. Together they have committed to stretching objectives for the trust, which have been captured in the five-year strategy which was agreed in January of this year. A number of important initiatives have begun to deliver these aims, which will bear fruit in future years.

During the year the Trust Board completed an effectiveness review in which the outcomes were largely positive. There was an acknowledgement by some trustees that trust stakeholders including governors and principals were not invited to board meetings to present and channels of communication were not as strong as they could be. As a board we have approved a proposal for a governance review for which the recommendations are:

1. At a local level

We want to see the development of the local governance role with a focus on stakeholder engagement (staff, students, parents, community) and a clearer structure. For governors we have agreed to the removal of paid chairs except in exceptional, short-term circumstances. Governors must be strongly positioned to challenge, and therefore there should be expectations relating to qualifications and training. We should seek improvements in communication with the board of trustees and seek consistency in all areas of academy governance.

2. At a trust level

The Trust Board must have the composition and skills to hold the Executive to account. We have committed to creating more training opportunities for trustees, including refresher training on MAT governance specifically, and ensuring we are equipped to meet all statutory obligations. We are mindful of the Charity Governance Code and will track against this in a number of areas where we can adopt best practice.

3. Communication between the trust, local governing bodies and local communities

Communication is a key theme of our review, and we will develop two-way communication between Local Governing Bodies (LGBs) and the Trust Board and nominate appropriate link trustees. Communication must go wider, however, and therefore we will seek to determine what the level of engagement should be between the trust board, parents, communities, staff and students. The development of a national Student Council and student voice is an opportunity we wish to seize and will ensure their contribution can play a real and influential role in decision-making. There has also been a governance review completed by Mazars.

I am pleased to say that, in line with the general level of commitment shown by trustees this year, attendance at board and committee meetings this year has been good:

Trust Board

	Paul Hann	Ian Brookman	Frances Hall	Nick Hudson	Andrew Jones (appointed 13.09.18)	Peter Murray	Bal Samra	Mark Stanyer	Jane Nolan (resigned 31.08.19)	Wendy Barnes (resigned 13.12.18)	Robin Boshier (resigned 28.01.19)
13.09.18	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes
13.12.18	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
29.01.19	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes		
13.03.19	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No		
07.06.19	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
11.07.19	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No		

Financial Oversight and Risk Committee

	Ian Brookman	Frances Hall	Nick Hudson	Andrew Jones (appointed 13.09.18)	Peter Murray
24.10.18	Yes	Yes	Yes	Yes	No
27.11.18	Yes	Yes	Yes	Yes	Yes
13.02.19	Yes	Yes	Yes	Yes	Yes
29.04.19	Yes	Yes	Yes	Yes	Yes
15.05.19	Yes	Yes	Yes	Yes	No

Audit Committee

	Ian Brookman	Frances Hall	Andrew Jones (appointed 13.09.18)	Peter Murray
24.10.18	Yes	Yes	Yes	No
27.11.18	Yes	Yes	Yes	Yes
13.02.19	Yes	Yes	Yes	Yes
15.05.19	Yes	Yes	Yes	No

School Improvement Sub-committee

	Paul Hann	Ian Brookman	Nick Hudson	Peter Murray	Wendy Barnes (resigned 13.12.18)	Robin Boshier (resigned 28.01.19)
18.10.18	Yes	Yes	Yes	No	Yes	No
28.02.19	Yes	Yes	Yes	No		
20.06.19	Yes	Yes	Yes	No		
22.08.19	Yes	Yes	Yes	Yes		

Janet Renou joined the school improvement sub-committee following her appointment as trustee in November 2019.

Chief Executive Officer's message

As Accounting Officer I have responsibility for ensuring that the academy trust delivers good value in the use of public resources. We achieve value for money through delivering the educational and wider societal outcomes our pupils deserve in return for the taxpayer resources we receive to deliver on that essential task.

It is part of my role to consider how OAT's use of its resources has provided good value for money during each academic year, and report to the board of trustees on this, as well as to where value for money can be improved.

This year we have delivered improved value for money during the year through centrally procured contracts which have provided significant savings. Some of the procurements are mandatory because these services

are common to all academies and value can be obtained from purchasing as a collective. Other contracts are optional allowing academies a choice.

Energy efficient offsite constructed Building Framework – OAT aims to reduce its carbon footprint by minimising consumption through the use of renewable energies, by procuring buildings that aim to be zero-energy. This means that the total amount of energy used by the proposed buildings on an annual basis is to be roughly equal to the amount of renewable energy created on the site. To date this framework has provided approximately 10–15% savings compared to other suppliers via procurement. This framework won an ESBO procurement award for the unique structure of the framework.

A utilities consultancy specialising in Energy and Water Procurement, Revenue Recovery, Billing, Energy Compliance and Invoice Validation has been working across OAT academies to minimise additional costs through the resolution of old legacy issues; reclaiming monies and avoiding erroneous invoices (non-OAT contracts). This service is at no direct cost to OAT as it is integrated into other contracts.

Implementation of Capita SIMS – Consistent MIS across academies is a precondition for better shared analytics across the trust and is part of the OAT strategy for raising the performance of our academies. This programme has achieved cost savings of £42k in year one, with savings of £21k being achieved each year from years two to five.

Broadband Connectivity – so far central procurement has delivered savings of £71k across 19 academies. Some of these academies have used their savings to increase broadband connection speed. The contract allows OAT Academies to join an MPLS network system which will enable OAT to centralise more in the future and also improve internal communication throughout the trust.

In addition, contracts have realised additional, non-cash savings for schools from:

- Administration time saved by academies in having to procure their own services and meeting the requirements of the academy's financial handbook.
- Academies avoiding pitfalls of signing up to contracts with poor terms (getting locked into more years or costs).
- Performance monitoring and quality control being provided by head office.
- Ability to call head office and ask for help to resolve issues.
- Added extras such as free equipment, free licencing, smoothed costs and lots of free specialist support.

The system of internal control

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 the 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 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 Ormiston Academies Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's

significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees regularly considers the need for a specific internal audit function. The use of an external firm to perform this function continues to be considered appropriate.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. On a termly basis, the internal auditor reports to the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The programme of work by the internal auditors is agreed in advance with the audit committee. Work for the current year has included strategic reviews and operational reviews. Strategic reviews included a review of risk management and governance arrangements. Operational reviews have included a review of purchases, payments and suppliers, checking the accuracy of profiling of budgets, checking control account reconciliations, reviewing income budgets, reviewing longer term financial plans, checking payroll and expenses.

Review of effectiveness

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

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

The Accounting Officer has been advised of any implications as a result of their review of the system of internal control by the financial oversight and risk committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12 December 2019 and signed on its behalf by:



Paul Hann
Chair of Trustees



Nick Hudson
Accounting Officer

12.12.19

Statement of regularity, propriety and compliance

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



Nick Hudson
Accounting Officer

12/12/19.

Statement of trustees' responsibilities

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

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

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

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 12 December 2019 and signed on its behalf by:



Paul Hann
Chair of Trustees

12.12.19.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORMISTON ACADEMIES TRUST

Opinion

We have audited the financial statements of Ormiston Academies Trust (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the 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 year 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 Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes the Directors' Report and Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORMISTON ACADEMIES TRUST (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 25, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <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.



Paul Oxtoby (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

West Midlands, B2 5AF



ORMISTON ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019	Total 2018
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	3	151	134	12,507	12,792	8,473
Donations - conversion and transfer into the trust	32	446	(923)	11,108	10,631	59,070
Charitable activities:						
- funding for educational operations	4	2,519	171,383	-	173,902	161,472
Other trading activities	5	2,553	871	-	3,424	5,552
Investments	6	11	-	-	11	20
Total		<u>5,680</u>	<u>171,465</u>	<u>23,615</u>	<u>200,760</u>	<u>234,587</u>
Expenditure on:						
Raising funds	7	295	-	-	295	324
Charitable activities:						
- Educational operations	8	6,454	177,780	17,047	201,281	191,722
Total	7	<u>6,749</u>	<u>177,780</u>	<u>17,047</u>	<u>201,576</u>	<u>192,046</u>
Net (expenditure)/income		(1,069)	(6,315)	6,568	(816)	42,541
Transfers between funds	20	-	(259)	259	-	-
Other recognised (losses)/gains						
Actuarial (losses)/gains on defined benefit pension schemes	27	-	(27,596)	-	(27,596)	16,043
Net movement in funds		(1,069)	(34,170)	6,827	(28,412)	58,584
Reconciliation of funds						
Total funds brought forward		<u>2,490</u>	<u>(50,254)</u>	<u>403,332</u>	<u>355,568</u>	<u>296,984</u>
Total funds carried forward		<u>1,421</u>	<u>(84,424)</u>	<u>410,159</u>	<u>327,156</u>	<u>355,568</u>

ORMISTON ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Fixed assets			
Tangible assets	13	406,151	400,446
Current assets			
Stocks		375	355
Debtors	15	7,640	8,694
Cash at bank and in hand		20,103	16,899
		<u>28,118</u>	<u>25,948</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(16,027)	(13,934)
Net current assets		<u>12,091</u>	<u>12,014</u>
Total assets less current liabilities		<u>418,242</u>	<u>412,460</u>
Creditors: amounts falling due after more than one year	17	(2,747)	(3,038)
Net assets before defined benefit pension scheme liability		<u>415,495</u>	<u>409,422</u>
Defined benefit pension scheme liability	27	(88,339)	(53,854)
Total net assets		<u>327,156</u>	<u>355,568</u>
Funds of the trust:			
Restricted funds	20		
- Restricted fixed asset funds		410,159	403,332
- Restricted income funds		3,915	3,600
- Pension reserve		(88,339)	(53,854)
Total restricted funds		<u>325,735</u>	<u>353,078</u>
Unrestricted income funds	20	<u>1,421</u>	<u>2,490</u>
Total funds		<u>327,156</u>	<u>355,568</u>

The financial statements on pages 29 to 63 were approved by the board of trustees and authorised for issue on and are signed on their behalf by:



 Paul Hann
 Chair of Trustees

12.12.19

ORMISTON ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash used in operating activities	25	(2,245)	(2,913)
Cash flows from investing activities			
Interest		11	20
Capital grants from DfE and ESFA		6,957	5,439
Purchase of tangible fixed assets		(2,059)	(2,409)
Cash funds transferred on conversion		468	493
Proceeds from sales of tangible fixed assets		-	9
Net cash provided by investing activities		5,377	3,552
Cash flows from financing activities			
Advancements from Education and Skills Funding Agency loans		300	1,242
Advancements from Salix loan		-	482
Repayment of Education and Skills Funding Agency loans		(70)	(80)
Repayment of Salix loan		(158)	(157)
Net cash provided by financing activities		72	1,487
Net increase in cash and cash equivalents in the reporting period		3,204	2,126
Cash and cash equivalents at beginning of the year		16,899	14,773
Cash and cash equivalents at end of the year		20,103	16,899

ORMISTON ACADEMIES TRUST

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

1 Accounting policies

General information

Ormiston Academies Trust ("the trust") is a charitable company. The address of its principal place of business is given on page 2 and the nature of its operations are set out in the Trustees' Report.

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the trust 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 financial statements 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 the Education and Skills Funding Agency (ESFA), the Charities Act 2011 and the Companies Act 2006. The trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

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 financial statements and have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The trust has taken advantage of the exemption in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the trust as a single entity.

The financial statements of the trust are consolidated in the financial statements of Ormiston Trust. The financial statements of Ormiston Trust can be obtained from its registered office, 1 Bell Yard, London, WC2A 2JR.

Transfer of existing academies into the trust

The transfer of academies into the trust involved the transfer of identifiable assets and liabilities and the operations of the academies 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 from the East Anglia Schools Trust to the trust have been included 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 of existing academy into the trust 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 32.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the 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 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. Donated assets are recognised at a fair value, when the risks and rewards of ownership of the asset pass to the trust.

Other income

Other income, including the hire of facilities, catering income and academy trips, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the trust has provided the goods or services.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Charitable activities

These are costs incurred on the trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the trust apportioned to charitable activities.

Tangible fixed assets and depreciation

Assets costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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 are gifted to the trust, these are initially recorded at valuation which is treated as deemed cost.

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Long leasehold buildings	2% straight line
Computer equipment	20% straight line
Fixtures, fittings and equipment	10 - 15% straight line
Motor vehicles	15% straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

With respect to the buildings from which three of the academies operates which are subject to a PFI agreement, these are legally owned by the Stoke on Trent Local Authority and Sandwell Local Authority and the relevant academies are able to use the buildings under the terms of a licence to occupy. The licence to occupy gives the right to use these buildings and the substance of the licence is that this will be on an ongoing basis reflecting the historic arrangements in place therefore substantially all the risks and rewards of ownership have not been transferred to the academies and the assets not have been recognised within tangible fixed assets.

Liabilities

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

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Operating leases

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

Financial instruments

The trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Concessionary loans are initially measured at the amount received. In subsequent years, the carrying amount of concessionary loans is adjusted to reflect any interest payable, where relevant.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Stock

Unsold uniforms, catering and other stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Taxation

The trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Short term employment and termination benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the trust. The cost of any unused holiday entitlement the trust expects to pay in future periods is recognised in the period the employees' services are rendered.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the trust is demonstrably committed to terminating the employment of an employee or to provide termination benefits.

Pensions benefits

Retirement benefits to employees of the trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes. The various LGPS of which the trust is a member are administered by the relevant Local Authority.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the government actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS are funded schemes and the assets are held separately from those of the trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income 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 liabilities/assets is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

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

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

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

Agency arrangements

The trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this would be recognised in the statement of financial activities, however the trust does not retain this 5%. The funds received, paid and any balances held are disclosed in note 30.

Investments

The trust's investment in Ormiston Bolingbroke Academy Trust, is included in the balance sheet at the cost of acquisition, being £nil.

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 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 liabilities 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 27, will impact the carrying amount of the pension liabilities. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuaries in valuing the pensions liabilities 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 liabilities.

Critical areas of judgement

In some cases, the trust occupies buildings under PFI agreements with the local authority and has applied judgement in determining that these buildings should not be capitalised on the balance sheet. The trust does not believe that there are any other additional critical areas where judgement is used.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Private sponsorship	-	106	106	102
Donated fixed assets	-	5,550	5,550	-
Capital grants	-	6,957	6,957	5,439
'#iwill' funding	-	24	24	1,900
Other donations	151	4	155	1,032
	<u>151</u>	<u>12,641</u>	<u>12,792</u>	<u>8,473</u>

The income from donations and capital grants was £12,792k (2018: £8,473k) of which £151k was unrestricted (2018: £56k), £134k was restricted (2018: £2,978k) and £12,507k was restricted fixed assets (2018: £5,439k).

Donated fixed assets of £5,550k represent a new building donated to Ormiston Bushfield Academy by Peterborough City Council.

4 Funding for the trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	147,791	147,791	140,263
Start up grants	-	97	97	184
Other DfE group grants	-	13,551	13,551	10,903
Teaching school	-	1,881	1,881	1,629
	<u>-</u>	<u>163,320</u>	<u>163,320</u>	<u>152,979</u>
Other government grants				
Local authority grants	-	3,983	3,983	3,385
Other government grants	-	1,745	1,745	1,495
	<u>-</u>	<u>5,728</u>	<u>5,728</u>	<u>4,880</u>
Other incoming resources	<u>2,519</u>	<u>2,335</u>	<u>4,854</u>	<u>3,613</u>
	<u>2,519</u>	<u>171,383</u>	<u>173,902</u>	<u>161,472</u>

The income from funding for educational operations was £173,902k (2018: £161,472k) of which £2,519k was unrestricted (2018: £2,655k) and £171,383k was restricted (2018: £158,817k).

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	964	-	964	657
Sundry income	1,589	871	2,460	4,895
	<u>2,553</u>	<u>871</u>	<u>3,424</u>	<u>5,552</u>

The income from other trading activities was £3,424k (2018: £5,552k) of which £2,553k was unrestricted (2018: £2,711k) and £871k was restricted (2018: £2,841k).

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Interest from short term deposits	11	-	11	20

In 2018, the total investment income of £20k was unrestricted.

7 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2019 £'000	Total 2018 £'000
		Premises £'000	Other £'000		
Expenditure on raising funds					
- Direct costs	-	-	295	295	324
Academies' educational operations					
- Direct costs	115,871	-	21,666	137,537	128,138
- Allocated support costs	27,565	30,233	5,946	63,744	63,584
	<u>143,436</u>	<u>30,233</u>	<u>27,907</u>	<u>201,576</u>	<u>192,046</u>

The expenditure on raising funds was £295k (2018: £324k) of which £295k was unrestricted (2018: £151k) and £nil was restricted (2018: £173k).

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2019 £'000	2018 £'000
Operating lease rentals	883	868
PFI schemes	1,522	1,551
Depreciation of tangible fixed assets	10,505	12,490
Impairment of tangible fixed assets	2,507	-
Gain on disposal of fixed assets	-	(9)
Net interest on defined benefit pension liability	1,489	1,581
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	56	54
- Other assurance services	14	18
- Taxation compliance services	4	-
- All other non-audit services	10	31

8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs				
Educational operations	4,524	133,013	137,537	128,138
Support costs				
Educational operations	1,930	61,814	63,744	63,584
	<u>6,454</u>	<u>194,827</u>	<u>201,281</u>	<u>191,722</u>

The expenditure on charitable activities was £201,281k (2018: £191,722k) of which £6,454k was unrestricted (2018: £4,272k), £177,780k was restricted (2018: £169,048k) and £17,047k was restricted fixed assets (2018: £18,402k).

	2019 £'000	2018 £'000
Analysis of support costs		
Support staff costs	27,565	25,932
Depreciation and impairment of assets	13,012	12,481
Technology costs	1,751	196
Premises costs	17,221	17,253
Other support costs	3,704	7,248
Governance costs	491	474
	<u>63,744</u>	<u>63,584</u>

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	107,313	101,544
Social security costs	10,208	9,595
Pension costs	22,077	21,011
Staff costs - employed	139,598	132,150
Agency staff costs	3,199	2,609
Staff restructuring costs	639	248
Total staff expenditure	143,436	135,007

Staff restructuring costs comprise:

Redundancy payments	571	172
Severance payments	68	76
	639	248

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £67,719 (2018: £75,937). Individually, the payments were; £9,601, £7,500, £6,781, £6,201, £5,978, £5,538, £5,000, £5,000, £4,000, £2,600, £2,500, £2,500, £2,500, £2,000 and £20.

Staff numbers

The average number of persons employed by the trust during the year based on headcount was as follows:

	2019 Number	2018 Number
Teachers	1,692	1,796
Administration and support	2,111	2,155
Management	278	246
	4,081	4,197

Of the total staff numbers, 43 were employed at head office (2018: 34). All other staff worked in the academies. The majority of management employees work in academies and have day to day teaching responsibilities. The increase in head count at head office includes 4 new regional lead practitioner roles which form part of our transforming our trust programme and which are based at academies and 4 new '#iwill' funded project roles.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff (Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2019 Number	2018 Number
Teachers	1,587	1,630
Administration and support	1,583	1,503
Management	274	247
	<u>3,444</u>	<u>3,380</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	58	46
£70,001 - £80,000	19	15
£80,001 - £90,000	9	15
£90,001 - £100,000	9	11
£100,001 - £110,000	7	6
£110,001 - £120,000	8	5
£120,001 - £130,000	3	1
£130,001 - £140,000	1	1
£140,001 - £150,000	1	-
£150,001 - £160,000	-	1
£180,001 - £190,000	-	1
£190,001 - £200,000	1	-
	<u> </u>	<u> </u>

71 (2018: 87) of the above employees were principals, vice principals and assistant principals and participated in the Teachers' Pension Scheme. The table also includes 7 (2018: 6) non-teaching staff who are based in academies.

Key management personnel

The key management personnel of the trust comprise the executive team. The total amount of employee benefits (including employer pension contributions and employers national insurance contributions) received by key management personnel for their services to the trust was £837,277 (2018: £851,013).

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Central services

All academies which are part of Ormiston Academies Trust provide a partnership fee to the trust for the central services which it provides. The services which the trust currently provides to its academies include school improvement, governance, human resources, marketing, finance, information technology, legal, PR and media, estates and compliance.

During 2018 an exercise was undertaken to develop a more transparent, effective and fair calculation of the partnership fee. The partnership fee is now calculated based on a percentage of the academies GAG allocation less notional funding and less SEN funding. Transitional arrangements were effective in 2019, with the new basis of calculation of the partnership fee operating in full from 2020.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Central services (Continued)

The amounts charged during the year were as follows:

	2019 £'000	2018 £'000
Ormiston Chadwick Academy	157	151
Ormiston Horizon Academy	163	140
Ormiston Ilkeston Enterprise Academy	138	140
Ormiston Maritime Academy	144	140
Ormiston Meridian Academy	178	169
Ormiston Sir Stanley Matthews Academy	166	140
Ormiston Forge Academy	191	140
George Salter Academy	187	140
Ormiston NEW Academy	170	166
Ormiston Sandwell Community Academy	165	140
Ormiston Shelfield Community Academy	190	140
Ormiston SWB Academy	248	233
Tenbury High Ormiston Academy	93	101
Wodensborough Ormiston Academy	193	182
Ormiston Bushfield Academy	157	140
Cowes Enterprise College An Ormiston Academy	193	192
Ormiston Endeavour Academy	127	140
Ormiston Park Academy	136	140
Ormiston Rivers Academy	159	140
Ormiston Six Villages Academy	105	135
Stoke High School - Ormiston Academy	151	157
Ormiston Sudbury Academy	139	140
Broadland High Ormiston Academy	142	12
City of Norwich School An Ormiston Academy	242	208
Cliff Park Ormiston Academy	176	171
Ormiston Denes Academy	201	203
Flegg High Ormiston Academy	161	91
Ormiston Venture Academy	156	140
Ormiston Victory Academy	161	140
Ormiston Cliff Park Infant Academy	28	-
Ormiston Cliff Park Junior Academy	41	-
Edward Worlledge Ormiston Academy	70	67
Ormiston Herman Academy	63	56
Ormiston Meadows Academy	43	48
Packmoor Ormiston Academy	61	62
Ormiston South Parade Academy	50	40
Thomas Wolsey Ormiston Academy	26	15
	<u>5,171</u>	<u>4,559</u>

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

11 Trustees' remuneration and expenses

Three of the trustees have been paid remuneration or have received other benefits from an employment with the trust. The trustees only receive remuneration in respect of services they provide undertaking the roles as staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

Nick Hudson received remuneration of £197,675 (2018: £184,160) and pension contributions paid by the trust in the year of £4,199 (2018: £24,463).

Mark Stanyer received remuneration of £118,390 (2018: £134,800) and pension contributions paid by the trust in the year of £19,471 (2018: £20,818).

Jane Nolan received remuneration of £91,329 (2018: £64,751 since appointment as trustee on 14 December 2017) and pension contributions paid by the trust in the year to £14,826 (2018: £10,462 since appointment as trustee on 14 December 2017).

The number of trustees to whom retirements benefits are accruing under the Teachers Pension Scheme are 2 (2018: 2) and Local Government Pension Scheme are 1 (2018: 1).

During the year travel and subsistence expenses totalling £10,833 (2018: £9,771) were reimbursed to 7 trustees (2018: 7 trustees). This included expense reimbursements to staff trustees in connection with their employment.

Nick Hudson was the highest paid trustee during the year ended 31 August 2019.

Other related party transactions are set out in note 28 to the financial statements.

12 Trustees' and officers insurance

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £2,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall costs of the insurance premium paid.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets

	Land and buildings	Assets in the course of construction	Computer equipment	Fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2018	430,470	1,391	11,985	4,809	360	449,015
Transfer on schools joining (note 32)	11,003	-	-	105	-	11,108
Additions	5,721	1,755	77	56	-	7,609
Transfers	1,027	(1,652)	338	1,027	24	764
Disposals	(1,437)	-	(6,985)	(1,296)	(212)	(9,930)
At 31 August 2019	446,784	1,494	5,415	4,701	172	458,566
Depreciation						
At 1 September 2018	34,971	-	9,739	3,576	283	48,569
Charge for the year	8,527	-	1,473	474	31	10,505
Impairment	2,507	-	-	-	-	2,507
Transfers	1,339	-	(670)	90	5	764
On disposals	(1,437)	-	(6,985)	(1,296)	(212)	(9,930)
At 31 August 2019	45,907	-	3,557	2,844	107	52,415
Net book value						
At 31 August 2019	400,877	1,494	1,858	1,857	65	406,151
At 31 August 2018	395,499	1,391	2,246	1,233	77	400,446

Included in the land and buildings above is freehold land and buildings with a net book value at 31 August 2019 of £46,389k (2018: £47,480k) and long leasehold land and buildings with a net book value at 31 August 2019 of £354,488k (2018: £348,019k).

The long leasehold properties are leased from the local councils of the individual academies, relating to the land and buildings of the trust and are leased for periods of up to 125 years for peppercorn rent. No such charges have been made in the current year (2018: £nil).

The impairment charge in the year of £2,507k is in respect of one of the academies buildings which will be partially demolished in the current financial year as part of a redevelopment project funded by the local authority, the value of the property has been reviewed and impaired to reflect the value of continuing in use.

During the year a review of fixed assets was undertaken, following the centralisation of the fixed asset register. Transfers between asset categories have been recognised to reanalyse fixed assets in accordance with the underlying fixed asset register.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

14 Fixed asset investments

The charitable company has control of the membership of Ormiston Bolingbroke Academy Trust, a company limited by guarantee, registered in England and Wales. Ormiston Bolingbroke Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Cheshire. The registered address is Barnfield Avenue, Cheshire, WA7 6EP. The cost of the investment is £nil (2018: £nil).

These financial statements show information about the charitable company only as the group is consolidated at a higher level. The subsidiary had the following activity during the year ended 31 August 2019 and the following balances at the balance sheet date:

Statement of financial activities	2019 £'000	2018 £'000
Total incoming resources	7,225	7,613
Total resources expended	(8,165)	(8,088)
Actuarial (losses)/gains	(801)	308
Retained deficit for the year ended 31 August 2019	(1,741)	(167)
Balance sheet	2019 £'000	2018 £'000
Tangible assets	12,993	13,102
Current assets	559	1,562
Creditors: due within one year	(236)	(563)
Defined benefit pension scheme liability	(1,356)	(400)
Net assets	11,960	13,701

Net assets are represented by total funds of £11,960k (2018: £13,701k) of which £11,645k (2018: £12,891k) are restricted. The subsidiary operates an academy school, being the same activity as the charitable company. A rebrokerage process is ongoing and the Ormiston Bolingbroke Academy Trust, is expected to transfer into the charitable company in spring 2020. Following this transfer, Ormiston Bolingbroke Academy Trust will become dormant.

15 Debtors	2019 £'000	2018 £'000
Trade debtors	654	446
VAT recoverable	1,495	1,360
Other debtors	96	580
Prepayments and accrued income	5,395	6,308
	7,640	8,694

Included in prepayments and accrued income is £628k (2018: £925k) due after more than one year.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

16 Creditors: amounts falling due within one year	2019	2018
	£'000	£'000
Trade creditors	3,429	2,340
Other taxation and social security	2,608	2,421
Other creditors	2,264	2,702
Accruals and deferred income (see note 18)	7,168	6,276
Loan from Education and Skills Funding Agency	400	116
Salix loan	158	79
	<u>16,027</u>	<u>13,934</u>
17 Creditors: amounts falling due after more than one year	2019	2018
	£'000	£'000
Loan from Education and Skills Funding Agency	1,801	1,855
Salix loan	946	1,183
	<u>2,747</u>	<u>3,038</u>
Loan maturity		
Debt due in one year or less	558	195
Due in more than one year but not more than two years	296	318
Due in more than two years but not more than five years	1,631	1,549
Due in more than five years	820	1,171
	<u>3,305</u>	<u>3,233</u>

At the year end, the trust has a Salix loan amounting to £1,104k (2018: £1,262k). The loan terms are 9 years at an interest rate of 0%.

At the year end, the trust owed the ESFA £320k (2018: £320k) with agreed payment terms of 4 years at interest rates of 0% and a further loan of £481k (2018: £551k) with agreed payment terms of 9 years at interest rate of 1.83%. Also, a loan with the ESFA, at the year end the trust owes £1,400k (2018: £1,100k) with agreed payment terms of 9 years at interest rate of 0%, this was following a further draw down of £300k in the year to fully utilise the loan facility.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18	Deferred income	2019	2018
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	1,903	987
		<u> </u>	<u> </u>
	Deferred income at 1 September 2018	987	1,989
	Released from previous years	(987)	(1,989)
	Resources deferred in the year	1,903	987
		<u> </u>	<u> </u>
	Deferred income at 31 August 2019	1,903	987
		<u> </u>	<u> </u>

Deferred income relates to performance related grants and trip income received in advance specifically for future periods.

19	Financial instruments	2019	2018
		£'000	£'000
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	4,802	5,989
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	14,263	13,564
		<u> </u>	<u> </u>

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	370	147,813	(147,924)	(259)	-
Start up grants	-	97	(97)	-	-
Other DfE / ESFA grants	-	15,432	(14,148)	-	1,284
Other government grants	491	5,728	(5,925)	-	294
'#iwill' funding	1,892	26	(532)	-	1,386
Ormiston Trust endowment fund	838	-	(40)	-	798
Other restricted funds	9	3,314	(3,170)	-	153
Pension reserve	(53,854)	(945)	(5,944)	(27,596)	(88,339)
	<u>(50,254)</u>	<u>171,465</u>	<u>(177,780)</u>	<u>(27,855)</u>	<u>(84,424)</u>
Restricted fixed asset funds					
Restricted fixed asset funds	<u>403,332</u>	<u>23,615</u>	<u>(17,047)</u>	<u>259</u>	<u>410,159</u>
Total restricted funds	<u>353,078</u>	<u>195,080</u>	<u>(194,827)</u>	<u>(27,596)</u>	<u>325,735</u>
Unrestricted funds					
General funds	<u>2,490</u>	<u>5,680</u>	<u>(6,749)</u>	<u>-</u>	<u>1,421</u>
Total funds	<u>355,568</u>	<u>200,760</u>	<u>(201,576)</u>	<u>(27,596)</u>	<u>327,156</u>

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 objectives of the academy at the discretion of the trustees, although these are designated for use by the academy from which the funds have been generated.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose. Restricted fixed asset funds include life cycling and capital maintenance funds.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education. Restricted general funds shown above included unspent '#iwill' project funding of £1,386k, endowment funds receivable from Ormiston Trust of £798k, and a pension reserve of £88,339k in deficit.

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

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds (Continued)

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Funds prior year					
Restricted general funds					
General Annual Grant (GAG)	25	140,263	(138,775)	(1,143)	370
Start up grants	-	184	(184)	-	-
Other DfE / ESFA grants	652	12,532	(13,184)	-	-
Other government grants	81	4,880	(4,470)	-	491
'#iwill' funding	-	1,900	(8)	-	1,892
Ormiston Trust endowment fund	-	838	-	-	838
Other restricted funds	1,610	4,072	(5,673)	-	9
Pension reserve	(54,306)	(8,664)	(6,927)	16,043	(53,854)
	<u>(51,938)</u>	<u>156,005</u>	<u>(169,221)</u>	<u>14,900</u>	<u>(50,254)</u>
Restricted fixed asset funds					
Restricted fixed asset funds	347,563	73,028	(18,402)	1,143	403,332
	<u>347,563</u>	<u>73,028</u>	<u>(18,402)</u>	<u>1,143</u>	<u>403,332</u>
Total restricted funds	<u>295,625</u>	<u>229,033</u>	<u>(187,623)</u>	<u>16,043</u>	<u>353,078</u>
Unrestricted funds					
General funds	1,359	5,554	(4,423)	-	2,490
	<u>1,359</u>	<u>5,554</u>	<u>(4,423)</u>	<u>-</u>	<u>2,490</u>
Total funds	<u>296,984</u>	<u>234,587</u>	<u>(192,046)</u>	<u>16,043</u>	<u>355,568</u>

In line with the new freedoms within the trust's master funding agreement and with encouragement of the Department of Education, the trustees decided to pool all reserves with effect from 31 August 2018. Accordingly, no surpluses or deficits are attributed to particular academies but all are held centrally.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 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	Total
	£'000	£'000	£'000	£'000	2019 £'000	2018 £'000
Ormiston Chadwick Academy	3,296	386	133	1,077	4,892	4,595
Ormiston Horizon Academy	4,009	765	210	1,137	6,121	6,433
Ormiston Ilkeston Enterprise Academy	2,964	628	259	711	4,562	4,233
Ormiston Maritime Academy	3,244	672	180	1,090	5,186	5,094
Ormiston Meridian Academy	3,526	536	264	1,248	5,574	5,400
Ormiston Sir Stanley Matthews Academy	5,371	1,199	232	1,294	8,096	8,274
Ormiston Forge Academy	6,519	808	218	1,216	8,761	8,247
George Salter Academy	5,527	959	132	1,276	7,894	7,931
Ormiston NEW Academy	3,701	734	162	1,009	5,606	6,020
Ormiston Sandwell Community Academy	4,201	759	339	1,145	6,444	5,950
Ormiston Shelfield Community Academy	5,776	989	146	1,724	8,635	8,182
Ormiston SWB Academy	5,215	1,059	172	1,556	8,002	7,800
Tenbury High Ormiston Academy	1,440	236	54	407	2,137	2,031
Wodensborough Ormiston Academy	4,335	593	234	1,715	6,877	7,080
Ormiston Bushfield Academy	4,161	813	73	1,087	6,134	6,050
Cowes Enterprise College An Ormiston Academy	4,125	415	165	879	5,584	5,333
Ormiston Endeavour Academy	1,739	357	118	609	2,823	2,665
Ormiston Park Academy	2,969	548	186	929	4,632	4,664
Ormiston Rivers Academy	3,533	644	131	1,237	5,545	5,505
Ormiston Six Villages Academy	1,626	531	114	446	2,717	3,073
Stoke High School - Ormiston Academy	2,691	403	238	732	4,064	4,194

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds (Continued)

Total cost analysis by academy (cont'd)

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total	Total
	£'000	£'000	£'000	£'000	2019 £'000	2018 £'000
Ormiston Sudbury Academy	2,674	566	203	605	4,048	3,909
Broadland High Ormiston Academy	2,621	198	139	718	3,676	255
City of Norwich School						
An Ormiston Academy	5,884	747	224	1,546	8,401	8,069
Cliff Park Ormiston Academy	3,562	616	185	833	5,196	5,158
Ormiston Denes Academy	4,162	941	263	1,091	6,457	6,105
Flegg High Ormiston Academy	3,061	574	35	872	4,542	2,754
Ormiston Venture Academy	3,402	1,021	118	1,063	5,604	5,905
Ormiston Victory Academy	4,421	641	156	921	6,139	5,620
Ormiston Cliff Park Infant Academy	694	159	37	305	1,195	-
Ormiston Cliff Park Junior Academy	853	125	13	259	1,250	-
Edward Worlledge Ormiston Academy	1,449	219	88	384	2,140	2,202
Ormiston Herman Academy	1,246	93	60	420	1,819	1,580
Ormiston Meadows Academy	806	233	114	219	1,372	1,410
Packmoor Ormiston Academy	1,445	169	109	421	2,144	1,984
Ormiston South Parade Academy	1,716	360	164	501	2,741	2,637
Thomas Wolsey Ormiston Academy	1,730	107	80	264	2,181	1,162
Trust	470	3,302	-	2,747	6,519	5,433
	<u>120,164</u>	<u>24,105</u>	<u>5,748</u>	<u>35,693</u>	<u>185,710</u>	<u>172,937</u>

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	406,151	406,151
Current assets	1,421	22,689	4,008	28,118
Creditors falling due within one year	-	(16,027)	-	(16,027)
Creditors falling due after one year	-	(2,747)	-	(2,747)
Defined benefit pension liability	-	(88,339)	-	(88,339)
Total net assets	1,421	(84,424)	410,159	327,156

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	400,446	400,446
Current assets	2,490	20,572	2,886	25,948
Creditors falling due within one year	-	(13,934)	-	(13,934)
Creditors falling due after one year	-	(3,038)	-	(3,038)
Defined benefit pension liability	-	(53,854)	-	(53,854)
Total net assets	2,490	(50,254)	403,332	355,568

22 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay the Secretary for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to:

- (a) the value at the time of the academy's site and premises and other assets held for the purpose of the academy; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

23 Capital commitments

	2019 £'000	2018 £'000
Expenditure contracted for but not provided in the financial statements	305	425

24 Commitments under operating leases

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

	2019 £'000	2018 £'000
Amounts due within one year	809	800
Amounts due between one and five years	1,143	1,285
Amounts due after five years	1,119	1,165
	3,071	3,250

The trust is also party to facilities management contracts under three PFI schemes. The trust is party to the contracts under supplemental agreements. Total commitments under the contracts are £1,534k (2018: £1,506k) within 1 year, £6,134k (2018: £6,025k) between 1 and 5 years and £12,826k (2018: £14,073k) in greater than 5 years.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

25 Reconciliation of net (expenditure)/income to net cash flow from operating activities		
	2019	2018
	£'000	£'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(816)	42,541
Adjusted for:		
Net surplus on conversion to academy	-	(14,820)
Net surplus on transfer of academies into the trust	(10,631)	(44,250)
Capital grants from DfE and other capital income	(6,957)	(5,439)
Donated fixed assets	(5,550)	-
Interest receivable	(11)	(20)
Defined benefit pension scheme costs less contributions payable	4,455	5,346
Defined benefit pension scheme finance cost	1,489	1,581
Depreciation of tangible fixed assets	10,505	12,490
Impairment of tangible fixed assets	2,507	-
Gain on disposal of fixed assets	-	(9)
Movements in working capital:		
Increase in stocks	(20)	(355)
Decrease/(increase) in debtors	1,054	(1,458)
Increase in creditors	1,730	1,825
Stocks, debtors and creditors transferred on conversion	-	(345)
Net cash used in operating activities	(2,245)	(2,913)

26 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.

27 Pension and similar obligations

The 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 the separate relevant local authorities. Each Local Authority runs a separate pension fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £2,161,000 (2018: £2,702,000) were payable to the schemes at 31 August 2019 and are included within creditors.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

27 Pension and similar obligations (Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014.

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.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key elements of the valuation and subsequent consultation are:

- total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- notional past service deficit of £22 billion
- discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from from September 2019 onwards (compared to 16.48% during 2018/19.) The DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The employer's pension costs paid to the TPS in the period amounted to £11,000,156 (2018: £10,668,993).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

27 Pension and similar obligations (Continued)

Local Government Pension Scheme

Ormiston Academies Trust is a member of the Cambridgeshire, Cheshire, Norfolk, Isle of Wight, Suffolk, West Midlands, Staffordshire, Derbyshire, East Riding, Essex, West Sussex and Worcestershire Local Government Pension Schemes.

The LGPS is a funded defined benefit 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 14.6 - 27.3% for employers and 5.5 - 12.5% for employees.

The LGPS obligation relates to the employees of the trust and employees transferred as part of the transfer from another academy trust (as described in note 32) together with 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 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.

The current valuations do not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

These accounts exclude a past service cost in respect of the McCloud/Sergeant judgment which ruled that the transitional protection for some members of public service schemes implemented when they were reformed constituted age discrimination. This provision is expected to be in the range of 1% to 2% of the total scheme liability as at 31 March 2019. The calculation of adjustment to past service costs arising from the outcome of the Court of Appeal judgment is based on a number of key assumptions including:

- The form of remedy adopted
- How the remedy will be implemented
- Which members will be affected by the remedy
- The earning assumptions
- The withdrawal assumptions

The other financial and demographic assumptions adopted to calculate the past service cost are the same as those used to calculate the overall scheme liability. Adopting different assumptions or making other adjustments to reflect behavioural changes stemming from the judgment, would be expected to change the past service cost. Similarly, allowing for variations in individual members' future service or salary progression is expected to produce higher costs. The past service cost is particularly sensitive to the difference between assumed long term general pay growth and the CPI. If the long-term salary growth assumptions were 0.5% pa lower, then the past service cost would be expected to reduce by 50% and conversely a 0.5% pa increase would increase the estimated cost by 65%.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

27 Pension and similar obligations (Continued)

Principal actuarial assumptions:

The following information is based upon a full actuarial valuation of the funds at 31 March 2016 updated to 31 August 2019 by the qualified independent actuaries.

	Discount rate for scheme liabilities		Rate of increase in salaries		Rate of increase for pensions in payment / inflation	
	2019	2018	2019	2018	2019	2018
	%	%	%	%	%	%
Cambridge Local Government Pension Scheme	1.9	2.8	2.6	2.7	2.3	2.4
Cheshire Local Government Pension Scheme	1.9	2.8	2.6	2.6	2.3	2.3
Norfolk Local Government Pension Scheme	1.9	2.8	2.6	2.6	2.3	2.3
Isle of Wight Local Government Pension Scheme	1.9	2.8	2.7	2.7	2.3	2.3
Suffolk Local Government Pension Scheme	1.8	2.8	2.6	2.7	2.3	2.4
West Midlands Local Government Pension Scheme	1.9	2.7	3.7	3.8	2.2	2.3
Staffordshire Local Government Pension Scheme	1.9	2.8	2.7	2.7	2.3	2.3
Derbyshire Local Government Pension Scheme	1.8	2.8	2.8	2.9	2.3	2.4
East Riding Local Government Pension Scheme	1.9	2.8	2.5	2.5	2.3	2.3
Essex Local Government Pension Scheme	1.9	2.7	3.7	3.8	2.2	2.3
West Sussex Local Government Pension Scheme	1.9	2.8	3.0	3.0	2.3	2.3
Worcestershire Local Government Pension Scheme	1.8	2.7	3.8	3.6	2.4	2.2

Mortality

The assumed life expectations are:

	Males		Females	
	Retiring today	Retiring in 20 years	Retiring today	Retiring in 20 years
	2019	2019	2019	2019
Cambridge Local Government Pension Scheme	22.4	24.0	24.4	26.3
Cheshire Local Government Pension Scheme	22.3	23.9	24.5	26.5
Norfolk Local Government Pension Scheme	22.1	24.1	24.4	26.4
Isle of Wight Local Government Pension Scheme	22.3	23.9	24.7	26.5
Suffolk Local Government Pension Scheme	21.9	23.9	24.4	26.4
West Midlands Local Government Pension Scheme	20.9	22.6	23.2	25.1
Staffordshire Local Government Pension Scheme	21.1	22.2	23.5	24.8
Derbyshire Local Government Pension Scheme	21.9	23.9	24.4	26.5
East Riding Local Government Pension Scheme	20.8	22.0	23.3	24.9
Essex Local Government Pension Scheme	21.3	23.0	23.6	25.4
West Sussex Local Government Pension Scheme	23.6	26.0	25.0	27.8
Worcestershire Local Government Pension Scheme	22.8	25.1	25.8	28.2

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

27 Pension and similar obligations (Continued)

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	6,779	6,379
Employees' contributions	1,883	1,807
Total contributions	8,662	8,186

The trust's share of the assets in the scheme	2019 Fair value £'000	2018 Fair value £'000
Equities	61,370	57,076
Bonds	23,173	18,294
Property	11,565	8,305
Cash and other	8,425	7,071
Total fair value of assets	104,533	90,746

The actual return on scheme assets was £4,838,000 (2018: £3,588,000).

Amount recognised in the Statement of Financial Activities	2019 £'000	2018 £'000
Current service cost	10,968	11,701
Net interest cost	1,489	1,581
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	266	24
Total operating charge	12,723	13,306

Changes in the present value of defined benefit obligations	2019 £'000
At 1 September 2018	144,600
Obligations acquired on conversion	2,696
Current service cost	10,968
Interest cost	4,095
Employee contributions	1,883
Actuarial loss	29,828
Benefits paid	(1,464)
Plan introductions, benefit changes, curtailments and settlements	266
At 31 August 2019	192,872

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

27 Pension and similar obligations (Continued)

Changes in the fair value of the trust's share of scheme assets	2019 £'000
At 1 September 2018	90,746
Assets acquired on conversion	1,751
Interest income	2,606
Return on plan assets (excluding net interest on the net defined pension liability)	2,232
Employer contributions	6,779
Employee contributions	1,883
Benefits paid	(1,464)
At 31 August 2019	104,533

28 Related party transactions

The following related party transactions took place during the year ended 31 August 2019. All transactions involving such organisations are conducted at cost and in accordance with the trust's financial regulations and normal procurement procedures.

During the year, Ormiston Bolingbroke Academy Trust, a subsidiary undertaking, received services at cost from Ormiston Academies Trust amounting to £461k (2018: £151k) and at the year end £28k (2018: £28k) was outstanding. Ormiston Academies Trust purchased services during the year from Ormiston Bolingbroke Academy Trust amounting to £8k (2018: £9k).

During the year, academies within Ormiston Academies Trust recognised grants of £96k including £26k of 'iwill' funding (2018: £2,964k including £1,900k of 'iwill' funding and £838k of endowment funds) from Ormiston Trust. At the year end £60k (2018: £2,824k) was due from Ormiston Trust.

During the year, The Gateway Learning Community, an entity controlled by Ormiston Trust, the controlling party of the trust received services at cost from Ormiston Academies Trust amounting to £100k (2018: £102k) and at the year end 10k (2018: £21k) was outstanding.

During the year, Birmingham Ormiston Academy, an entity controlled by Ormiston Trust, received services at cost from Ormiston Academies Trust amounting to £nil (2018: £75k) and at the year end £nil (2018: £73k) was outstanding. Ormiston Academies Trust purchased services from Birmingham Ormiston Academy amounting to £nil (2018: £1k).

29 Post balance sheet events

On 1 December 2019, Ormiston Sandymoor Academy transferred into the trust. All of the operations, assets and liabilities of the school were transferred into the trust at that date.

The ESFA is managing a project to rebuild Ormiston Endeavour Academy. The new building is expected to have a fair value of £15 million, and will be donated to the trust by the ESFA following completion of the project, which is due in September 2020.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

30 Agency arrangements

The trust distributes 16 - 19 bursary funds to students as agent for the ESFA. In the accounting period ending 31 August 2019, the trust received £234k (2018: £263k) and disbursed £186k (2018: £226k) from the fund. At the year, the balance not yet disbursed was £47k (2018: £31k).

31 Controlling party

The trustees consider Ormiston Trust, a grant making trust that chiefly assists schools and organisations supporting children and young people (company number: 09648958 and charity registration number: 1164358) to be the ultimate controlling party due to that organisation's right to appoint a majority of the trustees.

Ormiston Trust prepares consolidated financial statements which incorporates the results and positions of the trust and its subsidiary. Copies of the consolidated financial statements of Ormiston Trust can be obtained from its registered office: 1 Bell Yard, London, WC2A 2JR.

32 Transfer of existing academies into the trust

On 1 December 2018, Ormiston Cliff Park Infant Academy and Ormiston Cliff Park Junior Academy transferred from the East Anglia School Trust into the trust. All the operations and assets and liabilities were transferred into the trust at that date.

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 into the trust. The transfers were for £nil consideration.

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.

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
Net assets acquired	£'000	£'000	£'000
Leasehold land and buildings	3,901	7,102	11,003
Other tangible fixed assets	105	-	105
Defined benefit pension liability	(945)	-	(945)
Cash and cash equivalents	468	-	468
Total net assets	3,529	7,102	10,631

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

32 Transfer of existing academies into the trust (Continued)

	Unrestricted funds £'000	Restricted funds General £'000	Fixed asset £'000	Total 2019 £'000
Funds surplus/(deficit) transferred:				
Leasehold, land and buildings	-	-	11,003	11,003
Other tangible fixed assets	-	-	105	105
Cash and cash equivalents	446	22	-	468
Defined benefit pension liability	-	(945)	-	(945)
	<u>446</u>	<u>(923)</u>	<u>11,108</u>	<u>10,631</u>

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ORMISTON ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 25 August 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2018 to 2019, to obtain limited assurance about whether the expenditure disbursed and income received by Ormiston Academies Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2018 to 2019 Annex B: Regularity Reporting. We are independent of Ormiston Academies Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Ormiston Academies Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Ormiston Academies Trust's funding agreement with the Secretary of State for Education dated 17 August 2009 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Ormiston Academies Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ORMISTON ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2018 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2018 to 2019.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Ormiston Academies Trust and the ESFA in accordance with the terms of our engagement letter dated 25 August 2017. Our work has been undertaken so that we might state to the Ormiston Academies Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ormiston Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



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Date: 19 December 2019





ACHIEVING MORE TOGETHER

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