



ACHIEVING MORE TOGETHER

Ormiston Academies Trust

(a company limited by guarantee)

Annual report and financial statements
for the year ended 31 August 2020



Company Registration No. 06982127 (England and Wales)



Contents

Reference and administrative details	1
Trustees' report	3
Governance statement	19
Statement on regularity, propriety and compliance	24
Statement of trustees' responsibilities	26
Independent auditor's report on the financial statements	28
Statement of financial activities including income and expenditure account	30
Balance sheet	31
Statement of cash flows	32
Notes to the financial statements including accounting policies	33



Annual report and financial statements



Reference and administrative details



Reference and administrative detail

Members

The Ormiston Trust
Peter Murray, OBE
Dr Paul Hann (resigned 9 October 2020)
Di Murray (appointed 9 October 2020)

Trustees

Dr Paul Hann (Chair of Trustees)
Peter Murray, OBE (Founding Chairman)
Ian Brookman
Frances Hall
Nick Hudson (Accounting Officer)
Andrew Jones
Bal Samra
Karen Bramwell (appointed 10 September 2020)
Janet Renou (appointed 1 November 2019)
Kathryn Rutherford (appointed 1 September 2019,
resigned 10 September 2020)
Mark Stanyer (resigned 31 August 2020)

Executive team

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

Nick Hudson
Robert Pritchard
Joanne Dawson
James Miller
Carmel Brown
Tuesday Humby
Amelia Walker (resigned 13 July 2020)

Company Secretary

Sunita Yardley-Patel

Company registration number

06982127 (England and Wales)

Principal address and registered office

1 Victoria Square
Birmingham
B1 1BD

Independent auditor

RSM UK Audit LLP
St Philips Point
Temple Row
Birmingham
West Midlands
B2 5AF

Internal auditor

Mazars LLP
45 Church Street
Birmingham
B3 2RT

Bankers

Lloyds Bank
New Street
Birmingham
B2 4LP

Solicitors

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR



Annual report and financial statements



Trustees' report



Trustees' report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Within this year the Trust operated 40 academies (32 secondary, 7 primary and 1 special) across England. These academies had a combined pupil admission number (PAN) of 37,460 and had a roll of 32,251 in the school census in Spring 2020 (an increase of 2,264 (7.5%) on 2018/19).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees are also 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, and up to the date these accounts are approved, are included in the *Reference and administrative details* on page 2.

Members' liability

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

Trustees' indemnities

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 as shown in note 12 to the accounts.

Method of recruitment and appointment or election of Trustees

Trustees are appointed in accordance with the Articles of Association, they are appointed for four years and may be re-appointed. In selecting new Trustees, the Trust seeks to identify people who are willing to commit their time and skills for the advancement of the purpose of the Trust, adding value to the leadership of the Trust and ensuring good governance is secured.

Policies and procedures adopted for the induction and training of Trustees

Following appointment, all new Trustees receive an introduction to their role from the chair and the chief executive officer. This introduction includes the opportunity for tours to school sites and to meet members of the academies senior leadership teams. The Trust's head of governance ensures new Trustees receive sufficient support and information to enable them to discharge their role.

Organisational structure

The Trustees are responsible for the general control and management of the Trust. The Trustees give their time freely and receive no remuneration in their role as Trustees or other financial benefits, other than the Trust chief executive officer who also serves as a Trustee. The Trustees meet termly and are responsible for all decisions taken in relation to the activities provided by the Trust. The Trustees have established an Audit and Risk Committee that meets termly to ensure the independent checking of controls, systems, transactions, and risks. The Trust has delegated some decision making to additional Trustee committees and the local governing bodies of its schools. The Trust has a clear scheme of delegation regarding the delegation of these decisions; this also details the decisions that have been delegated to management to ensure the day to day operational capacity of the Trust.

The Trust, as a multi-academy trust (MAT), has central and regional teams to support its academies in relation to their education standards, school improvement, and business operations. The Trust chief executive officer is the accounting officer.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel, including the chief executive officer, is set by the Remuneration Committee. During the year under review, the pay and remuneration of key

management personnel, including the chief executive officer, is set by the Remuneration Committee.

Equal opportunities policy

The Trustees recognise that equal opportunities must be an integral part of good practice within the workplace. The Trust has established equal opportunity in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued. Development works to academy buildings to improve staff and pupil accessibility are carried out where identified such as lifts, ramps, toilets and door access to enable wheelchair access to all main areas of the academy buildings where possible. The policy of the Trust is to support the employment of disabled persons both in recruitment and by retention of employees who become disabled whilst in its employment as well as generally through training and career development.

Engagement with employees

The Trust encourages staff contribution at all levels and close collaboration between the academies. regional directors and principals also meet regularly to share knowledge and best practice. The many benefits of this approach have been evident during 2019/20. The Trust intranet provides information and access to internal and external professional development and support. Academies hold regular meetings and briefings. New staff are fully inducted and teachers take part in training before the start of and during the school year. Employee involvement is very important to us and we launched our first OAT-wide employee survey in the 2020/21 autumn term. We also work in close collaboration with our trade union partners representing our employees through the Joint Consultation Committee.

Trade union facility time

The Trade Union (facility time publication requirements) Regulations 2017 require relevant public sector employers to publish specified information related to facility time provided to trade union officials.

The Trust gathers data from the representatives and academies annually in order to calculate and publish the summary data on the government site.

The cost of the facility time is set by the relevant local authority (LA) and can vary from £1,500 to £10,000 according to school size and location. Academies receive an allowance as part of their funding to cover these costs in their delegated budgets. As part of the Trade Union Recognition Agreement (TURA) we have signed up to supporting the contribution to maintain good working relationships with the trade unions and to

ensure staff are able to access representation when required.

We currently have 25 teacher and support staff school-based representatives and one full time regional representative for which we receive full funding for their salary.

Related parties

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 sponsored Ormiston Bolingbroke Academy. Ormiston Bolingbroke Academy transferred into Ormiston Academies Trust on 1 February 2020. Ormiston Bolingbroke Academy Trust prepared its latest accounts for the period ended 29 February 2020 and from that date the company was dormant.

OBJECTIVES AND ACTIVITIES

Mission, purposes, values and aims

Ormiston Academies Trust (OAT) is an educational charity and one of the largest not-for-profit multi-academy trusts in England. We are also one of the longest established Trusts and have been sponsoring academies since 2009.

We are a national Trust and we are proud to serve pupils from many communities, all with their unique characters, strengths and challenges.

30% of our primary and 40% of our secondary pupils receive pupil premium. 13% of our primary pupils and 10% of our secondary pupils speak English as an additional language. 69% of our primary pupils are White British and 68% of our secondary pupils. 16% of our primary pupils, and 18% of our secondary pupils, have special education needs. We see no reason why background should make any difference to their achievements and we, as a Trust, are working tirelessly to address this and to give every pupil we support the very best life chances.

One of our core values is to 'be inclusive' and we live this through our mission to become the Trust that makes the biggest difference to all of our pupils, both inside and outside the classroom, whoever they are.



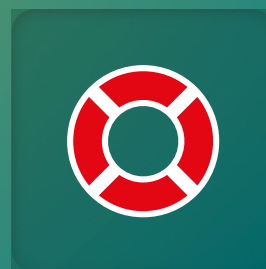
TEACH



DEVELOP



CHANGE



SUPPORT

When we think about what kind of difference we want to make, this continues to be defined by our three core purposes:

- **Teach:** We will 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 will develop all our pupils socially and emotionally so that they can make good choices about education and life.
- **Change:** We will aim to understand what is needed for any pupil to excel, so we can create schools where no one is disadvantaged.

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

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

Over the last one to two years, we have increased our focus on curriculum and teaching, specialist practitioners, learning time, knowledge for opportunity, and focus on education.

We consider ourselves to be a values-led organisation. Our values reflect our aspirations for our culture and we expect them to apply equally to pupils, our staff and to how we treat people outside our organisation:

- **Anyone can excel**
- **Enjoy the challenge**
- **Share what is best**
- **Be inclusive**

The Trust is transforming the performance of its schools; 85% joined from a sponsored route or were previously failing under a local authority or its previous owner. Over the past few years, the Trust has placed increased investment into some of our lowest performing academies to drive up the quality of teaching and education and increase progress. Our schools have steadily improved over time. We wish to accelerate the pace of improvement across the Trust and this is covered under *Plans for future periods* (page 14).



ANYONE CAN EXCEL



ENJOY THE CHALLENGE



SHARE WHAT IS BEST



BE INCLUSIVE

Public benefit

Public benefit is at the heart of our purpose as an organisation.

In setting the objectives, and planning the activities, the Trustees have considered the Charity Commission's general guidance on public benefit and its supplementary public benefit guidance on advancing education.

Curriculum

is the totality of
the child's experience with us



STRATEGIC REPORT

Delivering on our priorities for change

Response to Covid-19

During the first six months of 2019/20, good progress was made against our academic objectives. Attainment was rising in our secondary schools, attendance was increasing across all our schools and progress at Key Stage 2, Key Stage 4 and post-16 were on track to overreach targets.

However, with the onset of the coronavirus pandemic, from March 2020, along with other schools and MATs across the country, our focus inevitably changed and we quickly adapted to:

- Keeping children safe while not in regular attendance at school.
- Developing and delivering a remote curriculum to the majority of pupils.
- Delivering safely a face to face curriculum to vulnerable pupils and children of key workers.
- Planning for the safe partial opening of schools from June 2020.
- Planning for the safe full reopening of schools in September 2020.

As a Trust, we worked together to ensure all our academies had the capability and the capacity to deliver for their pupils, staff, and communities. Our ability as a national organisation to be agile and react to a large volume of government guidelines and policy changes, often at short notice, meant that we could continue to provide support and an education to our pupils throughout.

Thousands of engaging and creative remote lessons were delivered by dedicated staff members, and we secured and distributed thousands of devices, to support pupils with limited IT connectivity. The Trust also worked in partnership with other academy trusts to share and refine plans, ideas, and insight for the benefit of the whole education system. Our values shone through during this time, and we really did achieve more by working together.

In addition to making progress against our academic objectives and responding to the challenges brought by Covid-19, we also made significant progress across other elements of our strategy.

Curriculum, teaching and specialist practitioners

Curriculum is the “totality of the child’s experience with us”

Within OAT, we wish to nurture a love and appreciation of education that will have positive and far-reaching impacts across our communities now and over time.

We know that this will not be borne from successful results on their own. This is why our definition of curriculum is the “totality of the child’s experience with us”. It is far more than a formal timetable and emphasises the importance of the informal learning and children’s personal, social, and cultural development.

Developing best practice through collaborative working

During 2019/20, we concentrated our efforts on ensuring that all pupils receive their full curriculum entitlement by providing greater clarity on our aims and expectations.

Within OAT, we do not prescribe a set curriculum. We have a culture where the strongest teachers are empowered to use their expertise in whatever way they feel benefits pupils most.

However, through a proactive, collaborative, and supportive approach to sharing of knowledge, learning and best practice, we have agreed a minimum standard, set high expectations and are creating greater consistency and alignment in what we do.

We have collectively developed a central curriculum library for our schools who have access to the following:

- A comprehensive series of curriculum design training sessions drawn from research and practice, providing explicit guidance on how to undertake quality curriculum design.
- Exemplar curriculum maps which identify appropriate sequencing, knowledge organisers and schemes of learning, including lesson plans with teaching notes.
- Bridging curriculums to aid transition from Key Stage 2 to 3.

Developing pedagogy and subject knowledge

For our staff, effective professional development is a core part of securing effective outcomes for our children. The thousands of professional decisions that are made every day need to be informed by the best evidence, knowledge, experience, skill, and professional wisdom. Ensuring high quality training and development, including subject knowledge enhancement, is and will always remain a priority for us.

National subject leaders (NSLs)

2019/20 saw the launch of national subject leaders (NSLs) covering ten subject areas beyond the core and one key stage (post-16). The NSLs, drawn from

the Trust's own talent pool, have established and co-ordinated new subject networks, subject training, and continuing professional development (CPD).

They have engaged over 210 subject leaders, an increase of 500% compared to 2018/19. Furthermore, we have moved the majority of our networks online in response to Covid-19. This has enabled us to reach a far wider audience and has widened training to beyond subject leads.

Lead practitioners

We have increased the number of lead practitioners (LP) within our Trust. This team provides specialist and responsible "on the ground" school support where it is needed most. They help with staff career development, enhance subject knowledge, support curriculum design, and remain active practitioners in the classroom. Moving forward, we will continue to grow this team with a focus on the EBACC subjects.

SEND

A director of primaries and SEND was appointed in 2019, and in January 2020 we appointed two lead practitioner positions to support SEND across the academies. Ormiston Academies Trust has a comparatively large proportion (18%) of SEND pupils. The director of SEND and LPs will ensure the provision is inclusive, is of the highest quality, and opportunities maximised through a review of individual provision, network support and training at all levels. These roles will bring consistency for all our pupils and ensure equity across the Trust.

NQTs/early careers

During 2019/20, we focused on ensuring an equitable level of training and mentoring across all of the NQTs within the Trust. We were part of the early roll out of the Early Career Framework material from Ambition Institute. This is complementing our existing range of internally devised and externally sourced resources. Despite Covid-19, we were able to host two NQT conferences for our new starters across seven schools in August 2020.

We appointed a lead practitioner to develop our own framework and quality training for aspiring, novice, and expert mentors. Great education starts in the classroom and we will continue to invest in giving our early career teachers the best possible start to a fulfilling teaching career.

Remote learning

Pupils and staff showed great resilience during lockdown. Continuation of learning was ensured throughout and we quickly transitioned to online teaching and learning, as necessary. This involved the development of technical guides for staff and pupils, resources for parents and training on pedagogical approaches to delivering online. This was a truly collaborative endeavour with central

and academy-based staff stepping up and working together to share and deliver live lessons which connected, engaged, and inspired our pupils. We also supported the National OAK Academy with citizenship/PHSE expertise.

The OAKS

The Ormiston Academies Trust SCITT (The OAKS) underwent significant development and transformation during 2019/20. An Ofsted Outstanding SCITT provider, The OAKS already enjoyed strong and longstanding relationships with over forty secondary schools within a 50-mile radius of its base at Keele University. However, The OAKS served only four Ormiston academies at the end of 2018/19.

Since then, the Trust has developed and grown the SCITT.

- Trainee numbers increased by 30% in the past year.
- The new Birmingham hub, based at Ormiston NEW Academy, is providing training to the nine OAT academies based in the West Midlands.
- The OAKS Norfolk has been launched in the East region with recruitment starting in 2020/21. The OAKS Suffolk will follow in 2021/22.

Developing leaders

To run great classrooms, we need great teachers. To make this consistent across all classrooms, we need great leaders. We recognise that whilst our staff have always had access to external training packages, such as the NPQs, we need to do more as a Trust to grow, develop and nurture our talent internally.

Our new leadership programme has been designed to operate at many levels from school based CPD (Early Career Leaders), and regional CPD opportunities (Aspiring Leaders) to national and Trust wide leadership courses (Into SLT, Into VP and Into Headship). It is our ambition to ensure that our CPD package captures the needs of all career stages and continually adapts to ever changing needs.

Early Career Leaders

We have developed an *Early Career Leaders* package which schools are able to run in-house or in hubs, which develop our core leadership competencies.

Aspiring Leaders

Over 100 of our current staff are on the *Aspiring Leaders* programme which gives staff their first taste of leadership. Supported by our lead practitioner for leadership development, individuals are coached on their own in-school projects. Over 90% of cohort 1 have been promoted into their first substantive leadership position. This course has now been accredited at Level 3.

Expert Middle Leaders

20 staff have been successfully enrolled onto the Ambition Institute's *Expert Middle Leaders* where they will also achieve NPQML or SL.

Into SLT/Into VP

For those aspiring or recent senior leaders, *Into SLT* has been developed as a Level 5 accredited qualification. Our first cohort of 25 will see leaders from all regions come together to begin this course which utilises the talent of many of our executive leaders as coaches. Another 25 participants begin *Into VP* which, unlike NPQSL or NPQH, focuses on the demands of running a school in a principal's absence.

Into Headship

Into Headship is now in its second year with six out of the 10 participants recently promoted into OAT principal roles.

Master's in Leading for Educational Advantage

The mission of OAT is to make the biggest difference. We serve communities that are typically in areas of high social deprivation and the majority of our staff have committed their careers to working in these areas. These two factors led to the birth of the MA in Leading for Educational Advantage. Developed in collaboration with, and delivered by, Liverpool Hope University, our first cohort is now graduating from this programme.

Data systems

In 2019/20 a new data system was developed extracting baseline data and assessment data from the individual management information systems. The information is presented in Power BI and has a combination of context, outcomes, and real time information so leaders at all levels can track and monitor trends including those in attendance, exclusions, and elective home education requests.

Assessment

As there were no Key Stage 2 tests in 2020, and no teacher assessment information, OAT has invested in GL Assessment to assess baseline ability and measure 'gaps' and progress over 2020/21. Diagnostic interventions are in place to mitigate the impact of lockdown on pupils.

Integrated assessment model

The above data and system development are being brought together by a project that is part funded by #iwill and in partnership with the Assessment Foundation. This will result in a single point of reference for data, information and engagement in enrichment and extracurricular opportunities. The project was initiated in 2019/20 and will be completed by 31 July 2021.

Learning time and knowledge for opportunity

Our communities, social action and enrichment sit at the heart of our curriculum

We are incredibly proud of our pupils and the communities that we serve.

Our curriculum is being developed to support pupils in learning about both the history and the future potential of the places that they come from.

We believe it is important for pupils to understand how to turn education into an opportunity and we have increased our investment in careers education within our schools.

As a Trust, and as part of our aim to make the biggest difference both inside and outside the classroom, we also continue to invest heavily in embedding enrichment and social action within our curriculum entitlement.

Our ambitions around enrichment and social action have been aided significantly by funding through the #iwill project and will take on even more significance over the next phase of our strategic plan.

We have bold ambitions:

- Every Year 9 child will have access to undertaking the Duke of Edinburgh Award.
- We aim to be largest trust in the country to achieve green flag status for all schools and we will use what we have learnt to help others in the sector achieve their own aims on eco-sustainability and environmental education.
- We will have developed a *student voice* app which means we can get feedback on any matter almost instantaneously and more formally through elected regional as well as national student councils.
- All our schools will have achieved their Careers Quality Mark.

Enrichment opportunities will be plentiful at academy and regional level, but we will go further next year and develop a whole suite of cross-academy, national competitions, bringing our pupils together from across all regions for experiences they would never otherwise have.

Our objective is for our pupils to leave our academies not just with great qualifications, but knowing what active citizenship means and with the desire and the skills to continue to add value to the communities they live in.

Our **communities,**
social action and
enrichment

sit at the heart of
our **curriculum**



Focus on education

A focus on education will be enabled by the delivery of operational excellence

Positive steps have been taken towards operational excellence across a wide range of areas at both an academy and a Trust level.

Governance, compliance, risk and assurance

A new decision framework was developed to provide clarity around decision making across all tiers of governance. This is complemented by the new risk policy and framework. Both frameworks will be embedded during 2020/21.

Finance: policies, processes and reporting

Several new finance policies were created including the reserves policy. Finance processes were reviewed, and a finance improvement plan was created with an initial focus on the standardisation of processes, controls and reporting to improve both effectiveness and efficiency of the finance function. Integrated strategic and financial planning has been improved with a consistent approach to education focused resource planning and benchmarking.

Procurement

A permanent procurement manager was appointed in March 2020. The initial priority of the role was to strengthen compliance procedures and develop a three-year procurement pipeline plan. During 2020/21, whilst maintaining compliance, the focus will expand to include setting targets for Trust-wide savings from procurement and the management of key accounts.

In addition, a review of the financial scheme of delegation has provided an opportunity to further enhance the OAT procurement policy.

Estates

Across the Trust £17.6m was spent on capital projects during the year. The majority of this spend related to the new build at Ormiston Endeavour Academy which was donated by the Education and Skills Funding Agency (ESFA) for £15.8m. A further £0.2m was spent on the land purchase and demolition costs at Edward Worledge Ormiston Academy. Additional repair and renewal projects and block improvement projects were also carried out at various academy sites during the year.

Estates work during the year has also focused on embedding improved health and safety policies, procedures and an accident tracking system. The Trust is also implementing its energy reduction strategy across all of the academies.

ICT and GDPR

The Trust recruited a data protection officer (DPO) and has strengthened governance, policies, process,

and general support to our academies. Data protection and cyber security training was provided to all OAT staff.

Thousands of laptops have been delivered to those children who have needed them most in order to support on-line learning, with the initial priority being 2020/21 Year 11 and Year 13 pupils.

HR

HR focused on a number of activities designed to harmonise pay and policies across the Trust. In addition, an applicant tracking system was procured ahead of its autumn 2020 launch. Further work has been carried out to standardise and improve reporting in conjunction with our payroll provider. Functional Finance and HR forums and other training events happen throughout the year. A full training and development programme for support staff is being developed.

Communications

Internal communications were further developed during the year with improvements made to the intranet and the introduction of weekly updates.

External communications have also received focus with the development of a standardised website for use by all academies. This has been built from a centralised operating model and will provide quality assurance and value for money for each academy when it is rolled out during 2020/21.

Financial performance

During the year ended 31 August 2020 OAT has received income and endowments of £257.7m (2019: £200.8m) comprising:

- £195.1m (2019: £173.9m) from the Trust's educational operations which can be further analysed as follows:
 - GAG funding of £160.6m (2019: £147.8m).
 - Other DfE group grants of £21.7m (2019: £13.6m).
 - Other government grants including local authority grants of £6.6m (2019: £5.7m).
 - Teaching school income of £2.1m (2019: £1.9m).
 - Other income of £4.1m (2019: £4.9m) – this includes trips and visits and income generated from catering.
- Donations and capital grants of £22.3m (2019: £12.8m) relating predominantly to the Ormiston Endeavour Academy new build of £15.8m which was donated by the ESFA.
- Transfers of schools £37.9m (2019: £10.6m).

The combined education funding received from DfE/ESFA of £182.2m (2019: £161.4m) saw a year-on-year increase of 12.8% (2019: 5.5%). From the pupil number censuses, total pupil numbers have increased by

7.5% (2019: 5.7%). The increase in the funding during 2020 represents the transfer into OAT of Sandymoor Ormiston Academy, Ormiston Bolingbroke Academy and Brownhills Ormiston Academy in December 19, February 20, and April 20, respectively. Additional income was also received from the teachers' pay grant of £2.0m, the pension grant of £5.8m and the Covid 19 grant of £0.2m.

Over the year, expenditure totalled £219.8m (2019: £201.6m) resulting in net income of £37.9m (2019: deficit £0.8m) (which includes transfers in of £37.9m (2019: £10.6m)). Staff costs (excluding agency and restructuring costs), at £161.4m (2019: 139.6m) account for 73.4% of expenditure (2019: 69.2%). FTE, at 3,583 (2019: 3,444) has increased by 4% (2019: decrease of 3%). The increase in staff costs has been driven by an increase in staff numbers, nationally agreed pay rises, and by progression within pay scales.

During the year, three academy conversions took place. Their combined contribution to restricted and unrestricted general income was £8.6m. Their corresponding expenditure during the period since conversion was £8.3m resulting in net income of £0.3m. Additional information on reserves, fixed assets and LGPS deficits received on conversion for these academies are detailed within notes 33 and 34.

These activities resulted in a total funds carried forward position of £356.0m (2019: £327.2m). This includes an unrestricted fund carried forward of £2.0m (2019: £1.4m) which will be used within the Trust's charitable objectives.

There is increasing pressure to maintain building standards with limited resources. The school condition allocation is spent according to building condition and need. Maintenance costs have decreased slightly in the year from £17.2m in 2019 to £16.9m in 2020.

On 1 September 2019, the Trust held unspent capital grants of £4.0m. During 2019/20, further capital grants of £6.0m have been received, with £3.9m of this funding being spent during the year on capital projects, repairs, and maintenance to maintain and enhance the school buildings across the Trust. By 31 August 2020, unspent capital grants of £6.1m were held in relation to ongoing projects which are expected to be completed during 2020/21.

During the year ended 31 August 2020, there was an increase in cash of £3.5m (2019: increase of £3.2m). The net movement in cash included a £1.0m outflow in respect of operating cash flows (2019: outflow of £2.2m), offset by inflows of £4.7m (2019: inflow of £5.4m) in respect of investing activities. The outflow in respect of operating cash flow is in part due to the movements in working capital.

During 2019/20, £0.9m was spent on the delivery of the OAT #iwill project. This is a three-year

project worth £1.9m funded by the National Lottery Community 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. Due to the implications of Covid-19, this project has been extended until August 2021.

In summary, the financial position of the Trust has been strengthened during the last year. This is due to the impact of Covid-19 on the timing of expenditure with most academies delivering positive variances compared to budget. These savings will be invested in catch-up and school improvement in 2020/21 and future years.

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

Following the uncertainty presented by Covid-19, management has reassessed the going concern assumption and confirms that it remains appropriate based on the strong cash and net asset position which enables it to meet its liabilities as they fall due.

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.

Financial and risk management objectives and policies

The Trust's exposure to financial risks are 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.

The final advance of the support arrangement agreed with the ESFA in 2018 for the cash flow management loans was received during 2019. No additional cash flow loans have been received from the ESFA during the year ended 31 August 2020 (2019: £0.3m). Repayments of £0.2m (2019: £0.2m) have been made against a Salix loan and £0.1m (2019: £0.1m) against an ESFA loan which were previously advanced to fund a pilot project in energy efficiency. The final instalment of the ESFA loan was received during 2019/20. Processes are in place to ensure that there is close monitoring and management of cash flows in relation to these balances.

Reserves policy

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.

Reserves are held as follows:

- To cover working capital requirements.
- As a contingency to meet unforeseen expenditure (forming part of restricted and unrestricted general funds) e.g. an unexpected large repair bill.
- To fund planned and specific future capital expenditure (forming part of the restricted fixed asset fund).
- To cover a fall or rise in sources of income e.g. non-renewal of a grant.
- To cover planned commitments, or designations, that cannot be met by future income alone, e.g. plans for a major asset purchase or a significant project that requires the charity to provide 'matched funding'.
- The need to fund potential deficits in a cash budget, for example money may need to be spent before funding is raised or received.

The level of reserves is kept under review by the Trustees and they assess them in relation to these purposes.

Free reserves are represented by the unrestricted funds balance on 31 August 2020.

The restricted fixed asset fund includes £455.3m that can only be realised by the disposal of tangible fixed assets. Similar 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 increased to 3.6% (2019: 3.1%). Included within total income funds are restricted funds of £0.5m (2019: £1.4m) in respect of the #iwill project and £0.7m (2019: £0.8m) in respect of endowment funds receivable from Ormiston Trust. The Trust will continue to seek to manage its finances so that the long-term position is within the target range of 3-5%.

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.

Key performance indicators

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:

	2020	2019	2018	2017
Staff costs/funding for educational operations + trading income	81.7%	78.7%	79.1%	77.7%
Net current assets	£16.2m	£12.1m	£12.0m	£9.9m
Income funds/funding for educational operations	3.6%	3.1%	3.8%	2.6%

Staff costs remain within the target range, and net current assets remain at an appropriate level. In line with our reserves policy, our target funds/funding ratio is 3-5% and this may fluctuate within these limits as we balance the need for financial sustainability with investing in school improvement and optimising outcomes for our pupils. The increase in staff costs year on year is partly attributable to additional Regional Lead Practitioners that have been recruited to drive up the standards of teaching and learning.

Plans for future periods

We are committed to ensuring the best possible education to our children and young people, all with the aim of improving their life chances and equipping them with the skills they need to do as well as they can in life.

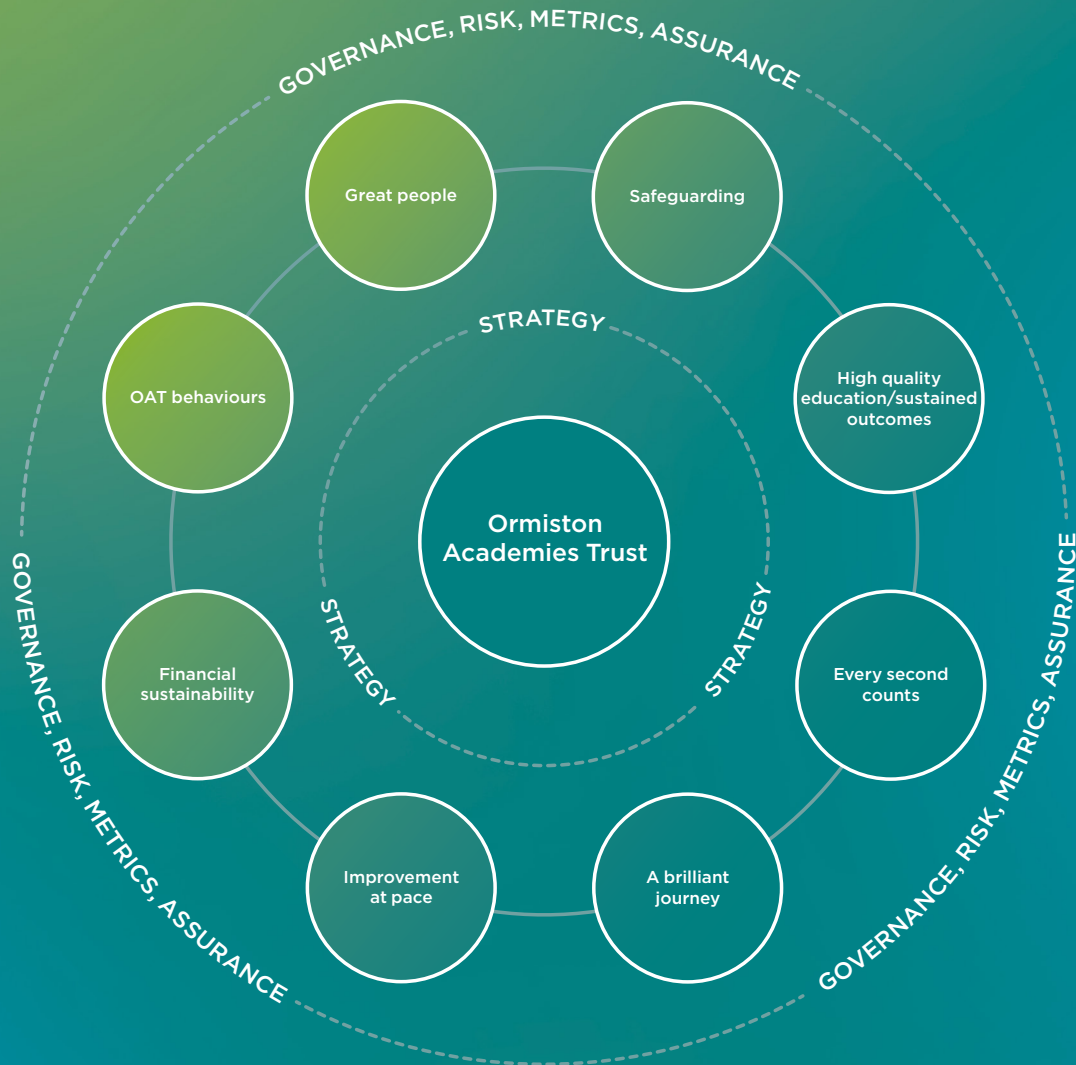
We expect the Trust to continue to grow sustainably, where this aligns with our values and is in accordance with our strategic direction. When taking on new schools we will be mindful of the balance of primary, secondary and special schools within the Trust, being open to including a wide profile of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

We are also 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.

Introducing the OAT 8

Towards the end of 2019/20, we agreed eight key enablers – the “OAT 8” – that we wish to focus on during the next one to three years, in order to deliver our strategy in both a meaningful and efficient way.

With our purpose and values at the heart of all of our priorities and supported by our planned improvements around information and risk management, we are confident that we will be able to make consistent improvement over the next few years.



The OAT 8 are as follows:

- 1 **Safeguarding** (safety and welfare) – our #1 priority.
- 2 **High quality education** – attainment matters – consistent outcomes for all children.
- 3 **Every second counts** – attendance, behaviours, exclusions.
- 4 **A brilliant journey** – a curriculum journey full of enriching experiences.
- 5 **Great people** – in a great place to work.
- 6 **Trust financial sustainability.**
- 7 **Improvement at pace** – effective and efficient ways of working.
- 8 **OAT behaviours.**

Principal risks and uncertainties

The Trustees assess, monitor, and manage risks through the audit and risk committee, the internal control framework, and internal audit with the intention of mitigating or eliminating risks.

In order to do this, the risk management process involves the production of risk registers and risk management activities have been built into the planning process. Members of the executive committee are expected to manage risks within their discipline and ensure the policy framework is up to date to support this. The internal audit process is designed to test these mitigating strategies. Key risks include:

Safeguarding

The safety of pupils and staff is of utmost importance to the Trust and this is why it has been called out as our number one priority in the OAT 8. Robust safeguarding and child protection policies and procedures support academies to ensure that pupils are safe and feel supported, and that everyone working in the Trust knows when and how to raise any concerns that they may have about safeguarding. Implementation and effectiveness of these policies which confirm to the latest DfE guidance are monitored regularly. In August 2020, the Trust appointed a new designated safeguarding lead (DSL) who is delivering a strategy for achieving consistent best practice in safeguarding across all academies.

Ethos and values

The Trustees believe that a key strength of OAT is its ethos and values. We have seen evidence to support this during 2019/20 with great achievements being made during challenging times. Our aim is to keep this at the centre of our people focused strategy and work around culture and behaviours.

Governance

The Trust has introduced a new decision making and risk management framework to provide greater clarity around roles and responsibilities and to work towards a more holistic approach to assurance. The strength of our local governing bodies in providing support and challenge in school improvement and other initiatives remains of critical importance and we wish to continue to recruit, train and retain strong governors who are able to best represent the needs of our communities and provide effective challenge across all elements of school governance.

People

The Trust's success is dependent on recruiting, developing, and retaining the best people for every position in its academies and central team. The recruitment of strong school leaders and teachers continues to be a challenge, particularly in some areas of the country and in core subject

areas. The new People Committee was established during 2019/20 to oversee the development and implementation of the "people strategy".

Finance

The sector continues to face uncertainty over future finances both in terms of income and costs. 2020/21 will be particularly challenging due to Covid-19 resulting in lost lettings income and higher cleaning and supply costs.

Fundraising

As a not-for-profit multi-academy trust, we rely on fundraising support in order to deliver the best and most meaningful outcomes for our pupils, and to truly make the biggest difference.

So that we can provide the highest quality of education, and opportunities, for our pupils, the Trust employs a full-time fundraiser who co-ordinates and prepares applications to national funding bodies and supports delivery of funded projects such as Sport England, the National Lottery, Department for Education and grant making trusts. Where a compelling case is made, Ormiston Trust often provides match funding for these applications.

Five posts in head office were part funded by Ormiston Trust and the National Lottery to the end of August 2020. 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.

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 external 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.

Performance against targets

There are no DfE performance tables for 2019/20 as a result of the cancellation of exams in response to Covid-19. Key Stage 2, Key Stage 4 and Post 16 exams were cancelled.

GCSE, A-level, vocational and technical qualifications were awarded via a combination of centre assessed grades (CAGs) and a mathematical algorithm from Ofqual. At Key Stage 2 no SATs were issued in 2020.

Like many other MATs, the Trust put in place procedures to support the academies by moderating the CAGs across all centres. These were within the tolerance limits of the methodology published by Ofqual. In line with expectations, there was a modest rise in the outcomes, and we are proud of our pupils and the well-deserved grades that they achieved.

Our Ofsted ratings have steadily improved over the last few years to an overall score of 2.24.

Historically, many of our academies have been undersubscribed. However, this is changing due to both demographic changes and a genuine reflection of changes in local perceptions of the quality of education provided by our academies.

Streamlined energy and carbon reporting

As part of OAT's commitment to improve its energy efficiency and decrease its carbon footprint a number of initiatives have been implemented across the Trust. These are namely:

- Smart meters have been installed across all sites to improve our understanding of energy consumption.
- We have invested in LED lighting across the Trust estate with the aim of reducing energy consumption by over 20%.
- We have installed PV panels on the roof of the Trusts' academies with the aim of reducing energy consumption by over 20%.
- We have a five-year plan to upgrade all our boilers, saving over 15% on our gas bill.

UK greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

Energy consumption used to calculate emissions (kWh)		17,520,293.15	Quantification and reporting methodology	We have followed the 2019 UK government's environmental reporting guidelines. We have also used the GHG reporting protocol - corporate standard, and the 2020 UK government's conversion factors for company reporting.		
Energy consumption break down (kWh) for electricity, gas and transport fuel						
Scope	Energy source	Emissions Tonnes (CO ₂ e)	Three key measures taken to improve energy efficiency	Action		
1	Gas	3,122.92		1	We plan to carry out energy audits in our academies, in order to further understand the actions we need to take to reduce our carbon footprint.	
	Oil	-				
	Academy vehicles	64.55				
2	Electricity Standard	-		2	We procure all our electricity from EDF on their Green Tariff.	
	Electricity Renewables/nuclear	-				
3	Staff mileage in year on academy business	68.10		3	We are working with Salix to secure funding from the Public Sector Decarbonisation Scheme to look at ways to reduce our carbon footprint.	
Total emissions		3,255.57				
Intensity ratio		0.10	Intensity measurement	The chosen intensity measurement ratio is total gross emissions in metric tonnes CO ₂ e per pupil, the recommended ratio for the sector.		

Section 172 statement

In accordance with Section 172 of the Companies Act 2006, the directors (who form our Board of Trustees) complied with their duty to promote the success of OAT through their approval of the strategic five-year plan and on-going review of performance against this. All decisions are made in line with OAT's integrated strategic and financial plan, with the long-term interests of the charity and its stakeholders in mind.

Culture, and employee welfare and engagement are important to Trustees. This is evidenced by the creation of the new People Committee which has been established to focus on these areas. As a Trust, we already support flexible working practices, we have improved our communication with staff in recent years and are about to embark on a review of our staff wellbeing programme.

Trustees understand the importance of maintaining productive relationships within stakeholders, underlined by a strong sense of purpose. Members of the Executive Team proactively collaborate with a variety of stakeholders within the education sector to share knowledge and learnings as appropriate.

Trustees are mindful of OAT's impact on the community and environment. Our communities, social action and enrichment sit at the heart of everything we do, and this is reflected in our curriculum. Environment matters form part of this work and one of our goals is to be the largest multi-academy trust in the country to achieve green flag status across all of our schools and we will use our lessons learnt to help others.

As an exempt charity, we are committed to making the biggest difference to our pupils, inside and outside the classroom, regardless of their background. OAT's reputation and business conduct are paramount to its future success and ability to deliver value to its various stakeholders. OAT has an experienced Trustee Board who are responsible

for ensuring corporate governance best practice is followed, supported by the Audit and Risk Committee, Finance and Capital Committee, School Improvement Committee and People Committee.

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 as to 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 10 December 2020 and signed on its behalf by:



Dr Paul Hann
Chair of Trustees



Annual report and financial statements



Governance statement



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.

Governance

The information included here supplements that described in the Trustees' report and in the Statement of Trustee's responsibilities.

The members have formally met once during the year. Attendance during the year at meetings of the members was as follows:

Trustees	Meetings attended	Out of possible
Ormiston Trust	1	1
Dr Paul Hann (Chair of Trustees)	1	1
Peter Murray, OBE (Founding Chairman)	1	1

The Board of Trustees met nine times during 2019/20. Attendance at these meetings were as follows:

Trustees	Meetings attended	Out of possible
Dr Paul Hann (Chair of Trustees)	9	9
Peter Murray, OBE (Founding Chairman)	8	9
Ian Brookman	7	9
Frances Hall	8	9
Nick Hudson (Accounting Officer)	9	9
Andrew Jones	8	9
Bal Samra	9	9
Mark Stanyer (resigned 31 Aug 2020)	9	9
Karen Bramwell (appointed 10 Sep 2020)	0	0
Janet Renou (appointed 1 Nov 2019)	8	8
Kathryn Rutherford (appointed 1 Sep 2019, resigned 10 Sep 2020)	6	9

In line with the Trust's scheme of delegation, detailed oversight of financial management has been delegated to the Finance and Capital Committee (formerly known as Finance Oversight and Risk Committee), which is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the board, by enabling more detailed consideration to be given to the best means of the Board of Trustees' responsibility to ensure sound management of the Trust's business resources, including proper planning, monitoring and probity. The committee met six times during the year. Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Peter Murray, OBE (Founding Chairman)	2	6
Ian Brookman	5	6
Frances Hall	6	6
Nick Hudson (Accounting Officer)	6	6
Andrew Jones	6	6

The Audit and Risk Committee (formerly known as the Audit Committee) is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board, by enabling more detailed consideration to be given to the best means of the Board of Trustees' responsibility to ensure regulatory compliance, financial probity and manage risk. The committee met three times during the year. Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Peter Murray, OBE (Founding Chairman)	2	3
Ian Brookman	2	3
Frances Hall	2	3
Andrew Jones	3	3

The School Improvement and Standards Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the board in meeting its responsibilities for curriculum, standards, and quality in all OAT academies. The committee met five times during the year. Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Dr Paul Hann (Chair of Trustees)	5	5
Peter Murray, OBE (Founding Chairman)	4	5
Ian Brookman	5	5
Nick Hudson (Accounting Officer)	5	5
Janet Renou	5	5

The Remuneration Committee met once during the year to discuss the pay of the chief executive officer and other key members of staff.

The new People Committee was established towards the end of the year to oversee the development and implementation of the people strategy including recruitment, personal development and training, performance management, retention and culture and behaviours. The scope of the Remuneration Committee will be absorbed within this new committee.

The new decision making framework was developed during 2019/20 to provide clarity on roles and responsibilities across the different tiers of governance. Launched in autumn 2020, this was the first step in a series of planned changes to the governance documents including the planned introduction of a financial delegation of authority document that will bring all of our financial policies together in one place.

At the same time, we have been reviewing communication links between the different tiers of governance. Like many other organisations, we moved to virtual meetings during 2019/20 and we held a number of successful executive/governor webinars. However, we recognise that further improvements can be made and a new trustee/principal touchstone meeting will be introduced in 2020/21.

Chairman's message

2019/20 was an incredibly challenging year for everyone involved in education and I am proud of how OAT pupils, principals and academy staff, central team and governors adapted to the evolving Covid-19 situation. The ethos and values of OAT shone through and they demonstrated unwavering commitment and great resilience by adapting and collaborating during this time. Like all organisations, we will reflect and learn from the pandemic and we will become stronger as a result.

Our belief that everyone can excel has never been more relevant or important. During 2020/21 and the coming years, we will need to work hard to ensure that our children have an equal chance and some of the changes made during 2019/20 will support us to do that.

Over the last few years, the Trust has made steady progress against its strategic objectives. Through a sharper focus on key strategic enablers under the umbrella of the "OAT 8", supported by improved integrated planning, information, and risk management, we will be in a stronger position to deliver further school improvement.

The new decision making framework strengthens the governing framework, provides clarity around accountabilities, and is designed to enable the right decisions to be made by the right people at the right time.

Review of value for money

As accounting officer the chief executive officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money (VFM) refers to the educational and wider societal outcomes achieved in return for taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided value for money during the academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The Trust has provided the framework for achieving VFM during the year by:

- Recruiting a permanent procurement manager in March 2020.
- Agreeing a procurement pipeline linked to strategic priorities including value for money initiatives. Using public sector procurement knowledge and experience to run formal tender competitions and using public sector organisation frameworks as appropriate in order to ensure best value.
- Ensuring the procurement team and, in turn, the Trust, complies with public contract regulations, the Academies Financial Handbook and our own Scheme of Delegation in relation to procurement activities.
- Developing the procurement team offer to include procurement and contract management training to upskill Trust staff and provide informed advice and guidance on procurement processes and contract terms.
- Ensuring that we contract on established terms and conditions which sufficiently protect our interests and do not expose us to unnecessary risk or cost.

In addition to controls around procurement and supplier management, the Trust has also focused on internal resources which account for more than 75% of non staff costs. In autumn 2019, we introduced a standard approach to developing curriculum led plans across the Trust.

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 year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The 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. It includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the Finance and Capital 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 and Risk 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 (Mazars) is agreed in advance with the Audit and Risk Committee. Work for the current year has included strategic 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 and checking payroll and expenses. The work and findings that Mazars have identified during the year has resulted in an overall 'substantial assurance' level being achieved.

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:

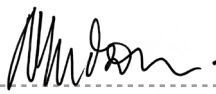
- The work of the internal auditor.
- The work of the external auditor.
- The financial management and governance self-assessment process.
- The work of the executive team within the Trust who have responsibility for the development and maintenance of the internal control framework.

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 Board of Trustees on 10 December 2020 and signed on its behalf by:



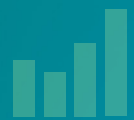
Dr Paul Hann
Chair of Trustees



Nick Hudson
Accounting Officer



Annual report and financial statements



Statement of regularity, propriety and compliance





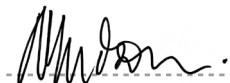
Statement of regularity, propriety and compliance

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

I confirm that I, and the Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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

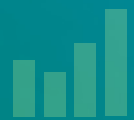
Signed on 10 December 2020 by:



Nick Hudson
Accounting Officer



Annual report and financial statements



Statement of Trustees' responsibilities



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 2019 and the Academies Accounts Direction 2019 to 2020.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 Board of Trustees on 10 December 2020 and signed on its behalf by:



Dr Paul Hann
Chair of Trustees



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 2020 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 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 27, 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
17 December 2020

**ORMISTON ACADEMIES TRUST****STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	3	182	93	22,001	22,276	12,792
Donations - transfer from local authority on conversion	33	-	(2,135)	9,543	7,408	-
Donations - transfer of existing academy into the trust	34	267	(2,529)	32,786	30,524	10,631
Charitable activities:						
- Funding for educational operations	4	2,069	190,901	-	192,970	172,021
- Funding for teaching school	32	-	2,120	-	2,120	1,881
Other trading activities	5	1,387	994	-	2,381	3,424
Investments	6	23	-	-	23	11
Total		3,928	189,444	64,330	257,702	200,760
Expenditure on:						
Raising funds	7	262	-	-	262	295
Charitable activities:						
- Educational operations	8	3,089	200,617	13,761	217,467	199,449
- Teaching school	32	-	2,026	-	2,026	1,832
Total	7	3,351	202,643	13,761	219,755	201,576
Net income/(expenditure)		577	(13,199)	50,569	37,947	(816)
Transfers between funds	20	-	(742)	742	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	28	-	(9,108)	-	(9,108)	(27,596)
Net movement in funds		577	(23,049)	51,311	28,839	(28,412)
Reconciliation of funds						
Total funds brought forward		1,421	(84,424)	410,159	327,156	355,568
Total funds carried forward		1,998	(107,473)	461,470	355,995	327,156

ORMISTON ACADEMIES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		455,340		406,151
Current assets					
Stocks		378		375	
Debtors	15	8,369		7,640	
Cash at bank and in hand		23,612		20,103	
			32,359		28,118
Current liabilities					
Creditors: amounts falling due within one year	16	(16,123)		(16,027)	
Net current assets			16,236		12,091
Total assets less current liabilities			471,576		418,242
Creditors: amounts falling due after more than one year	17		(2,502)		(2,747)
Provisions for liabilities	18		(579)		-
Net assets before defined benefit pension scheme liability			468,495		415,495
Defined benefit pension scheme liability	28		(112,500)		(88,339)
Total net assets			355,995		327,156
Funds of the Trust:					
Restricted funds	20				
- Restricted fixed asset funds			461,470		410,159
- Restricted income funds			5,027		3,915
- Pension reserve			(112,500)		(88,339)
Total restricted funds			353,997		325,735
Unrestricted income funds	20		1,998		1,421
Total funds			355,995		327,156

The financial statements on pages 30 to 66 were approved by the Board of Trustees and authorised for issue on 10 December 2020 and are signed on their behalf by:



Dr Paul Hann
Chair of Trustees

ORMISTON ACADEMIES TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Cash flows from operating activities					
Net cash used in operating activities	25		(1,000)		(2,245)
Cash flows from investing activities					
Interest received		23		11	
Capital funding received from sponsors and others		5,830		6,957	
Purchase of tangible fixed assets		(1,428)		(2,059)	
Cash funds transferred on existing academy into trust		281		468	
Net cash provided by investing activities			4,706		5,377
Cash flows from financing activities					
Advancements from Education and Skills Funding Agency loans		42		300	
Repayment of Education and Skills Funding Agency loan		(71)		(70)	
Repayment of Salix loan		(158)		(158)	
Interest paid		(10)		-	
Net cash (used in)/provided by financing activities			(197)		72
Net increase in cash and cash equivalents in the reporting period			3,509		3,204
Cash and cash equivalents at beginning of the year			20,103		16,899
Cash and cash equivalents at end of the year			23,612		20,103



ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

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, including the adoption of the amendments issued in December 2017 (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 2019 to 2020 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

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Following the uncertainty presented by Covid 19, management has reassessed the going concern assumption and confirms that it remains appropriate based on the strong cash and net asset position which enables it to meet its liabilities as they fall due.

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



ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Conversion and transfer to an academy trust

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

The assets and liabilities transferred on conversion from Brownhills School 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 from local authority on conversion in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 33.

The assets and liabilities transferred from the Sandymoor Free School and Ormiston Bolingbroke Academy 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 34.

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.



ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

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. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

These are costs incurred on the 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
Assets in the course of construction	nil
Computer equipment	20% straight line
Fixtures, fittings and equipment	10 - 15% straight line
Motor vehicles	15% straight line



ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

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

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.

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 of services it must provide.

Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised as a financing cost in the period it arises in the statement of financial activities and is allocated to the appropriate expenditure heading.

Leased assets

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

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 2020

1 Accounting policies (Continued)

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.

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.



ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

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.

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, which is now dormant 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.



ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement (Continued)

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 28, 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 2019 has been used by the actuaries in valuing the pensions liabilities at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liabilities.

The Trust has included an enhanced pension provision in the financial statements in the current year. Judgement has also been applied in determining the appropriate discount rate and life expectancies.

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 has included an enhanced pension provision in the financial statements in the current year. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the Statement of Financial Activities in the year that the provision is created. In subsequent years, a charge is made to the provision in the balance sheet. The provision is determined using a variety of assumptions. Any changes in these assumptions would impact on the carrying value of this provision.

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 2020****3 Donations and capital grants**

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Private sponsorship	-	84	84	106
Donated fixed assets	-	16,171	16,171	5,550
Capital grants	-	5,830	5,830	6,957
#iwill funding	-	-	-	24
Other donations	182	9	191	155
	<u>182</u>	<u>22,094</u>	<u>22,276</u>	<u>12,792</u>

The income from donations and capital grants was £22,276k (2019: £12,792k) of which £182k was unrestricted (2019: £151k), £93k was restricted (2019: £134k) and £22,001k was restricted fixed assets (2019: £12,507k).

Donated fixed assets of £16,171k included a new building donated to Ormiston Endeavour Academy by ESFA at a fair value of £15,776k and also included laptops for disadvantaged pupils from ESFA at a value of £223k, furniture at a value of £113k from Sandwell Metropolitan Borough Council (SMBC), MUGA and outdoor gym equipment at value of £39k from SMBC and internal displays at a value of £20k from SMBC.

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****4 Funding for the Trust's educational operations**

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	160,504	160,504	147,791
Start up grants	-	18	18	97
Other DfE group grants	-	21,673	21,673	13,551
	-	182,195	182,195	161,439
Other government grants				
Local authority grants	-	4,327	4,327	3,983
Other government grants	-	2,236	2,236	1,745
	-	6,563	6,563	5,728
Exceptional government funding				
Other Coronavirus funding	194	-	194	-
Teaching school income	-	2,120	2,120	1,881
Other incoming resources	1,875	2,143	4,018	4,854
	1,875	4,263	6,138	6,735
	2,069	193,021	195,090	173,902

The income from funding for educational operations was £195,090k (2019: £173,902k) of which £2,069k was unrestricted (2019: £2,519k) and £193,021k was restricted (2019: £171,383k).

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	565	-	565	964
Sundry income	822	994	1,816	2,460
	1,387	994	2,381	3,424

The income from other trading activities was £2,381k (2019: £3,424k) of which £1,387k was unrestricted (2019: £2,553k) and £994k was restricted (2019: £871k).

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2020****6 Investment income**

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Interest from short term deposits	23	-	23	11

In 2019, the total investment income of £11k was unrestricted.

7 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2020 £'000	Total 2019 £'000
		Premises £'000	Other £'000		
Expenditure on raising funds					
- Direct costs	-	-	262	262	295
Academies' educational operations					
- Direct costs	130,976	-	18,366	149,342	135,705
- Allocated support costs	33,565	27,622	6,938	68,125	63,744
Teaching school					
- Direct costs	77	-	1,389	1,466	1,832
- Allocated support costs	399	-	161	560	-
	<u>165,017</u>	<u>27,622</u>	<u>27,116</u>	<u>219,755</u>	<u>201,576</u>

The expenditure on raising funds was £262k (2019: £295k) of which £262k was unrestricted (2019: £295k) and £nil was restricted (2019: £nil).

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Operating lease rentals	1,120	883
PFI schemes	1,569	1,522
Interest payable on loan from Education and Skills Funding Agency	10	11
Depreciation of tangible fixed assets	10,710	10,505
Impairment of tangible fixed assets	-	2,507
Net interest on defined benefit pension liability	1,750	1,489
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	59	56
- Other assurance services	27	14
- Taxation compliance services	4	4
- All other non-audit services	18	10

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****8 Charitable activities**

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Direct costs				
Educational operations	1,575	147,767	149,342	135,705
Teaching schools	-	1,466	1,466	1,832
Support costs				
Educational operations	1,514	66,611	68,125	63,744
Teaching schools	-	560	560	-
	<u>3,089</u>	<u>216,404</u>	<u>219,493</u>	<u>201,281</u>

The expenditure on charitable activities, excluding teaching schools was £217,467k (2019: £199,449k) of which £3,089k was unrestricted (2019: £6,454k), £200,617k was restricted (2019: £175,948k) and £13,761k was restricted fixed assets (2019: £17,047k).

The expenditure on teaching schools was £2,026k (2019: £1,832k) of which £2,026k was restricted (2019: £1,832k).

	Teaching School £'000	Educational operations £'000	Total 2020 £'000	Total 2019 £'000
Analysis of support costs				
Support staff costs	399	33,565	33,964	27,565
Depreciation and impairment of assets	-	10,710	10,710	13,012
Technology costs	-	2,207	2,207	1,751
Premises costs	-	16,912	16,912	17,221
Legal costs	-	237	237	334
Other support costs	161	4,327	4,488	3,704
Governance costs	-	167	167	157
	<u>560</u>	<u>68,125</u>	<u>68,685</u>	<u>63,744</u>

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****9 Staff****Staff costs**

Staff costs during the year were:

	2020	2019
	£'000	£'000
Wages and salaries	116,363	107,314
Social security costs	11,140	10,208
Pension costs	33,892	22,077
	<hr/>	<hr/>
Staff costs - employed	161,395	139,599
Agency staff costs	3,348	3,199
Staff restructuring costs	274	639
	<hr/>	<hr/>
Total staff expenditure	<u>165,017</u>	<u>143,437</u>

Staff restructuring costs comprise:

Redundancy payments	88	571
Severance payments	186	68
	<hr/>	<hr/>
	274	639
	<hr/>	<hr/>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £186,495 (2019: £67,719). Individually, the payments were; £41,324, £22,718, £26,325, £19,411, £13,479, £12,348, £11,095, £10,900, £9,500, £7,500, £6,100, £4,500, £945 and £350.

Staff numbers

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

	2020	2019
	Number	Number
Teachers	1,907	1,692
Administration and support	2,260	2,111
Management	280	278
	<hr/>	<hr/>
	<u>4,447</u>	<u>4,081</u>

Of the total staff numbers, 62 were employed at head office (2019: 43). All other staff worked in the academies. The majority of management employees work in academies and have day to day teaching responsibilities.

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****9 Staff (Continued)**

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

	2020	2019
	Number	Number
Teachers	1,738	1,587
Administration and support	1,565	1,583
Management	280	274
	<u>3,583</u>	<u>3,444</u>

Higher paid staff

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

	2020	2019
	Number	Number
£60,001 - £70,000	68	58
£70,001 - £80,000	19	19
£80,001 - £90,000	16	9
£90,001 - £100,000	6	9
£100,001 - £110,000	8	7
£110,001 - £120,000	7	8
£120,001 - £130,000	6	3
£130,001 - £140,000	-	1
£140,001 - £150,000	1	1
£190,001 - £200,000	-	1
£200,001 - £210,000	1	-
	<u>1</u>	<u>-</u>

108 (2019: 71) of the above employees were principals, vice principals and assistant principals and participated in the Teachers' Pension Scheme. The table also includes 5 (2019: 7) non-teaching staff who are based in academies.

Key management personnel

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,008,348 (2019: £837,277). The uplift is due to the increase in the number of individuals included within the definition of key management personnel.

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 2020****10 Central services (Continued)**

The amounts charged during the year were as follows:	2020	2019
	£'000	£'000
Ormiston Bolingbroke Academy	140	-
Ormiston Chadwick Academy	166	157
Ormiston Horizon Academy	183	163
Ormiston Ilkeston Enterprise Academy	134	138
Ormiston Maritime Academy	110	144
Ormiston Meridian Academy	169	178
Ormiston Sir Stanley Matthews Academy	193	166
Sandymoor Ormiston Academy	54	-
Brownhills Ormiston Academy	62	-
Ormiston Forge Academy	280	191
George Salter Academy	243	187
Ormiston NEW Academy	140	170
Ormiston Sandwell Community Academy	196	165
Ormiston Sheffield Community Academy	275	190
Ormiston SWB Academy	243	248
Tenbury High Ormiston Academy	70	93
Wodensborough Ormiston Academy	199	193
Ormiston Bushfield Academy	164	157
Cowes Enterprise College An Ormiston Academy	192	193
Ormiston Endeavour Academy	81	127
Ormiston Park Academy	117	136
Ormiston Rivers Academy	189	159
Ormiston Six Villages Academy	73	105
Stoke High School - Ormiston Academy	127	151
Ormiston Sudbury Academy	123	139
Broadland High Ormiston Academy	127	142
City of Norwich School An Ormiston Academy	282	242
Cliff Park Ormiston Academy	173	176
Ormiston Denes Academy	169	201
Flegg High Ormiston Academy	146	161
Ormiston Venture Academy	168	156
Ormiston Victory Academy	198	161
Ormiston Cliff Park Infant Academy	35	28
Ormiston Cliff Park Junior Academy	49	41
Edward Worlledge Ormiston Academy	67	70
Ormiston Herman Academy	47	63
Ormiston Meadows Academy	29	43
Packmoor Ormiston Academy	51	61
Ormiston South Parade Academy	65	50
Thomas Wolsey Ormiston Academy	26	26
	<u>5,555</u>	<u>5,171</u>



ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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 £206,341 (2019: £197,675) and pension contributions paid by the Trust in the year of £nil (2019: £4,199).

Mark Stanyer received remuneration of £121,479 (2019: £118,390) and pension contributions paid by the Trust in the year of £28,783 (2019: £19,471).

Kathryn Rutherford (appointed as a Trustee on the 1 September 2019) received remuneration of £87,392 (2019: £nil) and pension contributions paid by the Trust in the year of £20,341 (2019: £nil).

Jane Nolan (resigned as a Trustee on the 31 August 2019) received remuneration of £nil (2019: £91,329) and pension contributions paid by the Trust in the year of £nil (2019: £14,826).

The number of Trustees to whom retirements benefits are accruing under the Teachers Pension Scheme are 2 (2019: 2) and Local Government Pension Scheme are nil (2019: 1).

During the year travel and subsistence expenses totalling £3,623 (2019: £10,833) were reimbursed to 5 Trustees (2019: 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 2020.

Other related party transactions are set out in note 29 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 2020****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 2019	446,784	1,494	5,415	4,701	172	458,566
Transfers	1,494	(1,494)	-	-	-	-
Transfer on conversion	9,543	-	-	-	-	9,543
Transfer of school joining	32,438	-	90	223	6	32,757
Additions	16,415	62	725	397	-	17,599
Disposals	-	-	(1,402)	(1,758)	(13)	(3,173)
At 31 August 2020	506,674	62	4,828	3,563	165	515,292
Depreciation						
At 1 September 2019	45,907	-	3,557	2,844	107	52,415
On disposals	-	-	(1,402)	(1,758)	(13)	(3,173)
Charge for the year	9,287	-	915	483	25	10,710
At 31 August 2020	55,194	-	3,070	1,569	119	59,952
Net book value						
At 31 August 2020	451,480	62	1,758	1,994	46	455,340
At 31 August 2019	400,877	1,494	1,858	1,857	65	406,151

Included in the land and buildings above is freehold land and buildings with a net book value at 31 August 2020 of £88,750k (2019: £46,389k) and long leasehold land and buildings with a net book value at 31 August 2020 of £362,730k (2019: £354,488k).

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 (2019: £nil).

Included in the additions to land and buildings is a new building donated to Ormiston Endeavour Academy by the ESFA at a fair value of £15,776k.

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****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 up until 1 February 2020 operated 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 (2019: £nil).

These financial statements show information about the charitable company only as the group is consolidated at a higher level. The academy operated by the subsidiary transferred into Ormiston Academies Trust on 1 February 2020. Ormiston Bolingbroke Academy Trust prepared its latest accounts for the period ended 29 February 2020 and from that date the company was dormant. Below is the activity for that period and balances at 29 February 2020:

Statement of financial activities	Period ended 29 February 2020 £'000	Year ended 31 August 2019 £'000
Total incoming resources	3,336	7,225
Total resources expended	(14,918)	(8,165)
Actuarial losses	(378)	(801)
Net movement in the period	(11,960)	(1,741)
	At 29 February 2020 £'000	At 31 August 2019 £'000
Balance sheet		
Tangible assets	-	12,993
Current assets	-	559
Creditors: due within one year	-	(236)
Defined benefit pension scheme liability	-	(1,356)
Net assets	-	11,960

Net assets are represented by total funds of £nil (2019: £11,960k) of which £nil (2019: £11,645k) are restricted.

15 Debtors

	2020 £'000	2019 £'000
Trade debtors	238	654
VAT recoverable	1,454	1,495
Other debtors	27	96
Prepayments and accrued income	6,650	5,395
	8,369	7,640

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****15 Debtors (Continued)**

Included in prepayments and accrued income is £nil (2019: £628k) due after more than one year.

16 Creditors: amounts falling due within one year	2020 £'000	2019 £'000
Trade creditors	3,180	3,429
Other taxation and social security	2,859	2,608
Other creditors	2,931	2,264
Accruals and deferred income (see note 19)	6,537	7,168
Loan from Education and Skills Funding Agency	458	400
Salix loan	158	158
	<u>16,123</u>	<u>16,027</u>

17 Creditors: amounts falling due after more than one year

	2020 £'000	2019 £'000
Loan from Education and Skills Funding Agency	1,714	1,801
Salix loan	788	946
	<u>2,502</u>	<u>2,747</u>

Loan maturity

Debt due in one year or less	616	558
Due in more than one year but not more than two years	513	296
Due in more than two years but not more than five years	1,656	1,631
Due in more than five years	333	820
	<u>3,118</u>	<u>3,305</u>

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****17 Creditors: amounts falling due after more than one year (Continued)**

At the year end, the Trust has a Salix loan amounting to £946k (2019: £1,104k). The loan terms are 9 years at an interest rate of 0%.

At the year end, the trust owed the ESFA £320k (2019: £320k) with agreed payment terms of 4 years at interest rates of 0%. With respect to a further loan the Trust had with the ESFA, at the year end the trust owed £1,400k (2019: £1,400k) with agreed payment terms of 9 years at interest rate of 0%. Also a loan with the ESFA, at year end the Trust owed £452k (2019: £481k) with agreed payment terms of 9 years at interest rate of 1.83%, this was following a further draw down of £42k in the year.

18 Provisions for liabilities

The provision at 31 August 2020 amounting to £579k (2019: £nil), relates to an enhanced pension provision relating to the cost of staff who have already left the Trust's employment. The provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumption for this calculation is using a discount rate of 3.5%.

19 Deferred income

	2020	2019
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	1,413	1,903
	<u> </u>	<u> </u>
Deferred income at 1 September 2019	1,903	987
Released from previous years	(1,903)	(987)
Resources deferred in the year	1,413	1,903
	<u> </u>	<u> </u>
Deferred income at 31 August 2020	1,413	1,903
	<u> </u>	<u> </u>

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

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****20 Funds**

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	160,504	(157,459)	(742)	2,303
Start up grants	-	18	(18)	-	-
Other DfE / ESFA grants	1,284	21,673	(22,377)	-	580
Other government grants	294	6,563	(6,359)	-	498
Teaching school	-	2,120	(2,026)	-	94
#iwill funding	1,386	-	(911)	-	475
Ormiston Trust endowment fund	798	-	(87)	-	711
Other restricted funds	153	3,093	(2,880)	-	366
Pension reserve	(88,339)	(4,527)	(10,526)	(9,108)	(112,500)
	<u>(84,424)</u>	<u>189,444</u>	<u>(202,643)</u>	<u>(9,850)</u>	<u>(107,473)</u>
Restricted fixed asset funds					
DfE group capital grants	410,159	64,330	(13,761)	742	461,470
	<u>410,159</u>	<u>64,330</u>	<u>(13,761)</u>	<u>742</u>	<u>461,470</u>
Total restricted funds	<u>325,735</u>	<u>253,774</u>	<u>(216,404)</u>	<u>(9,108)</u>	<u>353,997</u>
Unrestricted funds					
General funds	1,421	3,928	(3,351)	-	1,998
	<u>1,421</u>	<u>3,928</u>	<u>(3,351)</u>	<u>-</u>	<u>1,998</u>
Total funds	<u>327,156</u>	<u>257,702</u>	<u>(219,755)</u>	<u>(9,108)</u>	<u>355,995</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 £475k (2019: £1,386k), endowment funds receivable from Ormiston Trust of £711k (2019: £798k), and a pension reserve of £112,500k (2019: £88,339) 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 2020.

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****20 Funds (Continued)****Funds prior year**

	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	(147,973)	(210)	-
Start up grants	-	97	(97)	-	-
Other DfE / ESFA grants	-	13,551	(12,267)	-	1,284
Other government grants	491	5,728	(5,925)	-	294
Teaching school	-	1,881	(1,832)	(49)	-
#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	403,332	23,615	(17,047)	259	410,159
	<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	2,490	5,680	(6,749)	-	1,421
	<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>

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 2020****20 Funds (Continued)****Total cost analysis by academy**

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2020 £'000	Total 2019 £'000
Ormiston Bolingbroke Academy	2,813	638	50	893	4,394	-
Ormiston Chadwick Academy	3,459	483	88	1,085	5,115	4,892
Ormiston Horizon Academy	4,356	953	205	1,032	6,546	6,121
Ormiston Ilkeston Enterprise Academy	3,375	717	173	893	5,158	4,562
Ormiston Maritime Academy	2,547	550	181	902	4,180	5,186
Ormiston Meridian Academy	3,669	682	287	1,336	5,974	5,574
Ormiston Sir Stanley Matthews Academy	4,326	802	184	1,292	6,604	8,096
Sandymoor Ormiston Academy	1,305	420	57	384	2,166	-
Brownhills Ormiston Academy	1,156	239	22	342	1,759	-
Ormiston Forge Academy	7,296	989	198	1,386	9,869	8,761
George Salter Academy	5,562	1,061	144	1,372	8,139	7,894
Ormiston NEW Academy	3,576	724	79	994	5,373	5,606
Ormison Sandwell Community Academy	4,450	844	213	1,033	6,540	6,444
Ormiston Sheffield Community Academy	6,179	1,174	127	1,706	9,186	8,635
Ormiston SWB Academy	5,777	1,041	93	1,352	8,263	8,002
Tenbury High Ormiston Academy	1,599	299	49	555	2,502	2,137
Wodensborough Ormiston Academy	4,647	750	178	1,858	7,433	6,877
Ormiston Bushfield Academy	4,274	911	64	1,085	6,334	6,134
Cowes Enterprise College An Ormiston Academy	4,465	642	188	1,194	6,489	5,584
Ormiston Endeavour Academy	1,837	427	114	480	2,858	2,823
Ormiston Park Academy	3,387	582	106	764	4,839	4,632
Ormiston Rivers Academy	3,877	769	142	1,333	6,121	5,545
Ormiston Six Villages Academy	1,836	574	64	501	2,975	2,717
Stoke High School - Ormiston Academy	2,844	495	217	655	4,211	4,064

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****20 Funds (Continued)**

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2020 £'000	Total 2019 £'000
Ormiston Sudbury Academy	2,757	600	186	637	4,180	4,048
Broadland High Ormiston Academy	2,824	275	101	769	3,969	3,676
City of Norwich School An Ormiston Academy	6,205	880	208	1,530	8,823	8,401
Cliff Park Ormiston Academy	3,754	721	168	940	5,583	5,196
Ormiston Denes Academy	4,201	1,115	176	840	6,332	6,457
Flegg High Ormiston Academy	3,078	658	46	823	4,605	4,542
Ormiston Venture Academy	3,652	903	132	1,013	5,700	5,604
Ormiston Victory Academy	4,798	823	166	977	6,764	6,139
Ormiston Cliff Park Infant Academy	851	262	20	290	1,423	1,195
Ormiston Cliff Park Junior Academy	1,053	188	28	252	1,521	1,250
Edward Worlledge Ormiston Academy	1,424	362	79	336	2,201	2,140
Ormiston Herman Academy	1,242	157	46	333	1,778	1,819
Ormiston Meadows Academy	717	292	31	169	1,209	1,372
Packmoor Ormiston Academy	1,429	265	46	374	2,114	2,144
Ormiston South Parade Academy	1,711	457	59	511	2,738	2,741
Thomas Wolsey Ormiston Academy	1,653	248	79	230	2,210	2,181
Trust	2,453	3,950	-	2,993	9,396	6,519
	<u>132,414</u>	<u>28,922</u>	<u>4,794</u>	<u>37,444</u>	<u>203,574</u>	<u>185,710</u>

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****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 2020 are represented by:				
Tangible fixed assets	-	-	455,340	455,340
Current assets	1,998	24,231	6,130	32,359
Creditors falling due within one year	-	(16,123)	-	(16,123)
Creditors falling due after one year	-	(2,502)	-	(2,502)
Provisions for liabilities	-	(579)	-	(579)
Defined benefit pension liability	-	(112,500)	-	(112,500)
Total net assets	1,998	(107,473)	461,470	355,995

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'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

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 2020****23 Capital commitments**

	2020	2019
	£'000	£'000
Expenditure contracted for but not provided in the financial statements	47	305

24 Commitments under operating leases

At 31 August 2020 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£'000	£'000
Amounts due within one year	884	809
Amounts due between one and five years	1,285	1,143
Amounts due after five years	964	1,119
	<u>3,133</u>	<u>3,071</u>

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 £1,596k (2019: £1,534k) within 1 year, £6,387k (2019: £6,134k) between 1 and 5 years and £11,721k (2019: £12,826k) in greater than 5 years.

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****25 Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2020	2019
	£'000	£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	37,947	(816)
Adjusted for:		
Net surplus on conversion to academy	(7,408)	-
Net surplus on transfer of academy in the trust	(30,524)	(10,631)
Capital grants from DfE and other capital income	(5,830)	(6,957)
Donated fixed assets	(16,171)	(5,550)
Interest receivable	(23)	(11)
Interest payable	10	-
Defined benefit pension scheme costs less contributions payable	8,776	4,455
Defined benefit pension scheme finance cost	1,750	1,489
Depreciation of tangible fixed assets	10,710	10,505
Impairment of tangible fixed assets	-	2,507
Increase in provisions	579	-
Movements in working capital:		
Increase in stocks	(3)	(20)
(Increase)/decrease in debtors	(729)	1,054
Increase in creditors	38	1,730
Stocks, debtors and creditors transferred on existing academy into trust	(122)	-
Net cash used in operating activities	(1,000)	(2,245)

26 Analysis of changes in net funds

	1 September	Cash flows	31 August
	2019	£'000	2020
	£'000	£'000	£'000
Cash	20,103	3,509	23,612
Loans falling due within one year	(558)	(58)	(616)
Loans falling due after more than one year	(2,747)	245	(2,502)
	<u>16,798</u>	<u>3,696</u>	<u>20,494</u>

27 Members' liability

Each Member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.



ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

28 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 2019.

Contributions amounting to £2,874k (2019: £2,161k) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 by the Department for Education on 5 March 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% (including a 0.08% administration levy) of pensionable pay from from September 2019 onwards (compared to 16.48% during 2019/20).

The employer's pension costs paid to the TPS in the period amounted to £17,845,121 (2019: £11,000,156).

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 2020****28 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 16.4 - 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 conversion from the maintained school and transfer from other academy trusts (as described in notes 33 and 34) 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.

Principal actuarial assumptions:

The following information is based upon a full actuarial valuation of the funds at 31 March 2019 updated to 31 August 2020 by the qualified independent actuaries.

	Discount rate for scheme liabilities		Rate of increase in salaries		Rate of increase for pensions in payment / inflation	
	2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Cambridge Local Government Pension Scheme	1.7	1.9	2.7	2.6	2.2	2.3
Cheshire Local Government Pension Scheme	1.7	1.9	2.9	2.6	2.2	2.3
Norfolk Local Government Pension Scheme	1.7	1.9	2.9	2.6	2.2	2.3
Isle of Wight Local Government Pension Scheme	1.7	1.9	3.0	2.7	2.2	2.3
Suffolk Local Government Pension Scheme	1.7	1.8	2.9	2.6	2.2	2.3
West Midlands Local Government Pension Scheme	1.6	1.9	3.3	3.7	2.3	2.2
Staffordshire Local Government Pension Scheme	1.7	1.9	2.6	2.7	2.2	2.3
Derbyshire Local Government Pension Scheme	1.7	1.8	2.9	2.8	2.2	2.3
East Riding Local Government Pension Scheme	1.7	1.9	3.1	2.5	2.2	2.3
Essex Local Government Pension Scheme	1.6	1.9	3.3	3.7	2.3	2.2
West Sussex Local Government Pension Scheme	1.7	1.9	2.7	3.0	2.2	2.3
Worcestershire Local Government Pension Scheme	1.7	1.8	3.9	3.8	2.5	2.4

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****28 Pension and similar obligations (Continued)****Mortality**

The assumed life expectations are:

	Males		Females	
	Retiring today	Retiring in 20 years	Retiring today	Retiring in 20 years
	2020	2020	2020	2020
Cambridge Local Government Pension Scheme	22.0	22.7	24.0	25.5
Cheshire Local Government Pension Scheme	21.2	21.9	23.6	25.0
Norfolk Local Government Pension Scheme	21.7	22.8	23.9	25.5
Isle of Wight Local Government Pension Scheme	21.7	22.4	23.8	25.2
Suffolk Local Government Pension Scheme	21.9	22.7	24.1	25.6
West Midlands Local Government Pension Scheme	21.9	23.8	24.1	26.0
Staffordshire Local Government Pension Scheme	21.2	22.1	23.6	25.0
Derbyshire Local Government Pension Scheme	21.6	22.6	23.7	25.1
East Riding Local Government Pension Scheme	20.9	21.8	23.3	24.8
Essex Local Government Pension Scheme	21.8	23.2	23.8	25.2
West Sussex Local Government Pension Scheme	22.2	23.3	24.2	25.9
Worcestershire Local Government Pension Scheme	22.6	24.2	25.0	27.0

Total contributions made

	2020	2019
	£'000	£'000
Employer's contributions	7,601	6,779
Employees' contributions	2,072	1,883
Total contributions	9,673	8,662

The Trust's share of the assets in the scheme

	2020	2019
	Fair value	Fair value
	£'000	£'000
Equities	70,350	61,370
Bonds	26,922	23,173
Property	11,139	11,565
Cash and other	13,342	8,425
Total fair value of assets	121,753	104,533

The actual return on scheme assets was £4,731k (2019: £4,838k).

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****28 Pension and similar obligations (Continued)**

Amount recognised in the Statement of Financial Activities	2020 £'000	2019 £'000
Current service cost	15,298	10,968
Net interest cost	1,750	1,489
Past service cost	1,079	266
Total operating charge	<u>18,127</u>	<u>12,723</u>

Changes in the present value of defined benefit obligations	2020 £'000
At 1 September 2019	192,872
Obligations acquired on conversion	9,600
Current service cost	15,298
Interest cost	3,791
Employee contributions	2,072
Actuarial loss	11,798
Benefits paid	(2,257)
Past service cost	1,079
At 31 August 2020	<u>234,253</u>

Changes in the fair value of the Trust's share of scheme assets	2020 £'000
At 1 September 2019	104,533
Assets acquired on conversion	5,073
Interest income	2,041
Return on plan assets (excluding net interest on the net defined pension liability)	2,690
Employer contributions	7,601
Employee contributions	2,072
Benefits paid	(2,257)
At 31 August 2020	<u>121,753</u>



ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

29 Related party transactions

The following related party transactions took place during the year ended 31 August 2020. 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 £nil (2019: £461k) and at the year end £nil (2019: £28k) was outstanding. Ormiston Academies Trust purchased services during the year from Ormiston Bolingbroke Academy Trust amounting to £nil (2019: £8k). Ormiston Bolingbroke Academy Trust transferred into Ormiston Academies Trust on 1 February 2020. Ormiston Bolingbroke Academy Trust prepared its latest accounts for the period ended 29 February 2020 and from that date the company was dormant.

During the year, academies within Ormiston Academies Trust recognised grants of £159k (2019:£96k) from Ormiston Trust. At the year end £1,059k (2019: £1,583k) 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 £nil (2019: £100k) and at the year end £nil (2019: £10k) was outstanding.

C Stanyer a spouse of M Stanyer, a Trustee, is employed by the academy trust as a principal of one of the academies. The appointment was made in open competition and the Trustee was not involved in the decision making process regarding appointment. The post is paid within the normal pay scale for the role and the individual receives no special treatment as a result of their relationship to a Trustee.

30 Agency arrangements

The Trust distributes 16 - 19 bursary funds to students as agent for the ESFA. In the accounting period ending 31 August 2020, the Trust received £226k (2019: £234k) and disbursed £189k (2019: £186k) from the fund. At the year, the balance not yet disbursed was £37k (2019: £48k).

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.

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****32 Teaching school trading account**

	2020		2019	
	£'000	£'000	£'000	£'000
Direct income				
Government grants		2,120		1,881
Direct costs				
Direct staff costs	77		391	
Other direct costs	1,389		1,441	
	<u>1,466</u>		<u>1,832</u>	
Other costs				
Support staff costs	399		-	
Other support costs	161		-	
	<u>560</u>		<u>-</u>	
Total operating costs		(2,026)		(1,832)
Transfers between funds excluding depreciation		-		(49)
Surplus from teaching school		94		-
Teaching school balances at 1 September 2019		-		-
Teaching school balances at 31 August 2020		<u>94</u>		<u>-</u>

33 Conversion to an academy

On 1 April 2020 Brownhills School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ormiston Academies Trust from the Walsall Metropolitan Borough Council Local Authority for £nil consideration.

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

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

Academy	Location	Date of conversion
Brownhills School	Walsall	1 April 2020

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****33 Conversion to an academy (Continued)**

Net assets transferred:	Unrestricted	Restricted funds:		Total
	funds	General	Fixed asset	2020
	£'000	£'000	£'000	£'000
Leasehold land and buildings	-	-	9,543	9,543
Pension scheme deficit	-	(2,135)	-	(2,135)
	-	(2,135)	9,543	7,408

The total income and net income of the Trust comprises income of £2,046k and net income of £286k contributed by Brownhills School between the date of transfer and 31 August 2020.

34 Transfer of existing academies into the Trust

On 1 December 2019, Sandymoor Free School and on 1 February 2020, Ormiston Bolingbroke Academy Trust transferred 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.

Net assets acquired	Value reported by transferring of trust	Fair value adjustments	Transfer in recognised
	£'000	£'000	£'000
Freehold land and buildings	11,552	5,873	17,425
Leasehold land and buildings	12,485	2,528	15,013
Other tangible fixed assets	324	(5)	319
Stocks	12	-	12
Debtors	349	3	352
Creditors	(486)	-	(486)
Pension deficit	(2,392)	-	(2,392)
Cash and cash equivalents	281	-	281
Total net assets	22,125	8,399	30,524

**ORMISTON ACADEMIES TRUST****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****34 Transfer of existing academies into the Trust (Continued)**

	Unrestricted Fund £'000	Restricted funds:		Total £'000
		General £'000	Fixed asset £'000	
Freehold land and buildings	-	-	17,425	17,425
Leasehold land and buildings	-	-	15,013	15,013
Other tangible fixed assets	-	-	319	319
Stocks	-	12	-	12
Debtors	-	323	29	352
Creditors	-	(486)	-	(486)
Pension deficit	-	(2,392)	-	(2,392)
Cash and cash equivalents	267	14	-	281
	<u>267</u>	<u>(2,529)</u>	<u>32,786</u>	<u>30,524</u>

The total income and net income of the Trust comprises income of £4,421k and net income of £27k contributed by Ormiston Bolingbroke Academy between the date of transfer and 31 August 2020.

The total income and net income of the Trust comprises income of £2,132k and net expenditure of £34k contributed by Sandymoor Free School between the date of transfer and 31 August 2020.



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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 3 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, to obtain limited assurance about whether the expenditure disbursed and income received by Ormiston Academies Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2019 to 31 August 2020 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 2019 to 2020 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. 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 2019 to 2020.

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 2019 to 31 August 2020 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 (ESFA) (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 2019 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 2019 to 2020.

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 3 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.

RSM UK Audit LLP

Chartered accountants St
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17 December 2020



ACHIEVING MORE TOGETHER

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