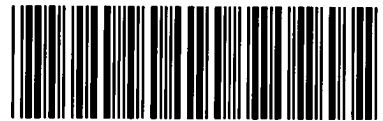


Company Registration No. 06982127 (England and Wales)

ORMISTON ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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COMPANIES HOUSE

ORMISTON ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Paul Hann (Chair of Trustees)
Peter Murray (Founding Chairman)
Wendy Barnes
Bal Samra
Ian Brookman
Mark Stanyer
Frances Hall
Sir Robin Bosher
Nick Hudson (Appointed 16 June 2017) (Accounting officer from 16 June 2017)
Professor Toby Salt (Resigned 16 June 2017) (Accounting officer to 16 June 2017)
Ken Shooter (Resigned 20 July 2017)
Nicole McCartney (Resigned 29 August 2017)

Members

The Ormiston Trust
Peter Murray
Paul Hann

Senior management team

- Chief Executive Officer and Accounting Officer	Nick Hudson
- Chief Operating Officer	Paul Nye
- National Director of Estates and Technology	James Miller
- Managing Director of School Improvement	Nicole McCartney

Company registration number

06982127 (England and Wales)

Principal address

Ormiston House
144 Newhall Street
Birmingham
B3 1RY

Registered office

Chilgrove Business Centre
Chilgrove
Chichester
PO18 9HU

ORMISTON ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Principal	Designation
Ormiston Bushfield Academy	Peterborough	Dennis Kirwan	Secondary
Ormiston Chadwick Academy	Widnes	Tuesday Humby	Secondary
City of Norwich School, an Ormiston Academy	Norwich	Jo Philpott	Secondary
Cliff Park - Ormiston Academy	Great Yarmouth	Tasmin Poulter	Secondary
Cowes Enterprise College an Ormiston Academy	Cowes	Rachel Kitley	Secondary
Ormiston Denes Academy	Lowestoft	Ben Driver	Secondary
Edward Worledge Ormiston Academy	Great Yarmouth	Dawn Kightley	Primary
Ormiston Endeavour Academy	Ipswich	Christine Woods	Secondary
Ormiston Forge Academy	Cradley Heath	Andrew Burns	Secondary
George Salter Academy	West Bromwich	Pankaj Patel	Secondary
Ormiston Herman Academy	Great Yarmouth	Kate Rutherford	Primary
Ormiston Horizon Academy	Stoke on Trent	Rod Hughes	Secondary
Ormiston Ilkeston Enterprise Academy	Ilkeston	Nia Salt	Secondary
Ormiston Maritime Academy	Grimsby	Kevin Gallacher	Secondary
Ormiston Meadows Academy	Peterborough	Jean Watt	Primary
Packmoor Ormiston Academy	Stoke on Trent	Sharon May	Primary
Ormiston Park Academy	Aveley	Huw Derrick	Secondary
Ormiston Rivers Academy	Burnham on Crouch	Joan Costello	Secondary
Ormiston Sandwell Community Academy	Oldbury	Marie McMahon	Secondary
Ormiston Sheffield Community Academy	Walsall	Stuart Turnbull	Secondary
Ormiston Sir Stanley Matthews Academy	Stoke on Trent	Mark Stanyer	Secondary
Ormiston Six Villages Academy	Chichester	Umbar Sharif	Secondary
Ormiston South Parade Academy	Grimsby	Jane Nolan	Primary
Stoke High School - Ormiston Academy	Ipswich	Glen Mellor	Secondary
Ormiston Sudbury Academy	Sudbury	Caroline Wilson	Secondary
Ormiston SWB Academy	Wolverhampton	Kerry Inscker	Secondary
Tenbury High Ormiston Academy	Tenbury Wells	Adrian Price	Secondary
Ormiston Venture Academy	Great Yarmouth	Simon Gilbert-Barnham	Secondary
Ormiston Victory Academy	Norwich	Naomi Palmer	Secondary
Wodensborough Ormiston Academy	Wednesbury	Leigh Moore	Secondary

Ormiston Meridian Academy and Ormiston NEW Academy joined the trust on 1 September 2017.

Ormiston Bolingbroke Academy is operated by the trust within a separate subsidiary company, limited by guarantee, which is known as Ormiston Bolingbroke Academy Trust.

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

ORMISTON ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Barclays Bank PLC
Mortlock House
Vision Park
Histon
Cambridgeshire
CB24 9DE

Solicitors

Stone King LLP
Boundary House
91 Charter House
London
EC1M 6HL

ORMISTON ACADEMIES TRUST

TRUSTEES' REPORT

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Ormiston Academies Trust (the trust) for the year ended 31 August 2017. The trustees confirm that the annual report and financial statements of the trust comply with the current statutory requirements, the requirements of the trust's governing document and the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP 2015)). The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust currently operates 28 secondary and 5 primary academies across England. Its academies had a combined pupil roll of 27,001 in the Autumn 2017 school census. In addition, the trust provides support services at cost to a further two academy trusts which are sponsored by Ormiston Trust, the controlling party of the trust.

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 academy trust.

The trustees act as the directors of the charitable company for the purposes of company law, as well as fulfilling their obligations as trustees for the charitable activities of Ormiston Academies Trust. The charitable company is known as Ormiston Academies Trust ("OAT").

Details of the trustees who served during the year are included in the reference and administrative details pages of the financial statements.

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

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

Method of recruitment and appointment or election of trustees

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

Policies and procedures adopted for the induction and training of trustees

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

ORMISTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Organisational structure

There is a clear management structure to control the way in which the trust is run. The structure consists of three levels: the trustees, the executive team and the academies themselves. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting the overall strategy in conjunction with Ormiston Trust as sponsor, adopting an annual operational plan, reviewing the educational progress of the academies, monitoring the trust by the use of budgets and making major decisions about the direction of the trust, capital expenditure and senior staff appointments.

The executive team controls the trust at an operational level implementing the policies laid down by the trustees and reporting back to them. As a group, the executive team are responsible for the authorisation of head office spending within agreed budgets and the appointment of staff, though appointments to the executive team always involve a representative of the trustees.

The local governing bodies and the principals control the academies on a day to day basis. The local governing body for each academy is delegated local governance functions and retains a strong focus on three core strategic functions:

- ensuring clarity of vision, ethos and strategic direction
- holding the principal to account for the educational performance of the academy and its students
- overseeing the financial performance of the academy and making sure money is well spent

OAT is a charitable voluntary organisation which relies on the valuable input of a considerable number of non-executive volunteers, supported by an experienced team of staff. OAT is a relatively large multi-academy trust that covers a sizeable geographical area. The trust has been moving towards a more regional model of governance in order to better support school improvement. This is most advanced in the Eastern region where it has operated successfully since September 2016.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration of key management personnel is determined by the chief executive officer in consultation with the trustees, taking into account a variety of contributory factors such as: role and responsibilities, market factors, and results of annual performance review process, including performance against agreed objectives. The pay and remuneration of the chief executive officer is determined by the chair of trustees and the chair of the financial oversight and risk committee.

Related parties and co-operation with other organisations

The trust has connections with the following organisations:

- The Ormiston Trust
- The Gateway Learning Community
- Birmingham Ormiston Academy
- Ormiston Bolingbroke Academy Trust

The Ormiston Trust is the sponsor of the academies within Ormiston Academies Trust. The Ormiston Trust is also the sponsor of The Gateway Learning Community and the joint sponsor of Birmingham Ormiston Academy. The trust provides support services at cost to these academies on behalf of the sponsor.

The trust is the sponsor of its subsidiary Ormiston Bolingbroke Academy Trust.

OBJECTIVES AND ACTIVITIES

Ormiston Academies Trust implements the vision of Ormiston Trust, which is to improve the life chances of children and young people so that they can fulfil their potential and lead happy and productive adult lives.

ORMISTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Objectives and activities (continued)

Ormiston Academies Trust operates the academies sponsored by Ormiston Trust, other than the academies within The Gateway Learning Community and Birmingham Ormiston Academy for which it provides specific support services at cost.

The trust is there to provide the best possible education, often in disadvantaged or geographically isolated areas and where schools have previously been underperforming.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the trust's objectives and aims and in planning future activities for the year. The trustees consider that the trust's aims are demonstrably to the public benefit.

STRATEGIC REPORT

The trustees approved the following five strategic aims:

- 1) All academies will offer excellent academic opportunities and experiences to all their students, which will enable them to achieve to the best of their ability and to develop excellent life and creative skills.
- 2) The trust will challenge its academies to make continuous progress and will provide relevant support to enable this improvement.
- 3) We will expand the network of academies within the existing geographical areas in a measured and controlled manner.
- 4) We will develop further the regional structure to enhance quality and responsiveness.
- 5) Finance, estates and technology will be managed increasingly efficiently to deliver excellent value for money for the academies.

Achievements and performance

In 2016/2017 there were significant changes to the national assessment landscape. It was the first year of examinations in reformed GCSE qualifications (English and Mathematics) and the first set of the new linear A-Levels. Despite the uncertainty there were consistent improvements in both our primary and secondary academy phases and record results were achieved in KS2, KS4 and KS5.

Outcomes in the primary phase, at all levels, were excellent. It was the second year of new KS2 accountability measures and these results will place OAT in a much improved position in the final performance tables. The percentage of Year 6 pupils achieving the new combined score in Reading, Writing and Mathematics was 65%. This is more than a 25% increase from 2016 and is also 4% higher than national standards. The percentage of disadvantaged pupils who achieved this measure was 62%, which is 1% higher than all similar pupils nationally.

The value added progress measure for OAT is 2.4 which will be in the top 20% of all results nationally. This was 1.9 for OAT in the previous year. Ormiston South Parade Academy achieved a score of 5.7 which is likely to be in the top 3% of all schools nationally.

High outcomes were maintained in Early Years Foundation Stage (EYFS) in 2017. 76% of Ormiston pupils achieved a Good Level of Development (GLD) compared to the national figure of 71%. The EYFS has been judged to be good or better by Ofsted in all inspected OAT academies, with Ormiston Herman Academy receiving an outstanding judgement for this phase.

ORMISTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Achievements and performance (continued)

Pupils taking the phonics screening in Year 1 set new records for OAT. 87% of Year 1 pupils achieved the expected standard, which is 3% higher than in 2016 and 6% higher than the national outcome. Ormiston Herman Academy (89%) had the highest outcome, but every OAT primary academy has a phonics pass rate of at least 80%.

The Y11 cohort of 2017 entered secondary education with prior attainment significantly lower than national levels and with a higher than national proportion of disadvantaged students. It was the second year of the Department for Education's new accountability measure Progress 8 (P8). The un-validated outcome currently has the OAT P8 score at -0.02. This is 0.10 better than in 2016 and 0.24 better than in 2015, demonstrating the consistent improvements which our secondary academies are making. Ormiston Chadwick Academy (+0.82), Ormiston Rivers Academy (+0.65) and Cliff Park - Ormiston Academy (+0.34) lead the way for overall progress. Ormiston Denes Academy (+0.85 improvement) and Ormiston Sheffield Community Academy (+0.60 improvement) were the academies with the biggest improvements from 2016.

Performance in the new English and Mathematics qualifications showed marked improvements from 2016. Maths grades from C+ to 4+ improved by 3% and English maintained the high standards achieved on legacy qualifications. Overall 55% of Y11 students achieved the new Grade 4+ in English and Mathematics (a 1% improvement) and there were outstanding outcomes at the following academies: City of Norwich School (73%), Tenbury High Ormiston Academy (68%) and Cowes Enterprise College (65%). Academies with the biggest improvements were Ormiston Denes Academy (+20%), Ormiston Bushfield Academy (+13%) and Ormiston Sir Stanley Matthews Academy (+9%). 31% of OAT Year 11 students achieved the new Grade 5+ in English (50%) and Mathematics (39%) combined.

Over 2,600 examination entries were made in our academy sixth forms, with record results being achieved in both academic and vocational areas. Our average points score (APS) per A Level entry was 28.41 (up 2.95 from 2016) and for academic qualifications the figure was 28.89 (up 2.88 from 2016). OAT students achieved an average A Level grade of a C for the first time. This is in line with national levels and an improvement from C- in 2016.

Vocational outcomes also saw an improvement in attainment (up 0.28) and record results. The overall APS of 39.78 is 5.08 higher than national levels and the average grade achieved is a Distinction+.

Indicative value added scores show that in all KS5 measures OAT students make progress in line with similar students nationally.

This was also the academic year in which many of the academies in the trust had an Ofsted inspection. There were 17 inspections in the 2016/2017 academic year. Currently 79% of OAT academies which have been inspected are good or better. This is a 17% improvement from the previous academic year and significantly higher than for sponsored academies nationally.

Ofsted teams continued to note the impact OAT is having on improving outcomes in our academies. At City Of Norwich School inspectors noted that "The Ormiston Academies Trust has been very successful in supporting the school's improvement". At Stoke High School - Ormiston Academy inspectors commented that "Ormiston Academies Trust has created a culture of high expectations and rapid, sustainable improvement". Similar feedback was provided at Cliff Park - Ormiston Academy where the team stated " Leaders, including the Ormiston Academy Trust, have worked to make rapid improvements to the quality of education provided for pupils".

As a result of further support provided by our access champion, the percentage of students progressing to Oxford and Cambridge and Russell Group universities continues to rise rapidly. Double the number of students have enrolled into Oxford and Cambridge or medicine courses compared to 2016, and the percentage of students enrolling in courses at Russell Group universities was 11% which is the same as the national average and a significant increase from the 6% figure from 2016.

ORMISTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Enrichment

For OAT, enrichment is an important part of the student experience at school. We believe that in order to assist our students to raise their aspirations and achieve their potential they need access to opportunities which broaden their horizons and develop their character. Through academy enrichment programmes, OAT students get the chance to engage in activities which develop transferable skills and character traits such as self-confidence, resilience, leadership, teamwork; enhance curriculum studies as well as developing lifelong interests.

This year OAT has continued to develop strategic relationships with enrichment providers who have enabled students to participate in some unique opportunities; for example three sixth form students went on a new expedition to the Canadian Yukon and students will be performing abridged Shakespeare plays at commercial theatres as part of the Shakespeare Schools Festival. Collaboration amongst academies is also growing for example there is now an annual Performing Arts showcase in the Eastern region and an annual Sports day in the West, both of which involved groups of students from several academies. Increasingly, OAT is working with selected enrichment partners to access additional funds to create self-funded programmes.

Practice is shared through network meetings, newsletters and OAT's extranet, which provides a searchable archive of case studies and information on enrichment organisations.

Financial review

During the year ended 31 August 2017, continued pressure on education funding amid rising costs within the sector meant that the financial environment in which the trust operated continued to be challenging.

Core funding received from DfE/ESFA grants during the year was £134.4m, an increase of 3.8% in comparison to the previous year. From the pupil number censuses in October 2016 to October 2017, total pupil numbers have increased by 16.2%.

Staff costs represent approximately 75% of available income. During the year, social security costs have increased to 10.7% (2016: 9.0%) and pension costs to 20.2% (16.9%) of wages and salary costs.

There is increasing pressure to maintain building standards with limited resources. The School Condition Allocation is spent wisely each year according to building condition and need. Increasing maintenance costs are reflected in an increase in premises costs from £10,895k to £12,990k.

Net income of £7,230k (2016: net expenditure of £106k) includes net expenditure of £9,271k from the restricted general fund. This amount includes a total operating charge of £10,350k (2016: £7,209k) in respect of the pension schemes to which the trust is required to contribute.

During the year ended 31 August 2017, there was a new cash inflow of £2,701k (2016: net cash outflow of £7,231k). Included within this net position are receipts of £937k for Salix energy efficiency scheme loans and £478k for cashflow support loans, both provided by the ESFA. The repayment of the Salix loans will be funded by the energy efficiency savings which will be achieved by projects funded by these loans.

Cash flows from investing activities include £9,402k (2016: £4,566k) of capital grants received from the ESFA. Where these grants have been used to fund maintenance work, the relevant expenditure is included in the cash outflow from operating activities of £7,489k (2016: £9,739k). This net cash outflow also included planned operating deficits, totalling £1,687k across eight academies within the trust. For six of these academies, the in-year deficits represented planned spend of brought forward reserves. The other two academies with in-year deficits are also in overall deficit; detailed plans are in place to return these academies to a surplus position in the short to medium term.

ORMISTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Financial risk management objectives and policies

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

During the year ended 31 August 2017, £1,415k of loans have been received from the ESFA to assist with cash flow management at certain academies (£478k), and to fund a pilot project in energy efficiency (£937k). Processes are in place to ensure that there is close monitoring and management of cash flows in relation to these balances.

There is a deficit on the Local Government Pension Scheme, as described in note 28 to the financial statements. The pension schemes are subject to periodic actuarial review and are monitored by the trustees.

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

The level of reserves is kept under review by the trustees and they assess it in relation to these three purposes, however the level of actual reserves necessarily varies from one academy to another from time to time. The trustees consider that the level of reserves held at 31 August 2017 is consistent with the reserves policy outlined above.

Disclosures are included in the financial statements to explain those reserves relating to the life cycling fund for planned maintenance and those for planned capital expenditure.

Free reserves are represented by the unrestricted funds balance at 31 August 2017.

The restricted fixed asset fund includes £342,941k that can only be realised by disposing of tangible fixed assets.

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

As set out on the next page in the key performance indicators, income funds as a percentage of relevant income has increased to 2.6% (2016: 1.8%) which is just below the target range.

Investment policy

The trust does not hold any long term investments. Any cash surpluses are placed upon overnight or fixed term deposit with the trust's bankers.

ORMISTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

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 two years have been as follows:

	2017	2016
Staff costs as a percentage of relevant incoming resources	75.0%	78.2%
Net current assets	£9,889k	£6,894k
Income funds as a percentage of relevant income	2.6%	1.8%

Staff costs remain within the target range. The reduction in staff costs as a percentage of incoming resources reflects actions taken to rationalise staff structures in light of funding constraints, offset by pressures from rising costs of national insurance, pensions and the introduction of the Apprentice Levy.

Net current assets remain at an appropriate level. The increase during the year represents an increase in cash held, offset by a reduction in debtors. The increase in cash balances is predominantly due to the timing of cash flows in relation to capital and maintenance projects.

Income funds as a percentage of relevant income has improved significantly during the year and trustees expect further improvement in the coming year.

Going concern

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

Plans for future periods

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

The trustees are committed to a policy of measured strategic expansion of the number of primary and secondary academies which are sponsored by the trust. Particular priority will be given to new academies in the geographic areas in which the trust already operates.

Principal risks and uncertainties

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the trust, and its finances. The trustees have adopted procedures to mitigate these risks for the executive team to implement and report back on any non compliance.

Where financial risk still remains they have ensured they have insurance cover. The trust has an effective system of internal financial controls and this is explained in more detail in the statement below.

ORMISTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

There are six principal operational risks and uncertainties relating to the trust.

Risk

1. Safeguarding policies and procedures are deemed to be inadequate or a serious safeguarding incident occurs which puts a child at risk

Mitigation

Safeguarding audits are carried out across all academies on a regular basis. There is a regular safeguarding report to the Financial oversight and risk committee each time it meets. There is a designated safeguarding trustee and safeguarding governor attached to every Local governing body.

2. Incident which could damage the reputation of the brand

Great care is taken at all times to be watchful for possible incidents. Marketing team and third party consultants are equipped to provide reactive support for the trust.

3. Lack of clarity regarding governance and sponsorship roles of OAT and OT respectively

Schemes of delegation are clearly explained on the website of OAT and every academy. Detail extends to the regions and cluster governance.

4. Exam results are significantly below expectations within an academy or more generally

Projected results are closely monitored from head office, and by the school improvement committee. Multiple projections are requested from academies. Educational advisers liaise with head office. Interventions are used as necessary.

5. Unexpected changes in funding of academies reduces academy income

All academies produce annual budgets and longer term plans which are approved by their finance general purposes committee, the local governing body and the OAT financial oversight and risk committee. Academies are challenged if budgetary projections are not realistic and robust.

6. Trust overall is unable to produce a balanced budget

All academies produce annual budgets and longer term plans which are approved by their finance & general purposes committee, the local governing body and the OAT financial oversight and risk committee. Academies are challenged if budgetary projections are not realistic and robust. Restructuring plans can be put into place to reduce costs, if necessary, and more is being done to share back office facilities between academies.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

ORMISTON ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

The trust encourages the involvement of its employees in its management through regular meetings of the worker/trustee councils which have responsibility for the dissemination of information of particular concern to employees (including financial and economic factors affecting the performance of the trust) and for receiving their views on important matters of policy.

The trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the trust.

During employment the trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

AUDITOR

RSM UK Audit LLP was appointed auditor to the charitable company during the year. A resolution proposing re-appointment will be put to the members.

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 18 December 2017 and signed on its behalf by:



Paul Hann
Chair of Trustees

ORMISTON ACADEMIES TRUST

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 funding agreement between Ormiston Academies Trust and the Secretary of State for Education. He is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Paul Hann (Chair of Trustees)	4	4
Peter Murray (Founding Chairman)	4	4
Wendy Barnes	4	4
Bal Samra	4	4
Ian Brookman	3	4
Mark Stanyer	4	4
Frances Hall	4	4
Sir Robin Bosher	2	4
Nick Hudson (Appointed 16 June 2017) (Accounting officer from 16 June 2017)	1	1
Professor Toby Salt (Resigned 16 June 2017) (Accounting officer to 16 June 2017)	3	3
Ken Shooter (Resigned 20 July 2017)	3	4
Nicole McCartney (Resigned 29 August 2017)	3	4

In addition to the local governing bodies of each academy, there are three committees of the board of trustees.

The financial oversight and risk committee is a committee of the main board of trustees. Its purpose is to oversee the efficient and effective management of finance and resources within the trust.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Peter Murray (Founding Chairman)	5	5
Ian Brookman	5	5
Frances Hall	4	5
Nick Hudson (Appointed 16 June 2017) (Accounting officer from 16 June 2017)	1	1
Professor Toby Salt (Resigned 16 June 2017) (Accounting officer to 16 June 2017)	4	4

ORMISTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

The school improvement committee is a committee of the main board of trustees. Its purpose is to oversee and challenge the work to improve levels of attainment and achievement in the academies.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Peter Murray	4	4
Wendy Barnes	1	4
Paul Hann	4	4
Ian Brookman	4	4
Sir Robin Bosher	-	2
Professor Toby Salt	4	4

The audit committee is a committee of the main board of trustees. Its purpose is to oversee the financial management of the trust, with particular regard to the control environment and the internal and external audit functions.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Peter Murray (Founding Chairman)	4	4
Ian Brookman	4	4
Frances Hall	4	4

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 refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- continuing with the programme of review of all utility costs with the aim of paying less for gas and electricity, using less gas and electricity and starting to generate our own electricity. This programme has achieved an expected annual saving of £231k
- undertaking a tender process for HR and payroll provision to improve the quality and value of the service received, securing annual savings of £111k for our academies
- undertaking a tender process for connectivity, including voicemail and broadband. This programme is expected to achieve a cost saving of £1.4m over a 5 year period
- continuing with a programme of targeted cost savings for head office and the academies.

ORMISTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate the risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ormiston Academies Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

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

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

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

ORMISTON ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

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 18 December 2017 and signed on its behalf by:



Paul Hann
Chair of Trustees



Nick Hudson
Accounting officer

ORMISTON ACADEMIES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Ormiston Academies Trust I have considered my responsibility to notify the trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the 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 2016.

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



Nick Hudson
Accounting Officer

18 December 2017

ORMISTON ACADEMIES TRUST

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 Ormiston Academies Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 18 December 2017 and signed on its behalf by:



Paul Hann
Chair of Trustees

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

Opinion on financial statements

We have audited the financial statements of Ormiston Academies Trust (the "trust") for the year ended 31 August 2017 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 2016 to 2017 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 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter 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 and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic 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 Trustees' Report and the incorporated Strategic Report.

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

- adequate accounting records have not been kept by the charitable company, 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 18, the trustees (who act as trustees for the charitable activities of the charitable company, and 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.

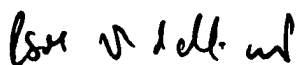
In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate 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.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable 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

20 Dec 2017

ORMISTON ACADEMIES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2017	Total 2016
	Notes	£'000	£'000	£'000	£'000	as restated £'000
Income and endowments from:						
Donations and capital grants	4	72	240	9,402	9,714	4,176
Donations - Conversion and transfer into trust	32	287	(3,473)	23,103	19,917	19,116
Charitable activities:						
- Funding for educational operations	5	1,908	139,244	-	141,152	135,441
Other trading activities	6	2,452	2,225	-	4,677	4,249
Investments	7	25	-	-	25	202
Total		<u>4,744</u>	<u>138,236</u>	<u>32,505</u>	<u>175,485</u>	<u>163,184</u>
Expenditure on:						
Raising funds	8	126	559	-	685	1,409
Charitable activities:						
- Educational operations	9	3,912	146,948	16,710	167,570	161,881
Total	8	<u>4,038</u>	<u>147,507</u>	<u>16,710</u>	<u>168,255</u>	<u>163,290</u>
Net income/(expenditure)		706	(9,271)	15,795	7,230	(106)
Transfers between funds		244	-	(244)	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	28	-	13,649	-	13,649	(20,605)
Net movement in funds		950	4,378	15,551	20,879	(20,711)
Reconciliation of funds						
Total funds brought forward restated	21	409	(56,316)	332,012	276,105	296,816
Total funds carried forward	21	<u>1,359</u>	<u>(51,938)</u>	<u>347,563</u>	<u>296,984</u>	<u>276,105</u>

ORMISTON ACADEMIES TRUST**BALANCE SHEET****AS AT 31 AUGUST 2017**

		2017		2016	
	Notes	£'000	£'000	as restated £'000	£'000
Fixed assets					
Tangible assets	14		342,941		328,015
Current assets					
Debtors	16	7,236		7,165	
Cash at bank and in hand		14,773		12,072	
		<u>22,009</u>		<u>19,237</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(12,120)		(12,343)	
Net current assets			9,889		6,894
Total assets less current liabilities			352,830		334,909
Creditors: amounts falling due after more than one year	18		(1,540)		(320)
Net assets excluding pension liability			351,290		334,589
Defined benefit pension scheme liability	28		(54,306)		(58,484)
Net assets			<u>296,984</u>		<u>276,105</u>
Funds of the trust:					
Restricted funds	21				
- Restricted fixed asset funds			347,563		332,012
- Restricted income funds			2,368		2,168
- Pension reserve			(54,306)		(58,484)
Total restricted funds			<u>295,625</u>		<u>275,696</u>
Unrestricted income funds	21		1,359		409
Total funds			<u>296,984</u>		<u>276,105</u>

The financial statements on pages 21 to 57 were approved by the board of trustees and authorised for issue on 18 December 2017 and are signed on their behalf by:



Paul Hann
Chair of Trustees

ORMISTON ACADEMIES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Net cash used in operating activities	26	(7,489)	(9,739)
Cash flows from investing activities			
Interest		25	202
Capital grants from DfE and ESFA		9,402	4,566
Purchase of tangible fixed assets		(837)	(2,260)
Cash funds transferred on conversion	32	185	-
Net cash provided by investing activities		8,775	2,508
Cash flows from financing activities			
Education and Skills Funding Agency loans		478	-
Salix loan		937	-
Net cash provided by financing activities		1,415	-
Net increase/(decrease) in cash and cash equivalents in the reporting period		2,701	(7,231)
Cash and cash equivalents at beginning of the year		12,072	19,303
Cash and cash equivalents at end of the year		14,773	12,072

ORMISTON ACADEMIES TRUST

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

1 Accounting policies

General information

Ormiston Academies Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

Basis of preparation

The financial statements of the trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

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

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

Going concern

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

Basis of consolidation

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

The financial statements of the trust are consolidated in the financial statements of The Ormiston Trust. The financial statements of The 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 2017

1 Accounting policies (Continued)

Conversion and transfer into trust

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

The assets and liabilities transferred on conversion from Edward Worlledge Primary School to the trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 32.

The assets and liabilities transferred from the South Wolverhampton and Bilston Academy (SWBA) to the trust have been included at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer of existing academy into the trust in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 32.

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.

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.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the 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 £1,000 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 have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund. 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
Long leasehold land	Over 125 years
Computer equipment	20% straight line
Fixtures, fittings and equipment	10 - 15% straight line
Motor vehicles	15% straight line

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

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Tangible fixed assets and depreciation (continued)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. Leasehold land is depreciated over the term of the lease. Freehold land is not depreciated.

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, these are legally owned by the Stoke on Trent Local Authority and Walsall 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 been transferred to the academies and the assets have been recognised within tangible fixed assets as long leasehold property. The buildings have been recognised at their fair value, which the trustees consider the depreciated replacement cost valuation undertaken. A prior period adjustment has been made in the current year as set out in note 3.

Liabilities

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

Operating leases

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

Financial instruments

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

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

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 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.

Pensions

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

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

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

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 Education and Skills Funding Agency.

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 is 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 31.

Investments

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

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liabilities depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2016 has been used by the actuaries in valuing the pensions liabilities at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liabilities.

Critical areas of judgement

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

3 Prior period adjustment

		1 September 2015 £'000	31 August 2016 £'000
Reconciliation of funds	Notes		
Funds as previously reported		242,122	224,694
Adjustments arising:			
Reversal of demolition costs previously capitalised	3a	-	(2,131)
Inclusion of leasehold land and buildings	3b	54,694	53,542
Funds as restated		296,816	276,105
Reconciliation of net income/(expenditure) for the previous financial period	Notes		2016 £'000
Net income as previously reported			3,177
Adjustments arising:			
Reversal of demolition costs previously capitalised	3a		(2,131)
Inclusion of leasehold land and buildings	3b		(1,152)
Net expenditure as restated			(106)

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

3 Prior period adjustment (Continued)

Notes to restatement

a - Demolition costs

The prior period adjustment has arisen as a result of capitalised demolition costs in respect of an academy. These costs were incorrectly capitalised and should have been written off to the Statement of Financial Activities when they were incurred. The demolition and associated costs were fully funded.

b - Inclusion of leasehold land and buildings

The prior period adjustment has arisen as a result of the inclusion of three of the academies leasehold land and buildings that had not been previously capitalised in the trust balance sheet when these academies were originally converted to the trust. These properties are held under a licence to occupy, however the substance of these arrangements is that the trust has control of the sites and therefore their value has now been capitalised.

	31 August 2016 As previously stated £'000	31 August 2016 As restated £'000	Prior period adjustment £'000
Charitable activities			
Educational operations	158,598	161,881	3,283
Fixed assets			
Land and buildings	268,058	319,469	51,411
Funds			
Restricted fixed asset fund	280,601	332,012	51,411

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Private sponsorship	-	89	89	142
Capital grants	-	9,402	9,402	3,971
Other donations	72	151	223	63
	<u>72</u>	<u>9,642</u>	<u>9,714</u>	<u>4,176</u>

The income from donations and capital grants was £9,714k (2016: £4,176k) of which £72k was unrestricted (2016: £205k), £240k was restricted (2016: £3,427k) and £9,402k was restricted fixed assets (2016: £544k).

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

5 Funding for the trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	121,219	121,219	114,753
Start up grants	-	210	210	201
Other DfE / ESFA grants	-	11,500	11,500	13,989
Teaching school	-	1,546	1,546	599
	-	134,475	134,475	129,542
Other government grants				
Local authority grants	-	2,392	2,392	2,341
Other government grants	-	1,254	1,254	626
	-	3,646	3,646	2,967
Other incoming resources	1,908	1,123	3,031	2,932
	1,908	139,244	141,152	135,441

The income from funding for educational operations was £141,152k (2016: £135,441k) of which £1,908k was unrestricted (2016: £683k) and £139,244k was restricted (2016: £134,758k).

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	474	77	551	503
Sundry income	1,978	2,148	4,126	3,746
	2,452	2,225	4,677	4,249

The income from other trading activities was £4,677k (2016: £4,249k) of which £2,452k was unrestricted (2016: £3,965k) and £2,225k was restricted (2016: £284k).

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Interest from short term deposits	25	-	25	202

In 2016, the total investment income of £202k was to unrestricted funds.

8 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2017 £'000	Total 2016 £'000
Expenditure on raising funds	-	-	685	685	1,409
Trust's educational operations					
- Direct costs	94,367	-	14,692	109,059	107,750
- Allocated support costs	22,146	23,413	12,952	58,511	54,131
Total support costs	116,513	23,413	28,329	168,255	163,290

The expenditure on raising funds was £685k (2016: £1,409k) of which £126k was unrestricted (2016: £1,173k) and £559k was restricted (2016: £236k).

Net income/(expenditure) for the year includes:

	2017 £'000	2016 £'000
Operating lease rentals	815	525
Depreciation of tangible fixed assets	9,014	9,267
Loss on disposal of tangible assets	-	12
Net interest on defined benefit pension liability	1,911	1,343
Fees payable to the Statutory Auditor and its associates in respect of both audit and non-audit services are as follows:		
- Audit	47	49
- Other assurance services	15	25
- Taxation compliance services	-	18
- All other non-audit services	19	46

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	1,604	107,455	109,059	107,750
Support costs - educational operations	2,308	56,203	58,511	54,131
	<u>3,912</u>	<u>163,658</u>	<u>167,570</u>	<u>161,881</u>

The expenditure on educational operations was £167,570k (2016: £161,881k) of which £3,912k was unrestricted (2016: £6,032k), £146,948k was restricted (2016: £144,451k) and £16,710k was restricted fixed assets (2016: £11,398k).

	2017 £'000	2016 £'000
Analysis of support costs		
Support staff costs	22,146	20,898
Depreciation and amortisation	9,014	9,267
Technology costs	338	1,282
Premises costs	12,990	10,895
Other support costs	13,744	11,670
Governance costs	279	119
	<u>58,511</u>	<u>54,131</u>

10 Staff

Staff costs

Staff costs during the year were:

	2017 £'000	2016 £'000
Wages and salaries	86,605	86,467
Social security costs	9,247	7,768
Operating costs for defined benefit pension schemes	17,514	14,600
	<u>113,366</u>	<u>108,835</u>
Total staff costs	113,366	108,835
Supply staff costs	2,621	2,415
Staff restructuring costs	526	1,423
	<u>116,513</u>	<u>112,673</u>

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Staff (Continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £259,091 (2016: £444,442). The ESFA provides the trust with delegated authority to approve individual staff severance payments, provided that any non-statutory/non-contractual elements are less than £50,000. All of the payments made by the trust were in accordance with these requirements. Individually the payments were:

£95	£2,194	£7,489	£10,000	£16,689
£1,062	£2,215	£7,600	£10,000	£17,500
£1,081	£2,957	£7,700	£10,610	£17,792
£1,411	£4,365	£8,000	£11,000	£25,000
£2,194	£5,929	£9,127	£15,000	£28,255
£2,194	£6,632	£10,000	£15,000	

Staff numbers

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

	2017 Headcount Number	2016 Headcount Number
Teachers	1,589	1,519
Administration and support	2,004	1,825
Management	211	198
	<u>3,804</u>	<u>3,542</u>

Of the total staff numbers 39 were employed at head office (2016: 37). All other staff worked in the academies.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Staff (Continued)

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	33	43
£70,001 - £80,000	19	8
£80,001 - £90,000	14	13
£90,001 - £100,000	8	5
£100,001 - £110,000	2	3
£110,001 - £120,000	7	4
£120,001 - £130,000	-	2
£130,001 - £140,000	2	1
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-
£200,001 - £210,000	-	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the trust comprise the senior management team. The total amount of employee benefits (including employer pension contributions and employers national insurance contributions) received by key management personnel for their services to the trust was £905,581 (2016: £948,584).

11 Central services

All academies which are part of Ormiston Academies Trust pay 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.

The academies which joined the trust prior to 2013 pay a flat rate fee of £140,000 for each secondary academy. This rate has not increased since 2010. During 2013, the basis of charging for new schools joining changed to a flat fee plus a variable element. The flat fee is £60,000 for each secondary academy and £25,000 for each primary academy. The variable charge is up to 3.5% of each academy's income (excluding pupil premium and SEN funding), depending on its latest Ofsted ranking and its needs. The trust seeks to further improve year on year the quality and scope of the services it provides without increasing the partnership fee payable by each academy.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

11 Central services (Continued)

The amounts charged during the year were as follows:

	2017 £'000	2016 £'000
Ormiston Bushfield Academy	140	140
Ormiston Chadwick Academy	194	184
City of Norwich School, an Ormiston Academy	221	218
Cliff Park - Ormiston Academy	187	188
Cowes Enterprise College an Ormiston Academy	197	192
Ormiston Denes Academy	202	192
Edward Worledge Ormiston Academy	31	-
Ormiston Endeavour Academy	140	140
Ormiston Forge Academy	140	140
George Salter Academy	140	140
Ormiston Herman Academy	56	57
Ormiston Horizon Academy	140	140
Ormiston Ilkeston Enterprise Academy	140	140
Ormiston Maritime Academy	140	140
Ormiston Meadows Academy	50	48
Packmoor Ormiston Academy	63	5
Ormiston Park Academy	140	140
Ormiston Rivers Academy	140	140
Ormiston Sandwell Community Academy	140	140
Ormiston Shelfield Community Academy	140	140
Ormiston Sir Stanley Matthews Academy	140	140
Ormiston Six Villages Academy	143	134
Ormiston South Parade Academy	40	40
Stoke High School - Ormiston Academy	152	155
Ormiston Sudbury Academy	140	140
Ormiston SWB Academy	39	-
Tenbury High Ormiston Academy	113	114
Ormiston Venture Academy	140	140
Ormiston Victory Academy	140	140
Wodensborough Ormiston Academy	210	215
	<u>3,998</u>	<u>3,842</u>

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the trust. The other staff 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:

Professor Toby Salt received remuneration of £163,716 (2016: £207,570) and pension contributions paid by the trust in the year of £14,686 (2016: £14,836).

Nicole McCartney received remuneration of £140,634 (2016: £150,448) and pension contributions paid by the trust in the year of £25,113 (2016: £22,496).

Nick Hudson (appointed trustee on 16 June 2017) received remuneration of £31,511 (2016: £nil) and pension contributions paid by the trust in the year of £4,601 (2016: £nil).

Mark Stanyer received remuneration of £117,240 (2016: £121,010) and pension contributions paid by the trust in the year of £18,458 (2016: £18,458).

The number of trustees to whom retirements benefits are accruing under Teachers Pension Scheme are 2 (2016: 2) and Local Government Pension Scheme are 2 (2016: 1).

During the year travel and subsistence expenses totalling £4,575 (2016: £13,469) were reimbursed to 8 trustees (2016: 8 trustees). This included expense reimbursements to staff trustees in connection with their employment.

Professor Toby Salt was the highest paid trustee during the year ended 31 August 2017.

Other related party transactions involving the trustees are set out in note 29 to the financial statements.

13 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 Academy's insurance premium paid.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

14 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 2016	337,560	2,944	10,578	3,699	321	355,102
Transfers	2,772	(2,944)	172	-	-	-
Transfer on conversion	23,103	-	-	-	-	23,103
Additions	256	61	234	283	3	837
Disposals	-	-	(4)	-	-	(4)
At 31 August 2017	363,691	61	10,980	3,982	324	379,038
Depreciation						
At 1 September 2016	18,091	-	6,419	2,400	177	27,087
On disposals	-	-	(4)	-	-	(4)
Charge for the year	6,813	-	1,527	624	50	9,014
At 31 August 2017	24,904	-	7,942	3,024	227	36,097
Net book value						
At 31 August 2017	338,787	61	3,038	958	97	342,941
At 31 August 2016	319,469	2,944	4,159	1,299	144	328,015

The net book value of the land and buildings at 31 August 2016 has been restated from £268,058k as previously reported to £319,469k, due to the prior period adjustment of £51,411k, as explained further in note 3.

Included in the land and buildings above is freehold land and buildings with a net book value at 31 August 2017 of £32,238k (2016: £37,022k) and long leasehold land and buildings with a net book value at 31 August 2017 of £306,549k (2016: £282,447k).

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15 Fixed asset investments

The charitable company is the sole member of Ormiston Bolingbroke Academy Trust, a company limited by guarantee, registered in England and Wales, the Trust is an academy for pupils aged 11 to 18 serving a catchment area in Cheshire. The registered address is Barnfield Avenue, Cheshire WA7 6EP.

These financial statements show information about the charitable company only as the group is consolidated at a higher level. The subsidiary has the following activity during the year ended 31 August 2017 and the following balances at the balance sheet date:

Statement of financial activities	2017	2016
	£'000	£'000
Total incoming resources	7,239	7,299
Total resources expended	(8,054)	(8,160)
Actuarial gains and losses	454	(472)
	<u> </u>	<u> </u>
Retained deficit for the year ended 31 August 2017	(361)	(1,333)
	<u> </u>	<u> </u>
 Balance sheet	 2017	 2016
	£'000	£'000
Intangible assets	2	7
Tangible assets	13,546	14,370
Current assets	1,335	974
Creditors: due within one year	(460)	(197)
Defined benefit pension scheme liability	(555)	(925)
	<u> </u>	<u> </u>
Net assets	13,868	14,229
	<u> </u>	<u> </u>

Net assets are represented by total funds of £13,868k (2016: £14,299k) of which £13,123k (2016: £13,579k) are restricted. The subsidiary operates an academy school, being the same activity as the charitable company.

16 Debtors	2017	2016
	£'000	£'000
Trade debtors	369	501
VAT recoverable	1,381	1,185
Other debtors	666	320
Prepayments and accrued income	4,820	5,159
	<u> </u>	<u> </u>
	7,236	7,165
	<u> </u>	<u> </u>

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

17 Creditors: amounts falling due within one year	2017 £'000	2016 £'000
Trade creditors	4,128	3,463
Other taxation and social security	1,808	2,685
Other creditors	2,332	1,445
Accruals and deferred income (see note 19)	3,657	4,750
Loan from Education and Skills Funding Agency	116	-
Salix loan	79	-
	<u>12,120</u>	<u>12,343</u>
18 Creditors: amounts falling due after more than one year	2017 £'000	2016 £'000
Loan from Education and Skills Funding Agency	682	320
Salix loan	858	-
	<u>1,540</u>	<u>320</u>
Loan maturity		
Debt due in one year or less	195	-
Due in more than one year but not more than two years	318	80
Due in more than two years but not more than five years	874	240
Due in more than five years	348	-
	<u>1,735</u>	<u>320</u>

At the year end the trust has a Salix loan amounting to £937k (2016: £nil). The loan terms are 9 years at an interest rate of 0%.

At the year end, the trust owes the Education & Skills Funding Agency £320k (2016: £320k) with agreed payment terms of 4 years at interest rates of 0% and a further loan of £478k (2016: £nil) with agreed payment terms of 9 years at interest rate of 1.83%.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19	Deferred income	2017	2016
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	1,989	1,144
		<u> </u>	<u> </u>
	Deferred income at 1 September 2016	1,144	724
	Released from previous years	(1,144)	(724)
	Amounts deferred in the year	1,989	1,144
		<u> </u>	<u> </u>
	Deferred income at 31 August 2017	1,989	1,144
		<u> </u>	<u> </u>

Deferred income relates to project income, grant and trip income received in advance specifically for future periods.

20	Financial instruments	2017	2016
		£'000	£'000
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	4,209	5,980
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	9,863	8,834
		<u> </u>	<u> </u>

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

21 Funds

	Restated balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant	-	121,219	(121,194)	-	25
Start up grants	-	210	(210)	-	-
Other DfE / ESFA grants	2,168	13,046	(14,562)	-	652
Other government grants	-	3,646	(3,565)	-	81
Other restricted funds	-	3,955	(2,345)	-	1,610
Pension reserve	(58,484)	(3,840)	(5,631)	13,649	(54,306)
	<u>(56,316)</u>	<u>138,236</u>	<u>(147,507)</u>	<u>13,649</u>	<u>(51,938)</u>
Restricted fixed asset funds					
Restricted fixed asset funds	<u>332,012</u>	<u>32,505</u>	<u>(16,710)</u>	<u>(244)</u>	<u>347,563</u>
Total restricted funds	<u>275,696</u>	<u>170,741</u>	<u>(164,217)</u>	<u>13,405</u>	<u>295,625</u>
Unrestricted funds					
General funds	<u>409</u>	<u>4,744</u>	<u>(4,038)</u>	<u>244</u>	<u>1,359</u>
Total funds	<u>276,105</u>	<u>175,485</u>	<u>(168,255)</u>	<u>13,649</u>	<u>296,984</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 comprise a pension reserve of £54,306k 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 2017.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

21 Funds (Continued)

Funds prior year

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Restated balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	2,732	112,373	(115,388)	283	-
Start up grants	319	389	(932)	224	-
Other DfE / ESFA grants	2,821	25,194	(24,523)	(1,324)	2,168
Pension reserve	(35,390)	-	(2,489)	(20,605)	(58,484)
	<u>(29,518)</u>	<u>137,956</u>	<u>(143,332)</u>	<u>(21,422)</u>	<u>(56,316)</u>
Restricted fixed asset funds					
Restricted fixed asset funds	<u>324,008</u>	<u>19,704</u>	<u>(12,517)</u>	<u>817</u>	<u>332,012</u>
Total restricted funds	<u>294,490</u>	<u>157,660</u>	<u>(155,849)</u>	<u>(20,605)</u>	<u>275,696</u>
Unrestricted funds					
General funds	<u>2,326</u>	<u>5,524</u>	<u>(7,441)</u>	<u>-</u>	<u>409</u>
Total funds	<u>296,816</u>	<u>163,184</u>	<u>(163,290)</u>	<u>(20,605)</u>	<u>276,105</u>

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

21 Funds (Continued)

Total funds analysis by academy

Fund balances at 31 August were allocated as follows:

	Total 2017 £'000	Total 2016 £'000
Ormiston Bushfield Academy	-	-
Ormiston Chadwick Academy	726	917
City of Norwich School, an Ormiston Academy	85	49
Cliff Park - Ormiston Academy	560	599
Cowes Enterprise College an Ormiston Academy	(84)	(156)
Ormiston Denes Academy	189	(261)
Edward Worlledge Ormiston Academy	212	-
Ormiston Endeavour Academy	(312)	(223)
Ormiston Forge Academy	(527)	(578)
George Salter Academy	350	86
Ormiston Herman Academy	304	246
Ormiston Horizon Academy	155	199
Ormiston Ilkeston Enterprise Academy	54	101
Ormiston Maritime Academy	436	236
Ormiston Meadows Academy	166	139
Packmoor Ormiston Academy	30	(39)
Ormiston Park Academy	(228)	(408)
Ormiston Rivers Academy	(196)	(239)
Ormiston Sandwell Community Academy	710	706
Ormiston Sheffield Community Academy	39	(177)
Ormiston Sir Stanley Matthews Academy	484	340
Ormiston Six Villages Academy	175	178
Ormiston South Parade Academy	202	114
Stoke High School - Ormiston Academy	968	785
Ormiston Sudbury Academy	(212)	(359)
Ormiston SWB Academy	76	-
Tenbury High Ormiston Academy	(182)	20
Ormiston Venture Academy	326	170
Ormiston Victory Academy	(166)	(118)
Wodensborough Ormiston Academy	(887)	(48)
Central services	274	298
Total before fixed assets fund and pension reserve	3,727	2,577
Restricted fixed asset fund	347,563	332,012
Pension reserve	(54,306)	(58,484)
Total funds	296,984	276,105

Academies which are in a deficit position are being closely monitored, and detailed plans are in place to return these academies to a surplus position in the short to medium term.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

21 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2017 £'000	Total 2016 £'000
Ormiston Bushfield Academy	4,215	753	12	1,269	6,249	6,932
Ormiston Chadwick Academy	3,134	353	125	1,384	4,996	4,496
City of Norwich School, an Ormiston Academy	5,914	633	212	1,541	8,300	8,507
Cliff Park - Ormiston Academy	3,617	548	162	1,075	5,402	5,533
Cowes Enterprise College an Ormiston Academy	3,884	405	111	995	5,395	5,694
Ormiston Denes Academy	3,399	1,343	214	1,072	6,028	6,481
Edward Worlledge Ormiston Academy	700	92	9	149	950	-
Ormiston Endeavour Academy	1,970	348	50	515	2,883	2,948
Ormiston Forge Academy	5,928	727	293	973	7,921	7,732
George Salter Academy	5,141	955	157	1,601	7,854	8,644
Ormiston Herman Academy	1,079	79	50	403	1,611	1,636
Ormiston Horizon Academy	3,622	908	176	1,411	6,117	5,425
Ormiston Ilkeston Enterprise Academy	3,040	616	115	867	4,638	5,462
Ormiston Maritime Academy	3,148	689	280	1,197	5,314	6,002
Ormiston Meadows Academy	942	240	91	203	1,476	1,756

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

21 Funds (Continued)

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2017	Total 2016
	£'000	£'000	£'000	£'000	£'000	£'000
Packmoor Ormiston Academy	1,304	202	41	405	1,952	139
Ormiston Park Academy	2,817	479	-	900	4,196	4,172
Ormiston Rivers Academy	3,518	717	153	1,187	5,575	5,623
Ormiston Sandwell Community Academy	4,116	745	111	1,227	6,199	5,969
Ormiston Sheffield Community Academy	5,584	909	77	1,571	8,141	9,208
Ormiston Sir Stanley Matthews Academy	5,460	1,037	146	1,531	8,174	7,369
Ormiston Six Villages Academy	1,950	501	210	542	3,203	3,453
Ormiston South Parade Academy	1,606	381	94	465	2,546	2,418
Stoke High School - Ormiston Academy	2,795	337	94	948	4,174	4,599
Ormiston Sudbury Academy	2,764	466	216	552	3,998	4,111
Ormiston SWB Academy	1,071	174	153	328	1,726	-
Tenbury High Ormiston Academy	1,409	239	31	481	2,160	2,154
Ormiston Venture Academy	3,987	690	215	904	5,796	5,379
Ormiston Victory Academy	3,741	634	151	1,023	5,549	5,362
Wodensborough Ormiston Academy	4,508	517	71	1,880	6,976	6,772
Central services	-	3,806	-	1,566	5,372	4,310
	<u>96,363</u>	<u>20,523</u>	<u>3,820</u>	<u>30,165</u>	<u>150,871</u>	<u>148,286</u>

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

22 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	342,941	342,941
Current assets	1,359	16,028	4,622	22,009
Creditors falling due within one year	-	(12,120)	-	(12,120)
Creditors falling due after one year	-	(1,540)	-	(1,540)
Defined benefit pension scheme liability	-	(54,306)	-	(54,306)
Total net assets	1,359	(51,938)	347,563	296,984
	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	328,015	328,015
Current assets	409	14,831	3,997	19,237
Creditors falling due within one year	-	(12,343)	-	(12,343)
Creditors falling due after one year	-	(320)	-	(320)
Defined benefit pension scheme liability	-	(58,484)	-	(58,484)
Total net assets	409	(56,316)	332,012	276,105

23 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 2017

24 Capital commitments

	2017 £'000	2016 £'000
Expenditure contracted for but not provided in the financial statements	841	199

25 Commitments under operating leases

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

	2017 £'000	2016 £'000
Amounts due within one year	515	530
Amounts due between one and five years	654	252
Amounts due after five years	223	-
	1,392	782

The trust is also party to a facilities management contract under a PFI scheme. Total commitments under the contract are £125k within 1 year, £500k between 1 and 5 years and £375k in greater than 5 years.

26 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £'000	2016 Restated £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	7,230	(106)
Adjusted for:		
Net surplus on conversion to academy	(19,917)	(19,116)
Capital grants from DfE/ESFA and other capital income	(9,402)	(3,971)
Interest receivable	(25)	(202)
Defined benefit pension scheme cost less contributions payable	3,720	1,146
Defined benefit pension scheme finance cost	1,911	1,343
Depreciation of tangible fixed assets	9,014	9,267
Loss on sale of tangible fixed assets	-	12
Movements in working capital:		
(Increase)/decrease in debtors	(71)	1,219
(Decrease)/increase in creditors	(418)	669
Stocks, debtors and creditors transferred on conversion	469	-
Net cash used in operating activities	(7,489)	(9,739)

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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.

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 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 2012, and of the LGPS 31 March 2016.

Contributions amounting to £1,390,000 (2016: £nil) were payable to the schemes at 31 August 2017 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 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

28 Pension and similar obligations (Continued)

The employer's pension costs paid to the TPS in the period amounted to £8,996,472 (2016: £8,641,000).

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

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.

Local Government Pension Scheme

Ormiston Academy Trust is a member of the Cambridgeshire, Cheshire, Norfolk, Isle of Wight Council, Suffolk, West Midlands, Staffordshire, Derbyshire, East Riding, Essex, West Sussex County Council and Worcestershire Pension Fund.

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.6 - 27.3% for employers and 5.5 - 12.5% for employees.

The LGPS obligation relates to the employees of the trust who were employees transferred as part of the conversion from the maintained school and transfer from another academy trust (as described in note 32) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the trust at the balance sheet date.

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

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

28 Pension and similar obligations (Continued)

Principal actuarial assumptions:

The following information is based upon a full actuarial valuation of the funds at 31 March 2016 updated to 31 August 2017 by the qualified independent actuaries.

	Discount rate for scheme liabilities		Rate of increase in salaries		Rate of increase for pensions in payment / inflation	
	2017 %	2016 %	2017 %	2016 %	2017 %	2016 %
Ormiston Bushfield Academy	2.4	2.1	2.7	4.1	2.5	2.1
Ormiston Chadwick Academy	2.4	2.1	2.7	3.1	2.5	2.1
City of Norwich, An Ormiston Academy	2.4	2.1	2.7	3.1	2.5	2.0
Cliff Park - Ormiston Academy	2.4	2.1	2.7	3.1	2.5	2.0
Cowes Enterprise College an Ormiston Academy	2.4	2.1	2.8	4.1	2.5	2.1
Ormiston Denes Academy	2.4	2.1	2.7	3.1	2.5	2.0
Edward Worledge Ormiston Academy	2.4	2.5	2.7	2.8	2.5	2.7
Ormiston Endeavour Academy	2.4	2.1	2.7	4.1	2.5	2.0
Ormiston Forge Academy	2.6	2.2	4.2	3.8	2.7	2.0
George Salter Academy	2.6	2.2	4.2	3.8	2.7	2.0
Ormiston Herman Academy	2.4	2.1	2.7	3.1	2.5	2.1
Ormiston Horizon Academy	2.4	2.1	2.8	2.5	2.5	2.1
Ormiston Ilkeston Enterprise Academy	2.4	2.1	2.9	3.1	2.5	2.1
Ormiston Maritime Academy	2.4	2.1	2.6	2.3	2.5	2.1
Ormiston Meadows Academy	2.4	2.1	2.7	4.1	2.5	2.0
Packmoor Ormiston Academy	2.4	1.9	2.8	2.3	2.5	2.5
Ormiston Park Academy	2.6	2.2	2.7	2.3	4.2	4.1
Ormiston Rivers Academy	2.6	2.2	2.7	2.3	4.2	4.1
Ormiston Sandwell Community Academy	2.6	2.2	4.2	3.8	2.7	2.0
Ormiston Shelfield Community Academy	2.6	2.2	4.2	3.8	2.7	2.0
Ormiston Sir Stanley Matthews Academy	2.4	2.1	2.8	2.5	2.5	2.1
Ormiston Six Villages Academy	2.4	2.1	3.1	3.6	2.5	2.1
Ormiston South Parade Academy	2.4	2.1	2.6	2.3	2.5	2.1
Stoke High School - Ormiston Academy	2.4	2.1	2.7	4.1	2.5	2.0
Ormiston Sudbury Academy	2.4	2.1	2.7	4.1	2.5	2.1
Ormiston SWB Academy	2.2	2.2	3.8	3.8	2.0	2.0
Tenbury High Ormiston Academy	2.4	2.0	3.7	3.3	2.2	1.9
Ormiston Venture Academy	2.4	2.1	2.7	3.1	2.5	2.1
Ormiston Victory Academy	2.4	2.1	2.7	3.1	2.5	2.1
Wodensborough Ormiston Academy	2.2	4.0	3.8	4.2	2.0	2.4
Central Services	2.6	2.2	4.2	3.8	2.7	2.0

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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
	2017	2017	2017	2017
Ormiston Bushfield Academy	22.4	24.0	24.4	26.3
Ormiston Chadwick Academy	22.3	23.9	24.5	26.5
City of Norwich, An Ormiston Academy	22.1	24.1	24.4	26.4
Cliff Park - Ormiston Academy	22.1	24.1	24.4	26.4
Cowes Enterprise College an Ormiston Academy	22.3	23.9	24.7	26.5
Ormiston Denes Academy	21.9	23.9	24.4	26.4
Edward Worlledge Ormiston Academy	22.1	24.1	24.4	26.4
Ormiston Endeavour Academy	21.9	23.9	24.4	26.4
Ormiston Forge Academy	21.8	24.0	24.3	26.6
George Salter Academy	21.8	24.0	24.3	26.6
Ormiston Herman Academy	22.1	24.1	24.4	26.4
Ormiston Horizon Academy	22.1	24.1	24.4	26.4
Ormiston Ilkeston Enterprise Academy	21.9	23.9	24.4	26.5
Ormiston Maritime Academy	21.7	23.7	24.2	26.4
Ormiston Meadows Academy	22.4	24.0	24.4	26.3
Packmoor Ormiston Academy	22.1	24.1	24.4	26.4
Ormiston Park Academy	22.2	24.3	24.7	27.0
Ormiston Rivers Academy	22.2	24.3	24.7	27.0
Ormiston Sandwell Community Academy	21.8	24.0	24.3	26.6
Ormiston Sheffield Community Academy	21.8	24.0	24.3	26.6
Ormiston Sir Stanley Matthews Academy	22.1	24.1	24.4	26.4
Ormiston Six Villages Academy	23.6	26.0	25.0	27.8
Ormiston South Parade Academy	21.7	23.7	24.2	26.4
Stoke High School - Ormiston Academy	21.9	23.9	24.4	26.4
Ormiston Sudbury Academy	21.9	23.9	24.4	26.4
Ormiston SWB Academy	23.1	25.3	25.8	28.1
Tenbury High Ormiston Academy	22.6	24.8	25.6	27.9
Ormiston Venture Academy	22.1	24.1	24.4	26.4
Ormiston Victory Academy	22.1	24.1	24.4	26.4
Wodensborough Ormiston Academy	23.1	25.3	25.8	28.1
Central Services	21.8	24.0	24.3	26.6
Total contributions made			2017	2016
			£'000	£'000
Employer's contributions			4,719	4,720
Employees' contributions			1,435	1,409
Total contributions			6,154	6,129

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

28 Pension and similar obligations (Continued)

The trust's share of the assets in the scheme	2017 Fair value £'000	2016 Fair value £'000
Equities	45,758	37,002
Bonds	11,928	10,163
Property	5,774	5,053
Cash and other	5,715	3,931
Total fair value of assets	69,175	56,149

The actual return on scheme assets was £3,986,000 (2016: £8,204,000).

Amount recognised in the statement of financial activities	2017 £'000	2016 £'000
Current service cost	8,368	5,807
Net interest cost	1,911	1,343
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	71	59
Total operating charge	10,350	7,209

Changes in the present value of defined benefit obligations	2017 £'000
At 1 September 2016	114,810
Obligations acquired on conversion	7,393
Current service cost	8,368
Interest cost	3,139
Employee contributions	1,435
Actuarial gain	(10,891)
Benefits paid	(844)
Plan introductions, benefit changes, curtailments and settlements	71
At 31 August 2017	123,481

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

28 Pension and similar obligations (Continued)

Changes in the fair value of the trust's share of scheme assets	2017 £'000
At 1 September 2016	56,326
Assets acquired on conversion	3,553
Interest income	1,228
Return on plan assets (excluding net interest on the net defined pension liability)	2,758
Employer contributions	4,719
Employee contributions	1,435
Benefits paid	(844)
At 31 August 2017	69,175

29 Related party transactions

The following related party transactions took place during the year ended 31 August 2017. All transactions involving such organisations are conducted at arms length and in accordance with the trust's financial regulations and normal procurement procedures.

The charitable company is related to The Ormiston Trust, The Gateway Learning Community, Ormiston Bolingbroke Academy, Birmingham Ormiston Academy, Birmingham Ormiston Academy Theatre Limited and Ormiston Families by virtue of PG Murray's common directorships and trusteeships.

During the year The Gateway Learning Community received services at cost from Ormiston Academies Trust amounting to £102k (2016: £100k) and at the year end £nil (2016: £10k) was outstanding.

During the year Birmingham Ormiston Academy received services at cost from Ormiston Academies Trust amounting to £120k (2016: £140k) and at the year end £5k (2016: £28k) was outstanding.

During the year Ormiston Bolingbroke Academy Trust received services at cost from Ormiston Academies Trust amounting to £229k (2016: £140k) and at the year end £49k (2016: £27k) was outstanding. Ormiston Academies Trusts purchased services from Ormiston Bolingbroke Academy Trust amounting to £54k (2016: £10k).

During the year academies within the Ormiston Academies Trust purchased services from Ormiston Families amounting to £3k (2016: £19k). These services were provided to the Trust at, or below cost.

During the year academies within Ormiston Academies Trust received grants of £100k (2016: £309k) from The Ormiston Trust. £98k (2016: £11k) was due from The Ormiston Trust at the year end.

During the year ended 31 August 2016, the trust sub-let a room in a property to a relative of Professor Toby Salt, a trustee, for three months at a market rate of £1k.

30 Post balance sheet events

Ormiston Meridian Academy and Ormiston NEW Academy joined the trust on 1 September 2017.

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

31 Agency arrangements

The trust distributes 16 - 19 bursary funds to students as agent for the ESFA. In the accounting period ending 31 August 2017, the trust received £221k and disbursed £203k (2016 received and disbursed: £194k) from the fund.

32 Conversion to an academy

On 1 March 2017 the Edward Worlledge Ormiston Academy 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 Norfolk County Council Local Authority for £nil consideration.

Academy	Local Authority	Date of conversion
Edward Worlledge Ormiston Academy	Great Yarmouth	1 March 2017

On 1 July 2017 the following academy transferred into the academy trust and all of its operations, assets and liabilities were transferred to Ormiston Academies Trust.

Academy	Previous Trust	Date of transfer
South Wolverhampton and Bilston Academy	City of Wolverhampton Academy Trust	1 July 2017

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 – conversion and transfer into trust. The transfer was 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.

	Donated on conversion to the Trust £'000	Donated on conversion to the Academy £'000	Total 2017 £'000	
Net assets transferred:				
Freehold land and buildings	18,838	4,265	23,103	
Other funds	469	-	469	
Cash	-	185	185	
LGPS pension deficit	(2,816)	(1,024)	(3,840)	
	<u>16,491</u>	<u>3,426</u>	<u>19,917</u>	
	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	23,103	23,103
Other funds	287	367	-	654
LGPS pension funds	-	(3,840)	-	(3,840)
	<u>287</u>	<u>(3,473)</u>	<u>23,103</u>	<u>19,917</u>

ORMISTON ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

32 Conversion to an academy (Continued)

Included in the LGPS pension funds transferred amounting to £3,840k is £481k that relates to the LGPS pension funds valuation on the conversion of Packmoor Ormiston Academy. Packmoor Ormiston Academy converted in the year ended 31 August 2016, but no value was available for inclusion in those accounts.

33 Controlling party

The trustees consider the 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.

The 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.

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 25 August 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2016 to 2017, to obtain limited assurance about whether the expenditure disbursed and income received by Ormiston Academies Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2016 to 31 August 2017 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 2016 to 2017 Part 9: 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. 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 2016 to 2017.

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 2016 to 31 August 2017 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2016 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material 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 2016 to 2017.

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.

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



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Dated: 20 October 2017