

Registered number: 06995649 (United Kingdom)

OUTWOOD GRANGE ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



<p>OUTWOOD GRANGE ACADEMIES TRUST (A company limited by guarantee)</p>
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

Outwood Grange Education
Sir Michael Wilkins (until 31 August 2016)
Mr Roland Harden
Mr David Earnshaw (from 1 September 2014)

Directors

Mr David Earnshaw, Chair of Trustees
Mrs Sue Hague, Trustee
Mr Roland Harden, Vice Chair
Mr Andrew Kent, Trustee
Mr Ralph Pickles, Trustee
Mr Martyn Oliver, Chief Executive (appointed 1 September 2016)

Company registered number

06995649

Company name

Outwood Grange Academies Trust

Principal and registered office

Potovens Lane, Outwood, Wakefield, West Yorkshire, WF1 2PF

Company secretary

Mrs Katy Bradford

Chief executive officer

Mr Martyn Oliver

Senior management team

Martyn Oliver, NLE, Chief Executive Officer
Katy Bradford, Company Secretary and Chief Operating Officer
Laurence Mosley, Finance Director - left 31 August 2016
Julie Slater, NLE, Regional Chief Executive Academy Principal & Chief Executive (Regional)
Rob Tarn, NLE, Regional Chief Executive Academy Principal & Chief Executive (Regional)
Dr Phil Smith, NLE, Executive Principal
Mark Hassack, NLE, Associate Executive Principal
Lee Wilson, NLE, Associate Executive Principal
Andrew Wappat, Associate Executive Principal
Sabiha Laher, Associate Executive Principal
Lisa Allott, Principal
Angela Hull, NLE, Principal

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Advisers (continued)

Senior management team (continued)

Gemma Kilner , Principal
Cara Ackroyd, Acting Principal
Lynne James, Executive Principal
Sir Michael Wilkins, NLE, Founding CEO
Carolyn Blundell, NLE, Associate Executive Principal
Richard Brooke, Principal
Toby Rutter, Principal
Steven Roberts, Principal
Paul Haynes, Principal
Jane Clayton, Principal
Jaqueline Savage, Principal
Angela Sweeten, NLE, Principal
Rob Joyce, Principal
Steve Merifeld, Principal
Laura Eddery, Principal
Matthew Vickers, Principal
Andrew Downing, Principal
Paul Sorby, Executive Director Curriculum
Laura Calton, Communications and Compliance Officer
Lisa Lewis, Director of Executive Services

Independent auditors

Saffery Champness, Mitre House, North Park Road, Harrogate, North Yorkshire, HG1 5RX

Bankers

HSBC, 66 Westgate, Wakefield, West Yorkshire, WF1 1XB

Solicitors

Wrigleys Solicitors, 19 Cookridge Street, Leeds, West Yorkshire, LS2 3AG

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

INTRODUCTION

The Trustees present their annual report together with the financial statements and auditors report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 34 to 40 of the attached financial statements, and comply with the Charitable Company's memorandum and articles of association, the Companies Act 2006 and the requirements of 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 (FRS102) (Effective 1 January 2015) (SORP 2015).

The trust currently operates five primary and fourteen secondary academies across the central and north east of England. Its academies have a combined pupil capacity of 18,800 and had a roll of just under 15,000 in the school census data from October 2015. A further secondary school, now known as Outwood Academy Danum, joined the trust on 1 September 2016 and Outwood Academy Bishopsgarth joined the trust on 1 November 2016. In addition the trust is working with other schools, which are potentially to join the trust in due course.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee with no share capital and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust, as incorporated on 1 September 2009 and amended on 18 August 2012.

The directors act as the trustees for the charitable activities of Outwood Grange Academies Trust Limited and are also directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Outwood Grange Academies Trust.

Details of the directors who served throughout the year are included in the Reference and Administrative Details on pages 1 & 2.

Members' Liability

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

Principal Activities

The principal activities of the charitable company are to establish and maintain a number of academies in accordance with the requirements of the Master Funding Agreement in place with the Education Funding Agency ("EFA").

Method of Recruitment and Appointment of directors

The number of Directors of the company shall not be less than 3 but (unless determined by ordinary resolution) shall not be subject to any maximum. The articles of association set out the categories of directors and this includes the following:

- The Principal Sponsor (Outwood Grange Education)
- The Chief Executive

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

- Up to eight Sponsor Directors
- Parent Directors (elected by parent members of the Academy Councils)
- One Director appointed by the Secretary of State in the event that such a director is required
- Any additional Directors appointed by the Secretary of State
- Up to two Directors, if appointed by the Secretary of State in accordance with the terms of any relevant funding agreements following the provision of a notice by the Company to terminate that relevant funding agreement.
- The Principal Sponsor may appoint up to three co-opted Directors
- The number of Directors who are employees of the Company shall not exceed one third of the total number of Directors including the Chief Executive
- The Principal Sponsor shall appoint the Sponsor Directors and may appoint co-opted Directors

Policies and procedures adopted for the induction and training of directors

The training and induction provided for new directors will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new directors will be given the opportunity to have a tour of all the academies and the chance to meet with staff and students. All directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as directors. Continuous Professional Development is undertaken throughout the year to ensure that directors are able to challenge and hold the Executive Team Board/Team to account.

Organisational Structure

The management structure consists of four levels: the Board of Directors, the Academy Councils, the Executive Team Board/Team and the Senior Leadership Team. The aim of the management structure is to devolve responsibility via the Scheme of Delegation and encourage involvement in decision making at all levels.

The Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of results and budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Academy Councils act as advisory bodies to the Outwood Grange Academies Trust (OGAT) Board.

The executive and senior leaders are: Chief Executive Officer, Regional Chief Executives, Executive Principals, Associate Executive Principals, Principals, Chief Operating Officer, Director of Executive Services, Director of Human Resources, Executive Director of Teaching School, Executive Director of CLFP, Communications and Compliance Officer and Director of Finance. These managers control the individual academies at an executive/principal level implementing the policies laid down by the Directors of the Board and reporting back to them. As a group the senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Executive Team always contain a Director.

The senior management team is listed in the reference and administrative details on page 1 and 2 and is considered by the board to be the level of Principal and above.

Arrangements for setting pay and remuneration of key management personnel

The scheme of delegation requires that any pay recommendations for staff earning over £55,000 must be approved by the board. Performance management reviews are conducted by the CEO, or delegated, via the Scheme of Delegation, annually for the senior management personnel. The result of these reviews are then provided to the board for approval.

Performance is measured in terms of targets and objectives set and results obtained, always ensuring "students

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DIRECTORS' REPORT (continued)
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first". Senior management personnel are considered to be the key staff in driving the continued success of the Trust and their pay is set to reflect this and to recruit and retain excellent staff. This is also viewed with best value in mind and is looked at in terms of benchmarking against other similar multi-academy trusts.

Connected Organisations, including Related Party Relationships

During the year the Trust made the following recharges to Outwood Grange Services Limited, a wholly owned subsidiary company with a number of Directors in common:

- Recharge of costs £198k (2015 - £153k). At the year-end a balance of £5k (2015 - nil) was due to Outwood Grange Services Limited.

During the year Outwood Grange Services Limited made a gift aid donation of £264K (2015: £12k) to OGAT with £64k of this balance outstanding at the year end. (2015 - nil).

There were school funds at the former Outwood Grange, Ripon, Portland and Valley schools which came under common control following the date of conversion to academy status. These have all now been fully dissolved.

Kirkhamgate Preschool now forms part of Outwood Primary Academy Kirkhamgate since 1 March 2016 and has been consolidated into the Trust figures for the first time.

The Trust has been working with Humber UTC to support them in their first years of operating. The Trust has a representative on the Humber UTC board in Julie Slater under her National Leader of Education role. An agreed NLE school improvement contract has been drawn up between the Trust and Humber UTC and charges, at-cost, are made for staff time spent supporting the Humber UTC. In the period to August 2016 the Trust charged Humber UTC £223k including the costs of the Principal at the UTC who is employed by OGAT and fully deployed at the UTC as part of the NLE contract.

The principal activity of Outwood Grange Services Ltd was educational support services.

The advancement of sports & leisure activities through lettings of facilities takes place within each academy and the income and costs are within the Academy Accounts.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the trust is to advance education in the UK for the public benefit, in particular by establishing, maintaining, carrying on, managing and developing its academies, offering a broad curriculum with strong emphasis on the specified specialisms of those academies. In setting our objectives and planning our activities the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

The main objectives of the trust during the year ended 31 August 2016 are summarised in the table below which also shows performance against the objectives:

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Objective	Performance
To ensure that every child enjoys the same high quality in terms of resourcing, tuition and care.	<p>A number of OGAT academies were inspected under the Ofsted framework during 2015/16 academic year, as follows:</p> <ul style="list-style-type: none"> • Adwick - Outstanding (from requires improvement and was in special measures on joining OGAT in 2009) • Lofthousegate – Good (with outstanding aspects) • Ripon - Outstanding (from Good and was in special measures on joining OGAT) • Foxhills - Good (with Outstanding aspects and was in Special Measures when joined OGAT) <p>And previously in the 2014/15 academic year:</p> <ul style="list-style-type: none"> • Brumby - Good with outstanding aspects (from special measures) • Acklam – Good with outstanding aspects (from special measures) <p>And previously in the 2013/14 academic year:</p> <ul style="list-style-type: none"> • Kirkhamgate - Outstanding (from special measures) • Ledger Lane – Good (from Satisfactory) • Portland – Outstanding (from Satisfactory) • Valley - Good (previously also Good but with serious weaknesses on joining OGAT) <p>Every secondary academy saw an increase in their GCSE results at A*- C including English and Maths.</p>
To raise the standard of educational achievements of all pupils.	See results table below
To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review.	The Trust has reviewed its structure in a number of key areas to address changing organisational need, including Business Services, Finance, and Executive Principals, ensuring that the organisation's structure is scalable as the organisation grows and that capacity can be created in advance of need.
To provide value for money for the funds expended.	<p>The EFA supported the Trust's 2012 self-assessment of its financial management and governance as 'Good'.</p> <p>A value for money statement is included within these accounts.</p>
To comply with all appropriate statutory and curriculum requirements.	All OGAT academies have been inspected by Ofsted during the current or previous academic years except for Ormesby, Carlton, Darfield and Littleworth, which will be inspected within the EFA's timescales. All those inspected were meeting all curriculum requirements.

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DIRECTORS' REPORT (continued)
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To maintain close links with industry and commerce.	The Trust has undertaken exploration with a number of industry leaders to discuss the role of academies in producing an effective and highly skilled workforce. The discussions are continuing to look at the development of high quality apprenticeships covering a wide range of industry sectors and are currently re-tendering to retain high quality independent Careers Education, Information, Advice and Guidance.
To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.	The EFA supported the Trust's 2012 self-assessment of its financial management and governance as 'Good'. The trust has been audited by Willis, the RPA's insurance assessor's in September 2015. Overall the rating for risk was good with some improvements to be made in the areas of accident and incident reporting. The Trust also engages RSM as internal audit and has an annual audit cycle which monitors governance and control processes throughout the trust.

The objectives and aims for 2016/17 are set out below:

- To progress on the journey towards all OGAT academies being recognised as 'Outstanding' by Ofsted.
- To ensure that all academies achieve excellent examination results (above national averages).
- To make strides towards a self-assessment of financial management and governance of 'Outstanding'
- To positively influence the lives and achievement of more young people through the measured and steady growth of the Trust, bringing more academies into the Family of Schools.
- To ensure that every academy is able to generate a positive financial outturn at the end of each financial year through efficient and effective curriculum-led financial planning.

Strategies and Activities

As a high-performing multi-academy trust we embrace the opportunity to ensure that all children, irrespective of their starting point, receive an excellent education. We relish the opportunity to be part of the much needed regeneration of the areas we work in. To achieve this aim staff within OGAT have three values in common. They:

1. put 'students first' - they care deeply about children;
2. strive to be experts in their respective fields; and
3. are obsessive about attaining the highest standards.

As a multi-academy trust we want to be known for placing...

"Students first: raising standards and transforming lives" Martyn Oliver, CEO

Outwood Grange Academies Trust (OGAT) is recognised nationally as one of the highest performing chains of schools and is the highest performing family of schools in the North of England. We have developed our educational blueprint from the original school at Outwood Grange Academy and used this to sponsor schools, having a transformational effect on children's life chances within very quick timescales.

All academies within our trust work closely with each other as a 'family of schools'. Indeed, each academy individually and collectively forms the trust: the trust as a whole is not a separate body or group of people

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but rather one single organisation made up of all our academies with one single vision and shared set of values. Together we all work to ensure that all children, irrespective of their starting point, receive an excellent education. We relish the opportunity to be part of the much needed regeneration of all areas we work in.

We pride ourselves in meeting the needs of all children in our care, including those who are most vulnerable or challenging. These groups of students are a major priority and we work closely with parents/carers in helping to raise their children's self-esteem, resilience and subsequent achievement and attainment.

We have always had excellent working relationships with unions and these partnerships have reinforced our way of working. We would never do anything that would be detrimental to any child, staff or school in a neighbouring community. More importantly, we care as much about the results and outcomes of children in other schools as we do our first academy. In order to effect a sustainable transformation for the community we would wish to work with other local education providers and in particular the primary schools which feed in to our secondary schools as these are critical to the long term future of an area. We are serious about the part we have to play in regenerating the area by placing an outstanding school at the heart of the community.

The values of our Trust:

We feel strongly that academies should enhance the educational provision of an area, drive up standards, particularly for the most vulnerable, and play a central role in the regeneration of communities. We believe that improving young people's life chances is essential to developing a strong local economy. Our philosophy and values are reflected in the ten underlying principles of our trust:

1. We always put 'Students First'. We care deeply about children;
2. We want to be known for our track record in raising standards: we are obsessive about results;
3. Our staff are experts in their field and through the Outwood Institute of Education (OIE) we will always aim to recruit, retain and continuously develop both our own staff and help to develop the whole education system; in particular supporting the development of multi-academy trusts, to the best of our ability;
4. We want to transform the life-chances of our children by focussing on raising standards, particularly the basic skills of literacy and numeracy as well as employability skills so that our students have the best possible start in life;
5. We believe that local children should attend local schools and we are not, and never will be, selective in our admissions: we are fully inclusive and welcome children from vulnerable groups, eg SEND, LAC, etc;
6. We play our full role in behaviour partnerships/hard to place protocols;
7. We follow the guiding principles of School Teachers Pay & Conditions and National Joint Council conditions of service and want to work positively with trade unions and actively involve them in our decision making;
8. We always put collaboration before competition and will never do anything detrimental to a young person, member of staff, school or college in a neighbouring community;
9. We believe in the implementation of a systematic model, our 7 strand transformation model, across our multi-academy trust which enables every individual academy and all our academies collectively, our 'family of schools', to significantly raise standards and transform children's life-chances. Individual academies are encouraged to retain and develop their own unique local community links and character alongside our transformation model; and
10. The trust will ensure that it creates 'capacity in advance of need' at every level of the organisation. Decisions to support new schools will be led by the capacity available and in our confidence that our existing academies continue to perform. Parents/carers and students would quite rightly never forgive us if standards in our existing academies declined.

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Our trust understands that there are five things we need to constantly maintain to be a successful multi-academy trust:

1. A vision and set of values which holds us all to account;
2. A model for school improvement which is both systematic and consistent across our trust;
3. A curriculum which is both fit for purpose academically and financially;
4. A recognition and understanding that we work within accountability frameworks: AFH, NSC/RSC, Ofsted, DfE performance tables etc; and
5. A scheme of delegation which enables responsibility to sit with accountability.

The 7 strand transformation model:

Systematic school improvement within OGAT is achieved through the implementation of our transformation model. We have conscientiously developed a model that has 'tight' systems which run 'deeply' through our trust with our scheme of delegation as the enabling mechanism. Subject specialist directors, who bring permanent supernumerary capacity to all of our academies, are integral to our model and ensure that our academies develop at pace. This methodology provides comfort to our academies and their principals as we all have a shared understanding of our model and corporate responsibility to continuously develop the entire trust: we are a 'family of schools'.

In order to maintain a balance between the systematic approach to the model and allow academies to maintain their own unique identity, we develop and train our staff to recognise the systems which are part of the model and describe this balance by use of the ratio 80:20 -where 80% is the trust transformation model and 20% is the unique character of the academy. As academies continuously develop our model and also create new innovative ways of working their evidence-based best practice will be shared across the family of schools so that all of our children benefit.

All of the strands of transformation are delivered concurrently: it is not sequential as each relies upon the other to enable school improvement at pace.

1. Leadership with vision and efficacy
2. Quality in the classroom
3. Curriculum design
4. Monitoring and intervention
5. Systems and policies
6. Targeted professional development
7. Praise culture for staff and students

The Trust Board's whole purpose is to raise standards for all students by sustaining and enhancing performance and to develop the whole child, whilst at the same time engaging and collaborating with other schools to help improve the life chances of all young people, locally, nationally and globally.

Employees and disabled persons

The Trust is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positive differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we actively combat bigotry.

The Trust considers all application forms from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

The Trust works with employee trade unions and professional associations across all our academies and engages in consultation, as required, to ensure that all aspects of the company affecting its employees, including financial and economic factor, is discussed, conveyed and consulted on with them.

Public Benefit

In exercising its powers and duties the Trust has complied with its duty to have due regard to the Charity

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Commission's guidance on Public Benefit. The main public benefit delivered by the Trust is the provision of a high quality of education to its students. This has been evidenced through the results achieved and feedback from external assessments.

STRATEGIC REPORT

- **Outwood Grange Academy**

Outwood Grange National Teaching School and the lead Teaching School within the Trust's multi-hub Teaching School Alliance (there are currently five Teaching Schools within the Trust with more seeking designation). Outwood Grange Academy was judged to be Outstanding for the second time in 2012.

- **Outwood Academy Adwick**

Outwood Academy Adwick is a National Teaching School and home to the Outwood Institute of Education (OIE). In February 2016, an Ofsted inspection took place and the judgement was that the academy was Outstanding in all aspects having been in Special Measures prior to joining OGAT.

- **Outwood Academy Brumby**

Outwood Academy Brumby joined the Outwood Grange Academies Trust Group on 1st April 2013. In March 2015, an Ofsted inspection took place and the judgement of the academy was Good with Outstanding leadership having been in Special Measures prior to joining OGAT.

- **Outwood Academy Ripon**

Outwood Academy Ripon is a National Teaching School. In January 2016, an Ofsted inspection took place and the judgement was that the academy was Outstanding having been Satisfactory prior to joining OGAT.

- **Outwood Academy Portland**

Outwood Academy Portland is a National Teaching School. In March 2014, the academy was inspected by Ofsted and was graded as Outstanding in all areas having previously been in Special Measures prior to joining OGAT.

- **Outwood Academy Valley**

In March 2014, an Ofsted inspection took place and overall the school was judged as Good with some Outstanding features having been in a category of concern prior to joining OGAT.

- **Outwood Academy Acklam**

The academy was inspected by Ofsted in April 2015 and the judgement of the academy was Good in all aspects and Outstanding in Leadership and Management having been in Special Measures prior to joining OGAT.

- **Outwood Academy City**

Outwood Academy City joined the Trust in January 2014. The predecessor school was in Special Measures since September 2012. The academy was inspected in September 2016 and obtained the result of requires improvement but with many good aspects.

- **Outwood Primary Academy Kirkhamgate**

Outwood Primary Academy Kirkhamgate is a National Teaching School. An Ofsted inspection took place in September 2014 and the academy achieved Outstanding having previously been in special measures.

- **Outwood Primary Academy Ledger Lane**

Outwood Primary Academy Ledger Lane joined the Outwood Grange Academies Trust Group on 1st December 2012. It was inspected by Ofsted in 2014 and judged to be Good having Required Improvement prior to joining OGAT.

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- **Outwood Primary Academy Lofthouse Gate**

Outwood Primary Academy Lofthouse Gate joined the Trust in September 2013. The previous school was judged as being Good by Ofsted earlier that year and chose to convert to academy status within the Trust. The academy was inspected in June 2016 and was judged as Good with outstanding aspects.

- **Outwood Academy Foxhills**

Outwood Academy Foxhills joined the Trust in September 2014. The previous Academy (Invenio) was in special measures. In January 2016, Ofsted graded the academy as Good with Outstanding leadership.

- **Outwood Academy Newbold**

Outwood Academy Newbold joined the Trust in January 2015. The previous school was in special measures. The fourth monitoring inspection took place in September 2014, before the school converted to an OGAT academy and Ofsted said "the school is making reasonable progress towards the removal of special measures and the school may appoint newly qualified teachers before the next monitoring inspection". No further inspections have since taken place, but the academy results showed significant improvement from 38% in 2014 to 62% in 2015. 71% of students obtained an A*-C in GCSE English and mathematics in 2016.

- **Outwood Academy Bydales**

Outwood Academy Bydales joined the trust in February 2015. The previous school was in special measures. The third monitoring inspection report took place in December 2014, before the school converted to an OGAT academy. No further inspections have taken place since OGAT's involvement but the academy results showed a significant improvement from 55% in 2014 to 73% in 2015. 78% of students obtained an A*-C in GCSE English and mathematics in 2016.

- **Outwood Academy Shafton**

Outwood Academy Shafton joined the Trust in March 2015. The previous school was inspected in December 2014 and deemed to require improvement from previously being Inadequate. No further inspections have taken place since the school joined the Trust, but the academy results showed significant improvement from 28% in 2014 to 45% in 2015. 54% of students obtained an A*-C in GCSE English and mathematics in 2016.

- **Outwood Academy Ormesby**

Outwood Academy Ormesby joined the Trust on 1 September 2015. The previous school was inadequate. The latest section 8 report in June 2016 stated that "Leaders and managers are taking effective action towards the removal of special measures". The academy achieved record results last year.

- **Outwood Academy Carlton**

Outwood Academy Carlton joined the Trust on 1 February 2016 and achieved record results last year.

- **Outwood Primary Academy Darfield**

Outwood Primary Academy Darfield joined the Trust on 1 April 2016. Previously the school was in special measures. There was a section 8 report in May 2016 which stated that "Senior leaders and the trust are taking effective action to tackle the areas requiring improvement identified at the last section 5 inspection in order to become a good school".

- **Outwood Primary Academy Littleworth Grange**

Outwood Primary Academy Littleworth Grange joined the Trust on 1 April 2016. Previously the school was in special measures. There was a section 8 report in November 2015, prior to the Trust taking over. No further inspections have taken place since conversion.

- **Outwood Academy Danum**

Outwood Academy Danum joined the Trust on the 1 September 2016.

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- **Outwood Academy Bishopsgarth**

Outwood Academy Bishopsgarth joined the Trust on the 1 November 2016.

- **Redcar Academy**

Redcar Academy has been receiving support from OGAT under a National Leader of Education contract since 2015. The academy achieved record results last year.

- **Outwood Institute of Education**

The Outwood Institute of Education (OIE) is the collective name of the Trust's multi-hub Teaching School Alliance. The Outwood Institute of Education has three broad aims: to recruit, to retain and to develop all staff within the trust as well as act as a Teaching School Alliance to the wider system.

ACHIEVEMENTS AND PERFORMANCE AND KEY PERFORMANCE INDICATORS

The Trust is now in its eighth year of operation and four new academies have joined during the 2015/16 financial year. These are: Outwood Academy Ormesby, Outwood Academy Carlton, Outwood Primary Academy Darfield, and Outwood Primary Academy Littleworth Grange.

Secondary Academies

The total numbers of students in secondary academies for the year ended 31 August 2016 were as follows (2014/15 figures are shown for comparative purposes):

Academy	2015/16	2014/15
Years 7-11		
Outwood Grange Academy	1,786	1,786
Outwood Academy Adwick	920	940
Outwood Academy Brumby	628	678
Outwood Academy Portland	987	987
Outwood Academy Ripon	459	459
Outwood Academy Valley	1,419	1,397
Outwood Academy Acklam	868	786
Outwood Academy City	914	922
Outwood Academy Foxhills	564	612
Outwood Academy Bydales	729	729
Outwood Academy Newbold	788	772
Outwood Academy Shafton	978	-
Outwood Academy Ormesby	680	-
Outwood Academy Carlton	754	-
Years 12-13		
Outwood Grange Academy	314	314
Outwood Academy Adwick	163	150
Outwood Academy Portland	225	225
Outwood Academy Ripon	54	63
Outwood Academy Valley	192	192
Outwood Academy Newbold	116	115

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The headline examination results for the 2015/16 academic year are summarised as follows:

Academy	5+ A*-C including English & Maths	
	2015/16	2014/15
Outwood Grange Academy	80.6%	85%
Outwood Academy Adwick	59.7%	63%
Outwood Academy Brumby	50.8%	58%
Outwood Academy Portland	85.9%	81%
Outwood Academy Ripon	71.4%	80%
Outwood Academy Valley	81.6%	77%
Outwood Academy Acklam	61.5%	54%
Outwood Academy City	65.5%	68%
Outwood Academy Foxhills	61.8%	53%
Outwood Academy Bydales	75.0%	73%
Outwood Academy Newbold	66.3%	62%
Outwood Academy Shafton	52.2%	45%
Outwood Academy Ormesby	45.0%	-
Outwood Academy Carlton	63.1%	-

Attendance

Academy	Attendance Levels		Unauthorised Absence	
	2015/16	2014/15	2015/16	2014/15
Outwood Grange Academy	95.4%	94.3%	1.3%	1.3%
Outwood Academy Adwick	93.1%	92.8%	3.3%	3.6%
Outwood Academy Brumby	93.6%	93.9%	1.9%	1.6%
Outwood Academy Portland	94.5%	94.2%	2.0%	2.1%
Outwood Academy Ripon	95.5%	95.3%	17.1%	4.5%
Outwood Academy Valley	95.6%	92.6%	1.3%	2.0%
Outwood Academy Acklam	93.6%	92.0%	2.1%	3.0%
Outwood Academy City	90.4%	91.7%	9.3%	3.7%
Outwood Academy Foxhills	94.6%	91.3%	2.2%	2.8%
Outwood Academy Bydales	95.2%	95.2%	1.63%	1.4%
Outwood Academy Newbold	95.1%	93.4%	4.1%	8.1%
Outwood Academy Shafton	93.1%	91.7%	6.9%	3.9%
Outwood Academy Ormesby	90.0%	-	4.3%	-
Outwood Academy Carlton	93.7%	-	6.3%	-

Primary Academies

The total numbers of students in primary academies for the year ended 31 August 2016 were as follows (2014/15 figures are shown for comparative purposes):

Primary Academy	2015/16	2014/15
Years 1-6		
Outwood Primary Academy Kirkhamgate	151	143
Outwood Primary Academy Ledger Lane	253	237
Outwood Primary Academy Lofthouse Gate	400	392
Outwood Primary Academy Darfield	178	-
Outwood Primary Academy Littleworth	403	-

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The percentages of pupils achieving level 4 or above at Key Stage 2 results for the 2015/16 academic year are summarised as follows:

Primary Academy	English		Maths	
	2015/16	2014/15	2015/16	2014/15
Outwood Primary Academy Kirkhamgate	95%	96%	70%	100%
Outwood Primary Academy Ledger Lane	92%	75%	75%	75%
Outwood Primary Academy Lofthouse Gate	100%	100%	96%	96%
Outwood Primary Academy Darfield	64%	-	48%	-
Outwood Primary Academy Littleworth	75%	-	71%	-

Attendance

Primary Academy	Attendance Levels		Unauthorised Absence	
	2015/16	2014/15	2015/16	2014/15
Outwood Primary Academy Kirkhamgate	95.7%	96.3%	1.3%	0.5%
Outwood Primary Academy Ledger Lane	95.4%	95.3%	1.6%	1.0%
Outwood Primary Academy Lofthouse Gate	96.7%	96.2%	1.0%	3.8%
Outwood Primary Academy Darfield	94.3%	-	1.7%	-
Outwood Primary Academy Littleworth	94.0%	-	3.0%	-

Going Concern

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

OUTWOOD GRANGE ACADEMIES TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW

Financial report for the year

Most of the Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets. In accordance 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 (FRS102) (Effective 1 January 2015) (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure of £91.9m was covered by recurrent grant funding together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds & donated pension deficits and surpluses) was £1.8m (2015: £2.5m).

At 31 August 2016 the net book value of tangible fixed assets was £124m and movements in intangible and tangible fixed assets are shown in notes 17 and 18 to the financial statements. The value of fixed assets includes the assets that had previously been "donated" by Wakefield MDC, Doncaster MBC, North Yorkshire CC, Nottinghamshire CC, North Lincolnshire CC, Doncaster MBC, Middlesbrough BC, Sheffield CC, Redcar & Cleveland CC, Chesterfield CC, Barnsley CC, together with assets transferred during the year from Middlesbrough BC and Barnsley CC as part of the transfer agreements as set out below:

- The leasehold land and buildings at Ormesby are occupied under a 125 year lease from the local authority. These are included in the balance sheet at a value of £10.9m, together with other fixed assets valued at £168.
- The leasehold land and buildings at Carlton are occupied under a 125 year lease from the local authority. There is no value in the balance sheet as the land and buildings are occupied under a PFI agreement. Fixtures, furniture and equipment are valued at £25k.
- The leasehold land and buildings at Darfield are occupied under a 125 year lease from the local authority. There is no value in the balance sheet as the land and buildings are occupied under a PFI agreement. Fixtures, furniture and equipment are valued at £18k.
- The leasehold land and buildings at Littleworth Grange are occupied under a 125 year lease from the local authority. There is no value in the balance sheet as the land and buildings are occupied under a PFI agreement. Fixtures, furniture and equipment are valued at £142k.

Other than donated assets, the major items of expenditure on fixed assets during the year were the completion of the building of the new Arts block at Outwood Grange Academy plus new biomass boilers at Outwood Grange and Lofthouse Gate, changing room upgrades at Brumby and the library and classroom remodelling at Shafton. There was also the completion of an extension of the sports hall at Adwick, general upgrading of computer equipment across all the academies and also various safeguarding works.

The assets were used exclusively for providing education and the associated support services to the pupils of all the academies.

The deficits in the Local Government Pension Schemes (LGPS) are recognised on the balance sheet in accordance with the provisions of FRS102. It is noted that the pension liability deficit has increased significantly over the year from £15.8m to £38.5m deficit. This is primarily due to the actuarial losses on the pension deficits because of changing market conditions and therefore the actuarial assumptions used.

OUTWOOD GRANGE ACADEMIES TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Reserves policy

The policy of the trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies.

Individual academies are expected to produce at least breakeven budgets each year, but the trust also recognises that this is not feasible in some cases where academies have low pupil numbers and lower funding levels from the EFA. In these cases the trust supports those academies in deficit and works with them to return the academy to a surplus position. Reserves of the trust are pooled for the benefit of the trust as a whole and the consolidated trust budget is set at least as a breakeven budget.

The current forecast for the next three years, based on our current delivery model, shows an overall surplus position for 16/17, 17/18 & 18/19.

The reserves of the academy are broken down into Fixed Asset Reserves (restricted), Unrestricted Reserves (free reserves), Restricted General Reserves and the Pension reserves.

Restricted General Reserves

Restricted Income Funds are the restricted general reserves balance from income and costs purely for the provision of education, or to help fund capital projects purely for the better education of students and children. The restricted income funds of the trust as at 31 August 2016 are £10,382k. The trust board are aware that these reserves appear high, but have several large capital projects that are required, of which some will be funded from the restricted income funds. Transfers to the fixed assets reserves will be reflected annually as these projects are completed.

Unrestricted Reserves

Unrestricted income funds are those funds that the trust can spend how they believe appropriate. The vision of the trust is "Students first: raising standards and transforming lives" and so any reserves are always invested with this objective in mind. As at year ended 31 August 2016 the free reserves of the trust are £8,053k.

The combined reserves of the trust for restricted income funds and unrestricted income funds are £18,435k. The Trust has assessed that it requires approximately £8m safety reserves to fund any deficits, allow for any unforeseen conditions and sustain the Trusts' effective delivery model. It also allows for potential capacity building, which aligns with the trusts' value of "building capacity in advance of need".

In conjunction with reserves the trust is also mindful of the level of cash required to ensure the ongoing liquidity and success of the trust. The balance of the current cash of £21m has been allocated for capital projects across the trust based on health and safety, safeguarding, operational necessity and teaching and learning.

Under DfE guidelines, certain Academies are only allowed to carry forward up to 12% of the General Annual Grant (GAG) received in the year. Following discussions with the EFA they have given permission for Outwood Grange Academy, Adwick, Ripon, Portland and Valley to carry forward surpluses in excess of 12% up to and including the academic year 2016/17 for planned capital investment. This relaxation does not apply to Brumby. Ledger Lane, Kirkhamgate, Acklam, City, Lofthouse Gate, Foxhills, Newbold, Bydales and Shafton have no restriction on GAG carried forward. The new academies that joined in the year, Ormesby, Carlton, Darfield and Littleworth Grange have no restriction on GAG carried forward.

Financial position

The Trust held fund balances at 31 August 2016 of £104m comprising: £124.5m of restricted fixed asset funds, £10.4m of restricted funds (before including the pension reserve deficit of £38.5m) and £8m of unrestricted general funds.

The Trust made an operating surplus before depreciation for the year of £1.4m after excluding the pension

OUTWOOD GRANGE ACADEMIES TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

deficit, the donated assets and the capital grants.

Investment Policy

The general policy objective is to invest the surplus funds prudently. The investment priorities are:

- Security of the invested capital,
- Liquidity of the invested capital,
- And commensurate with security and liquidity, an optimal return on those investments.

Cash balances at 31 August 2016 were £21m. The cash is held in four different UK controlled banks split fairly evenly across them all and in easily accessible accounts.

Principal Risks and Uncertainties

The Directors have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The key risks have been determined as:

- Health and safety issues – a student, employee or volunteer is injured at work.
- Recruitment risk – recruiting someone unsuitable to work with children.
- Legal risks – for example, risk that legislative requirements such as the Child Protection Act are not complied with.
- Financial risks – uncertainty regarding future government funding streams, or the event of a fraud.
- Reputational risk - where policies and procedures are not followed appropriately and the trust is brought into disrepute.

The Directors have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. There are systems in place to minimise risks, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls. Where significant financial risk still remains the directors have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail on pages 20 - 23.

PLANS FOR FUTURE PERIODS

As a major sponsor of academies, OGAT will continue to develop its chain of academies in order to continue to support children, some of whom come from challenging backgrounds. We aim to provide the highest educational opportunities for all children as well as providing professional development for all teaching and support staff so that our academies continue to be self-developing and self-supporting in the future.

Capacity building in advance of need is a big part of our drive; our willingness to engage with outside partners and with new and innovative practices will help us to continue to secure the high levels of success already achieved.

AUDITORS

In so far as the directors are aware:

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

Saffery Champness have expressed their willingness to remain in office as auditors to the Trust.

OUTWOOD GRANGE ACADEMIES TRUST
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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

APPROVAL

Trustees report, incorporating a strategic report, approved by order of the board of trustees as company directors on 13 December 2016 and signed on its behalf by:



Mr David Earnshaw
Chair of Trustees

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As directors, we acknowledge we have overall responsibility for ensuring that Outwood Grange 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, 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 Outwood Grange Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The board of trustees has formally met 10 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Director	Meetings attended	Out of a possible
Mr David Earnshaw, Chair of Trustees	9	10
Mrs Sue Hague, Trustee	10	10
Mr Roland Harden, Vice Chair	9	10
Mr Andrew Kent, Trustee	10	10
Mr Ralph Pickles, Trustee	9	10
Mr Martyn Oliver, Chief Executive	10	10

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to review the 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.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr Andrew Kent, Trustee	4	4

The board of trustees has considered the need for a specific internal audit function and appointed RSM (formerly Baker Tilly) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial and other systems. The internal auditor reports to the board of trustees three times a year, through the audit committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned, highlighting a number of minor control issues which are being addressed as necessary.

The audit committee is a sub-committee of the main board of trustees. Its purpose is to review the work

OUTWOOD GRANGE ACADEMIES TRUST
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GOVERNANCE STATEMENT (continued)

undertaken by the internal and external auditors and to direct them to reviewing areas that are considered to be higher risk. It is also responsible for reviewing the main risks of the trust as a whole and maintaining and reviewing a risk register.

Internal audit reports are produced with recommended actions for management to carry out, which the board monitors and reviews.

The external auditors prepare a management letter and statement of regularity which again is reviewed by the audit committee and any recommendations implemented by management.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr Ralph Pickles, Trustee	4	4
Mr Andrew Kent, Trustee	4	4

REVIEW OF VALUE FOR MONEY

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

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

Philosophy and strategy

The vision and values of OGAT is to put 'Students First: raise standards and transform lives' and achieve world-class status. This applies to all aspects of the organisation and at every level. The academies place students at the centre of everything they do, with a focus on maintaining a culture of success, a positive climate for learning and student attainment, achievement and social and emotional development. In raising standards for its own students the Trust contributes to the raising of educational standards and achievement generally across the communities we serve through the mutual sharing of knowledge, expertise and resources across the education, business, industry and voluntary sectors in the wider regional, national and global context. The Trust is designated as a 'System Trust' by the National Schools Commissioner and plays a full and active role in developing a school led, self-improving educational system.

It is the absolute priority that every student, irrespective of their starting point, succeeds and achieves. In order to do this, a high quality educational experience, in an environment which is conducive to learning, is an entitlement for every student at the academies with all parties; parents/carers and the wider stakeholders working together to achieve these goals for young people. Students with special needs are fully included and benefit from the focus on personalised learning and individual plans.

The Trust Board's whole purpose is to raise standards for all students by sustaining and enhancing performance and to develop the whole child, whilst at the same time engaging and collaborating with other schools to help improve the life chances of all young people locally, nationally and globally. Increasingly, the Accounting Officer is developing systematic methods for reporting and highlighting the performance of the organisation, through the creation of an Organisational Development workforce stream which includes Finance, Operations, HR, Curriculum-led Financial Planning, Data Analytics and the Outwood Institute of Education to inform the trustees and executive of the performance and needs of the organisation through dashboard reporting systems.

OUTWOOD GRANGE ACADEMIES TRUST
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GOVERNANCE STATEMENT (continued)

Actions

Our primary focus as a Trust is to raise standards and transform the life chances for young people. Once new schools are taken into the Trust, the Trust has a model for school improvement.

Process

In relation to the process of teaching and achieving good outcomes for students, OGAT uses a model developed and refined over several years which is called the 7 Strand Transformation Model (see above). This has been shown to achieve excellent results, as demonstrated in the tables above. The model is continuously developed: one of the many benefits of being a Multi Academy Trust is the ability to draw upon a wide range of teachers and support staff to enhance best practice.

Teaching and Support Staff Costs

The largest single element of cost is the payroll cost of teaching and support staff. OGAT uses a curriculum-led financial planning model to optimise the numbers of such staff required in each academy for teaching and bench-marking exercise across the Trust for support staff. The parameter we set for teaching costs is a 0.79 contact ratio with less than 8% curriculum bonus. The average teaching staff cost as a percentage of income is lower in OGAT academies than seen nationally.

Non-pay costs

The refinement of our support staff model continues. The Trust now has a model structure based upon the size of the academy and is able to achieve efficiencies by placing staff across more than one academy. The Trust has a single finance system that operates across our academies and we integrate as much administration as possible into this system. We operate electronic ordering, electronic payslips, online expenses and an integrated HR/Payroll system.

The Trust continues to eliminate often expensive service level agreements in schools that join the Trust. It also rolls out the benefits of our office supplies contract and energy framework.

The Trust is constantly examining ways to achieve value for money for the taxpayer.

The Trust has achieved good value for money through effective and efficient procurement of goods and services. Examples include the single procurement of photocopiers, saving the Trust £65,794 over two years, procuring a single stationery supplier saving £82,567 over two years, water procurement saving £54,203 over two years and establishing our own framework for the procurement of gas and electricity saving £59,611 over two years.

Capital Works

The Trust has an extensive capital programme and will seek to maximise the impact the speed has on the students. Priorities are assessed on a health & safety, safeguarding ranking first. Impact on students' education and operational necessity also feature in the ranking process.

Resources are finite (we have identified £50m of capital expenditure required but have only £18.4m of reserves available to spend) and therefore careful consideration is given to large projects. The Trust works in close collaboration with the EFA on major capital works.

Improvement in Educational Results

The results across all phases of the Trust were excellent with the vast majority achieving record results (see tables above) in the face of an imposed reduction in GAG income. Lower income with improved results indicates a strong productive model.

Her Majesty's Chief Inspector of Schools, Ofsted, in his annual report 2015-16 stated that of the Key Stage 4 value added scores for MATs with the largest number of secondary schools, 2015, OGAT was ranked 1st for improvement in value added score and described as 'significantly above average'.

OUTWOOD GRANGE ACADEMIES TRUST
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GOVERNANCE STATEMENT (continued)

Improved outcomes by Ofsted

The Trust had four Ofsted inspections of its academies in 2015-16 with two secondary academies being graded as Outstanding, one Good with Outstanding leadership and a primary academy being graded as Good with Outstanding aspects.

Sharing of best practice across the sector

OGAT continues to be involved in national programmes to promote and develop educational excellence. As a System Trust (see above) we are deployed to help other academies and MATs improve their educational and financial performance. The adoption of some of these practices has helped drive better value for money across the sector.

Conclusion

OGAT does not seek to grow for the sake of it. We do however wish to benefit as many students as possible but only on the basis that they are provided with a high-quality educational experience. To that end, we recognise that:

1. We are only as good as our last set of results: parents and children would quite rightly not forgive us if the standards in our existing academies declined as a consequence of supporting more schools;
2. Building capacity in advance of need is critical to both our current and future performance; and
3. The formation of geographical clusters of academies affords many opportunities for school improvement, therefore we will always prioritise the creation of local clusters of academies (primary and secondary).

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Outwood Grange Academies Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Board of 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.

OUTWOOD GRANGE ACADEMIES TRUST
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GOVERNANCE STATEMENT (continued)

The board of trustees has considered the need for a specific internal audit function and has decided to reappoint RSM as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems. On an annual basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. During the year RSM have conducted audits in the areas of:

- Key financial controls
- Safeguarding
- IT health check
- VAT health check
- Review of previous audit action plans and updates

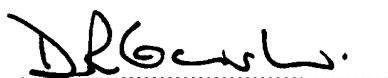
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive 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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 13 December 2016 and signed on their behalf, by:



Mr David Earnshaw
Chair of Trustees



Mr Martyn Oliver, Chief Executive
Accounting Officer

OUTWOOD GRANGE ACADEMIES TRUST
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**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The Directors (who act as trustees of Outwood Grange Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

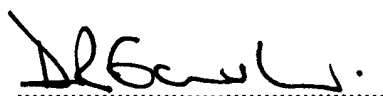
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Trust will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the trust's transactions and disclose with reasonable accuracy at any time the financial position of the trust 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 trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Trust'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 13 December 2016 and signed on its behalf by:



Mr David Earnshaw
Chair of Trustees

OUTWOOD GRANGE ACADEMIES TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Outwood Grange Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.



Mr Martyn Oliver
Accounting Officer

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
OUTWOOD GRANGE ACADEMIES TRUST**

We have audited the financial statements of Outwood Grange Academies Trust for the year ended 31 August 2016 on pages 30 to 70. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 (FRS102) and the Academies Accounts Direction 2015 to 2016 issued by EFA.

This report is made solely to the 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 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 company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors (who act as Trustees; of Outwood Grange Academies Trust and are also the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees;
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
OUTWOOD GRANGE ACADEMIES TRUST**

OPINION ON FINANCIAL STATEMENTS

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 2016 and of the Trust's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report, incorporating the Group strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Alison Robinson (Senior statutory auditor)

for and on behalf of

Saffery Champness

Chartered Accountants
Statutory Auditors

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX
23 December 2016

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO OUTWOOD GRANGE ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 9 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Outwood Grange Academies Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Outwood Grange Academies Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Outwood Grange Academies Trust and the EFA 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 Outwood Grange Academies Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF OUTWOOD GRANGE ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of Outwood Grange Academies Trust's funding agreement with the Secretary of State for Education dated 1 September 2009, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusions includes:

- Risk based sample testing on income and expenditure
- Review of the systems and internal controls in place
- Making appropriate enquiries of the Accounting Officer

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO OUTWOOD
GRANGE ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

OPINION

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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alison Robinson (Senior statutory auditor)

for and on behalf of

Saffery Champness

Chartered Accountants
Statutory Auditors

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

Date: *23rd December 2016*

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

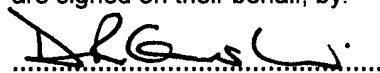
	Note	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
INCOME FROM:						
Donations & capital grants:						
	3	352	409	12,761	13,522	14,783
Other donations and capital grants	3	-	(3,975)	-	(3,975)	(4,509)
Charitable activities	6	63	86,597	-	86,660	70,630
Other trading activities	4	1,994	-	-	1,994	1,395
Investments	5	143	-	-	143	140
TOTAL INCOME		2,552	83,031	12,761	98,344	82,439
EXPENDITURE ON:						
Raising funds	8	945	-	-	945	804
Charitable activities	8	120	86,313	4,480	90,913	73,043
TOTAL EXPENDITURE	8	1,065	86,313	4,480	91,858	73,847
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	22	1,487	(3,282)	8,281	6,486	8,592
		-	(765)	765	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		1,487	(4,047)	9,046	6,486	8,592
Actuarial gains/(losses) on defined benefit pension schemes	27	-	(17,493)	-	(17,493)	190
NET MOVEMENT IN FUNDS		1,487	(21,540)	9,046	(11,007)	8,782
RECONCILIATION OF FUNDS:						
Total funds brought forward		6,566	(6,557)	115,496	115,505	106,723
TOTAL FUNDS CARRIED FORWARD		8,053	(28,097)	124,542	104,498	115,505

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 06995649

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000	£000	2015 £000
FIXED ASSETS					
Intangible assets	17		214		204
Tangible assets	18		124,308		115,292
			<u>124,522</u>		<u>115,496</u>
CURRENT ASSETS					
Stocks	19	12		14	
Debtors	20	4,610		3,565	
Cash at bank and in hand		21,220		19,164	
		<u>25,842</u>		<u>22,743</u>	
CREDITORS: amounts falling due within one year	21	(7,387)		(6,982)	
NET CURRENT ASSETS			<u>18,455</u>		<u>15,761</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>142,977</u>		<u>131,257</u>
Defined benefit pension scheme liability	27		(38,479)		(15,752)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>104,498</u>		<u>115,505</u>
FUNDS OF THE ACADEMY TRUST					
Restricted income funds:					
Restricted income funds	22	10,382		9,195	
Restricted fixed asset funds	22	124,542		115,496	
		<u></u>		<u></u>	
Restricted income funds excluding pension liability		134,924		124,691	
Pension reserve		(38,479)		(15,752)	
		<u></u>		<u></u>	
Total restricted income funds			96,445		108,939
Unrestricted income funds	22		8,053		6,566
TOTAL FUNDS			<u>104,498</u>		<u>115,505</u>

The financial statements were approved by the Directors, and authorised for issue, on 13 December 2016 and are signed on their behalf, by:



Mr David Earnshaw
Chair of Trustees


The notes on pages 34 to 70 form part of these financial statements.

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 06995649

ACADEMY TRUST BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000	£000	2015 £000
FIXED ASSETS					
Intangible assets	17		214		204
Tangible assets	18		124,306		115,289
			<u>124,520</u>		<u>115,493</u>
CURRENT ASSETS					
Stocks	19	12		14	
Debtors	20	4,555		3,562	
Cash at bank and in hand		20,976		18,904	
		<u>25,543</u>		<u>22,480</u>	
CREDITORS: amounts falling due within one year	21	(7,087)		(6,719)	
NET CURRENT ASSETS			<u>18,456</u>		<u>15,761</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>142,976</u>		<u>131,254</u>
Defined benefit pension scheme liability	27		(38,479)		(15,752)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>104,497</u>		<u>115,502</u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
Restricted funds	22	10,382		9,195	
Restricted fixed asset funds	22	124,542		115,493	
		<u>134,924</u>		<u>124,688</u>	
Restricted funds excluding pension asset					
Pension reserve		(38,479)		(15,752)	
			<u>96,445</u>		<u>108,936</u>
Total restricted funds					
Unrestricted funds	22		8,052		6,566
TOTAL FUNDS			<u>104,497</u>		<u>115,502</u>

The financial statements were approved by the Directors, and authorised for issue, on 13 December 2016 and are signed on their behalf, by:



Mr David Earnshaw
Chair of Trustees

The notes on pages 34 to 70 form part of these financial statements.

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by operating activities	24	<u>2,819</u>	<u>3,866</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		143	140
Purchase of tangible fixed assets		(3,079)	(5,644)
Capital grants from DfE/EFA		1,519	1,614
Capital funding received from sponsors and others		418	-
Purchase of Intangible fixed assets		<u>(116)</u>	<u>-</u>
Net cash used in investing activities		<u>(1,115)</u>	<u>(3,890)</u>
Cash flows from new academies converting:			
Cash transferred on conversion to an academy trust		<u>352</u>	<u>957</u>
Net cash provided by financing activities		<u>352</u>	<u>957</u>
Change in cash and cash equivalents in the year		2,056	933
Cash and cash equivalents brought forward		<u>19,164</u>	<u>18,231</u>
Cash and cash equivalents carried forward		<u>21,220</u>	<u>19,164</u>

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Outwood Grange Academies Trust constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the trust alone as permitted by section 408 of the Companies Act 2006.

First time adoption of FRS 102

These financial statements are the first financial statements of Outwood Grange Academies Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Outwood Grange Academies Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Directors have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 35.

1.2 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 Directors.

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

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the SOFA 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the SOFA in the year 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the SOFA in the period in which it is receivable, where there is probability of receipt and it is measurable.

Donations are recognised on a receivable basis where there is probability of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The Directors 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Basis of consolidation

The financial statements consolidate the accounts of Outwood Grange Academies Trust and its subsidiary undertaking ('subsidiary') Outwood Grange Services Limited T/A The Outwood Institute of Education.

The academy trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own income and expenditure account.

1.7 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided at the following rates:

Software	-	25% - 4 years
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OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised. However, where computers, tablets and their accessories are purchased that cost individually less than £1,000 but are bought in bulk, these are also capitalised.

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

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.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% - 50 years
Long-term leasehold property	-	0.8% - 125 years for l/h land, 2% - 50 years for l/h property
Motor vehicles	-	25% - 4 years
Fixtures and fittings	-	10% - 10 years
Computer equipment	-	25% - 4 years
Assets under construction	-	0%

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

1.10 Operating leases

Rentals under operating leases are charged to the SOFA on a straight line basis over the lease term.

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.12 Taxation

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

1.13 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the Bank.

1.14 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.15 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.16 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and 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 recognised in the period to which they relate.

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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

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

1.17 Liabilities and provisions

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

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.18 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Ormesby School, Carlton Community College, Darfield Primary and Littleworth Grange Primary to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 32.

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.19 Financial instruments

The academy trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.20 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs, but this is not recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 34.

1.21 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

OUTWOOD GRANGE ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2 % could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

Outwood Grange Academy, Outwood Academy Adwick, Outwood Academy Ripon, Outwood Academy Brumby, Outwood Academy Portland and Outwood Academy Valley are subject to the carry forward limits. Outwood Primary Ledger Lane, Outwood Primary Kirkhamgate, Outwood Academy Acklam, Outwood Academy City, Outwood Primary Lofthouse Gate, Outwood Academy Foxhills, Outwood Academy Newbold, Outwood Academy Bydales and Outwood Academy Shafton have no restriction on GAG carried forward. The new academies that joined in the year, Ormesby, Carlton, Darfield and Littleworth Grange have no restriction on GAG carried forward.

Following discussions with the EFA they have given permission for Outwood Grange Academy, Adwick, Portland and Valley to carry forward surpluses in excess of 12% up to and including the academic year 2016/17 for planned capital investment. This relaxation does not apply to Brumby, who has not exceeded these limits during the year ended 31 August 2016.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Capital grants from EFA	-	-	1,519	1,519	1,614
Donated assets on conversion	-	-	11,232	11,232	12,467
Donated surplus	352	-	-	352	702
Capital grants non EFA/LA	-	409	10	419	-
	<u>352</u>	<u>409</u>	<u>12,761</u>	<u>13,522</u>	<u>14,783</u>
Pension Deficits on conversion	-	(3,975)	-	(3,975)	(4,509)
Total donations and capital grants	<u>352</u>	<u>(3,566)</u>	<u>12,761</u>	<u>9,547</u>	<u>10,274</u>

In 2015, of the total income from donations and capital grants, £702,000 was to unrestricted funds and £9,572,000 was to restricted funds.

The donated assets in the year were assets donated on conversion from Middlesbrough Council to Outwood Academy Ormesby and Barnsley MBC to Outwood Academy Carlton. Navigate Trust donated assets for Outwood Primary Academies Darfield and Littleworth Grange. Details of the assets donated on conversion can be seen in note 32.

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Hire of Facilities	140	-	140	125
External Fees	796	-	796	502
Educational sales	226	-	226	188
Project grants	832	-	832	580
	<u>1,994</u>	<u>-</u>	<u>1,994</u>	<u>1,395</u>

In 2015, of the total income from other trading activities, £1,395,000 was to unrestricted funds and £ NIL was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Investment income	143	-	143	140
	<u>143</u>	<u>-</u>	<u>143</u>	<u>140</u>

In 2015, of the total investment income, £140,000 was to unrestricted funds and £ NIL was to restricted funds.

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6. FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	<i>Total funds 2015 £000</i>
DfE/EFA grants				
General Annual Grant	-	76,185	76,185	62,365
Start Up Grant	-	365	365	640
Other DfE/EFA Grants	40	6,933	6,973	5,149
	<u>40</u>	<u>83,483</u>	<u>83,523</u>	<u>68,154</u>
Other government grants				
Local Authority Grants	-	1,302	1,302	880
Other Government Grants	-	116	116	72
	<u>-</u>	<u>1,418</u>	<u>1,418</u>	<u>952</u>
Other funding				
Catering	-	1,696	1,696	1,354
Other Unrestricted Income	23	-	23	170
	<u>23</u>	<u>1,696</u>	<u>1,719</u>	<u>1,524</u>
	<u>63</u>	<u>86,597</u>	<u>86,660</u>	<u>70,630</u>

In 2015, of the total income from charitable activities, £220,000 was to unrestricted funds and £70,410,000 was to restricted funds.

Other than the DfE/EFA grants which are for the provision of education, the trust has also received grants from the local authority in the form of Pupil Premium, SEN and high needs funding as well as income towards the transport of students and some diploma grant funding. Money has also been received in respect of the schools sports partnership. There are no unfulfilled conditions or other contingencies for the grants recognised in the SOFA.

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7. SUPPORT COSTS

	Fundraising expenses £000	Governance £000	Educational Operations £000	Total 2016 £000	Total 2015 £000
Recruitment and support	-	-	439	439	480
Maintenance of premises and equipment	-	-	5,836	5,836	3,528
Cleaning	-	-	601	601	484
Rent and rates	25	-	608	633	498
Heat and light	-	-	1,297	1,297	1,130
Insurance	-	-	443	443	465
Security and transport	-	-	761	761	703
Catering	15	-	2,232	2,247	1,784
Technology costs	2	-	1,555	1,557	1,546
Bank interest and charges	-	-	35	35	25
Telephones	-	-	199	199	170
Marketing & Publications	6	-	55	61	94
Governance costs	-	109	-	109	96
Other Costs	169	-	2,412	2,581	1,599
Wages and salaries	121	-	16,625	16,746	13,374
National insurance	5	-	903	908	626
Pension cost	9	-	3,235	3,244	2,698
	352	109	37,236	37,697	29,300

During the year ended 31 August 2016, the academy trust incurred the following Governance costs:

£109,000 (2015 - £96,000) included within the table above in respect of Educational Operations.

In 2015, the academy trust incurred the following Support costs:

£28,769,000 in respect of Educational Operations

£490,000 in respect of Activities for Generating Funds

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8. EXPENDITURE

	Staff costs 2016 £000	Premises 2016 £000	Other costs 2016 £000	Total 2016 £000	2015 £000
Educational operations- Direct	42,972	4,480	6,116	53,568	43,818
Educational operations- Support	20,762	8,785	7,798	37,345	28,673
Activities for generating funds-Direct	238	-	355	593	314
Activities for generating funds-Support	136	25	191	352	586
Total	64,108	13,290	14,460	91,858	73,391

In the year ended 31 August 2016 expenditure included within unrestricted reserves is £1,065k (2015: £1,216k), within restricted reserves £86,313k (2015: £68,442k) and within restricted fixed asset reserves £4,480k (2015: £3,733k).

9. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £000	Individual items above £5,000 Amount £000	Reason
Fixed asset losses	894,000	894,000	Demolition of 2 blocks at Outwood Grange Academy

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets: - owned by the charitable group	4,480	3,733
Amortisation of intangible fixed assets (included above)	106	75
Governance Internal audit costs	21	25
(Profit) / Loss on disposal of assets	899	-

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**NOTES TO THE FINANCIAL STATEMENTS
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11. AUDITORS' REMUNERATION

	2016 £000	<i>2015</i> <i>£000</i>
Fees payable to the academy trust's auditor and its associates for the audit of the academy trust's annual accounts	39	39
Fees payable to the academy trust's auditor and its associates in respect of:		
The auditing of accounts of associates of the academy trust	3	1
All assurance services not included above	11	10

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**NOTES TO THE FINANCIAL STATEMENTS
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12. STAFF COSTS

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	48,789	41,577
Social security costs	3,922	2,874
Operating costs of defined benefit pension schemes	8,423	6,401
	<u>61,134</u>	<u>50,852</u>
Supply teacher costs	2,694	525
Staff restructuring costs	280	275
	<u>64,108</u>	<u>51,652</u>

Staff restructuring costs comprise:

	2016 £000	2015 £000
Redundancy payments	104	108
Severance payments	176	167
	<u>280</u>	<u>275</u>

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

	2016 No.	2015 No.
Teachers	955	890
Administration and support	1,370	1,124
	<u>2,325</u>	<u>2,014</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	849	767
Administration and support	761	686
	<u>1,610</u>	<u>1,453</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	20	10

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**NOTES TO THE FINANCIAL STATEMENTS
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12. STAFF COSTS (continued)

In the band £70,001 - £80,000	9	8
In the band £80,001 - £90,000	6	7
In the band £90,001 - £100,000	4	1
In the band £100,001 - £110,000	1	1
In the band £120,001 - £130,000	0	2
In the band £130,001 - £140,000	0	2
In the band £140,001 - £150,000	1	0
In the band £150,001 - £160,000	1	0
In the band £160,001 - £170,000	1	0
In the band £170,001 - £180,000	1	0
In the band £200,001 - £210,000	0	1

During the year ended 31 August 2016 forty three (2015: 35) of the above staff participated in a pension scheme. Forty one (2015: 33) were in the Teachers' Pension Scheme and two (2015: 2) were in the Local Government Pension Scheme. Employers pension contributions for the TPS amounted to £534k (2015: £367k) and for the LGPS £23k (2015: £21k).

There have been 33 payments for redundancy or severance during the period. Of these 21 were non contractual payments as below:

£16,195	-	settlement agreement
£10,021	-	settlement agreement
£2,965	-	settlement agreement
£670	-	settlement agreement
£2,327	-	settlement agreement
£10,141	-	settlement agreement
£6,433	-	settlement agreement
£5,000	-	settlement agreement
£6,000	-	settlement agreement
£5,000	-	settlement agreement
£15,000	-	settlement agreement
£760	-	settlement agreement
£6,000	-	settlement agreement
£25,000	-	settlement agreement
£7,500	-	settlement agreement
£4,000	-	settlement agreement
£5,470	-	settlement agreement
£3,300	-	settlement agreement
£6,500	-	settlement agreement
£12,144	-	settlement agreement
£38,200	-	settlement agreement

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £3,189k (2015: £2,615k).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

13. CENTRAL SERVICES

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

- Payroll
- HR
- Finance
- Governance
- Capital Project Monitoring
- IT services

The academy trust charges for these services on the following basis:

As a percentage of GAG income: 5% for all academies.

The actual amounts charged during the year were as follows:

	2016 £000	2015 £000
Outwood Academy Adwick	289	303
Outwood Academy Brumby	165	175
Outwood Academy Portland	312	328
Outwood Academy Ripon	143	143
Outwood Academy Valley	385	381
Outwood Grange Academy	508	520
Outwood Primary Ledger Lane	52	25
Outwood Primary Kirkhamgate	32	15
Outwood Primary Lofthouse Gate	71	36
Outwood Academy Acklam	256	265
Outwood Academy City	232	250
Outwood Academy Foxhills	153	164
Outwood Academy Newbold	242	165
Outwood Academy Bydales	199	114
Outwood Academy Shafton	282	140
Outwood Academy Ormesby	229	-
Outwood Academy Carlton	133	-
Outwood Primary Darfield	18	-
Outwood Primary Littleworth	39	-
	<u>3,740</u>	<u>3,024</u>
Total		

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**NOTES TO THE FINANCIAL STATEMENTS
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14. DIRECTORS' REMUNERATION AND EXPENSES

The highest paid Director received remuneration of £173k (2015 - £201k).

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Chief Executive and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

	2016	2015
	£000	£000
Sir Michael Wilkins, Founding CEO Remuneration	170-175	200-205

During the year, no Directors received any benefits in kind (2015 - £NIL).

Expenses paid to directors in the year for reimbursement of travel to meetings relating solely to activities for the trust amounted to £4,151 paid to three directors (2015: £2,754 paid to one director).

15. DIRECTORS' AND OFFICERS' INSURANCE

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

16. OTHER FINANCE INCOME

	2016	2015
	£000	£000
Interest income on pension scheme assets	1,052	1,207
Interest on pension scheme liabilities	(1,737)	(1,710)
	(685)	(503)

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**NOTES TO THE FINANCIAL STATEMENTS
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17. INTANGIBLE FIXED ASSETS

	Software £000
Trust	
Cost	
At 1 September 2015	361
Additions	116
	<u>477</u>
At 31 August 2016	477
Amortisation	
At 1 September 2015	157
Charge for the year	106
	<u>263</u>
At 31 August 2016	263
Carrying amount	
At 31 August 2016	<u>214</u>
<i>At 31 August 2015</i>	<u>204</u>
	<u>204</u>
	Software £000
Academy trust	
Cost	
At 1 September 2015	361
Additions	116
	<u>477</u>
At 31 August 2016	477
Amortisation	
At 1 September 2015	157
Charge for the year	106
	<u>263</u>
At 31 August 2016	263
Carrying amount	
At 31 August 2016	<u>214</u>
<i>At 31 August 2015</i>	<u>204</u>
	<u>204</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. TANGIBLE FIXED ASSETS

Group	Freehold property £000	Long-term leasehold property £000	Fixtures & fittings & vehicles £000	Computer equipment & software £000	Assets under con- struction £000	Total £000
Cost						
At 1 September 2015	22,427	82,071	6,542	5,386	8,515	124,941
Additions	30	144	1,193	749	963	3,079
Disposals	-	(1,040)	-	(61)	-	(1,101)
Transferred on Conversion	-	10,875	219	116	-	11,210
Transfer between classes	-	8,854	514	91	(9,459)	-
At 31 August 2016	<u>22,457</u>	<u>100,904</u>	<u>8,468</u>	<u>6,281</u>	<u>19</u>	<u>138,129</u>
Depreciation						
At 1 September 2015	792	4,506	1,510	2,841	-	9,649
Charge for the year	394	1,931	790	1,259	-	4,374
On disposals	-	(146)	-	(56)	-	(202)
At 31 August 2016	<u>1,186</u>	<u>6,291</u>	<u>2,300</u>	<u>4,044</u>	<u>-</u>	<u>13,821</u>
Net book value						
At 31 August 2016	<u>21,271</u>	<u>94,613</u>	<u>6,168</u>	<u>2,237</u>	<u>19</u>	<u>124,308</u>
At 31 August 2015	<u>21,635</u>	<u>77,565</u>	<u>5,032</u>	<u>2,545</u>	<u>8,515</u>	<u>115,292</u>

Included in land and buildings is freehold land at valuation of £2.713m (2015 - £2.713m), which is not depreciated.

Outwood Academy Ripon purchased freehold a Caretakers house that sits within the grounds of the academy for £146k in 2014. The house was purchased due to safeguarding issues and negotiations are still ongoing with North Yorkshire CC to demolish the house.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. TANGIBLE FIXED ASSETS (continued)

Included within the amounts transferred on conversion is £11,043k relating to donated assets from Middlesbrough CC to Outwood Academy Ormesby, £25k from Barnsley MBC to Outwood Academy Carlton and £138k from Navigate Academies Trust to Outwood Primary Academy Darfield and Littleworth Grange. There is also £4k on transfer of Kirkhamgate preschool.

Academy Trust	Freehold property £000	Long-term leasehold property £000	Fixtures & fittings & vehicles £000	Computer equipment & software £000	Assets under con- struction £000	Total £000
Cost						
At 1 September 2015	22,427	82,071	6,542	5,381	8,515	124,936
Additions	30	144	1,193	749	963	3,079
Disposals	-	(1,040)	-	(61)	-	(1,101)
Transferred on Conversion	-	10,875	219	116	-	11,210
Transfer between classes	-	8,854	514	91	(9,459)	-
At 31 August 2016	22,457	100,904	8,468	6,276	19	138,124
Depreciation						
At 1 September 2015	792	4,506	1,510	2,839	-	9,647
Charge for the year	394	1,931	790	1,258	-	4,373
On disposals	-	(146)	-	(56)	-	(202)
At 31 August 2016	1,186	6,291	2,300	4,041	-	13,818
Net book value						
At 31 August 2016	21,271	94,613	6,168	2,235	19	124,306
At 31 August 2015	21,635	77,565	5,032	2,542	8,515	115,289

Included in land and buildings is freehold land at valuation of £2.713m (2014 - £2.713m) which is not depreciated.

Included within the amounts transferred on conversion is £11,043k relating to donated assets from Middlesbrough CC to Outwood Academy Ormesby, £25k from Barnsley MBC to Outwood Academy Carlton and £138k from Navigate Academies Trust to Outwood Primary Academy Darfield and Littleworth Grange. There is also £4k on transfer of Kirkhamgate preschool.

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19. STOCKS

	<u>Group</u>		<u>Academy Trust</u>	
	2016	2015	2016	2015
	£000	£000	£000	£000
Finished goods and goods for resale	12	14	12	14

20. DEBTORS

	<u>Group</u>		<u>Academy Trust</u>	
	2016	2015	2016	2015
	£000	£000	£000	£000
Trade debtors	256	142	209	138
Amounts owed by group undertakings	-	1	-	1
Other debtors	1,600	1,313	1,592	1,314
Prepayments and accrued income	2,754	2,109	2,754	2,109
	4,610	3,565	4,555	3,562

**21. CREDITORS:
Amounts falling due within one year**

	<u>Group</u>		<u>Academy Trust</u>	
	2016	2015	2016	2015
	£000	£000	£000	£000
Trade creditors	2,642	1,984	2,587	1,983
Other taxation and social security	1,165	912	1,165	912
EFA creditor: Abatement of GAG	15	583	15	583
Other creditors	1,511	1,260	1,456	1,163
Accruals and deferred income	2,054	2,243	1,864	2,078
	7,387	6,982	7,087	6,719

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21. CREDITORS:
Amounts falling due within one year (continued)

	<u>Group</u>		<u>Academy trust</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Deferred income				
Deferred income at 1 September 2015	185	135	46	35
Resources deferred during the year	166	185	103	46
Amounts released from previous years	(185)	(135)	(46)	(35)
Deferred income at 31 August 2016	166	185	103	46

At the balance sheet date the academy trust was holding funds received in advance for lettings of £2k, MOD grant £15k, SEN £46k, Rates relief £18k. Pupil Premium £1k, Other grants and income £21k. Within OGSL there is also deferred income for the maths hub project of £11k, the return to teaching programme of £5k and £47k for NPQH/NPQML/NPQSL projects.

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22. STATEMENT OF FUNDS

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General Funds - all funds	6,566	2,552	(1,065)	-	-	8,053
Restricted funds						
General Annual Grant (GAG)	9,195	76,593	(74,641)	(765)	-	10,382
Start up Grant	-	365	(365)	-	-	-
Other DfE/EFA Grants	-	7,055	(7,055)	-	-	-
Other Grants	-	1,297	(1,297)	-	-	-
Other Income	-	1,696	(1,696)	-	-	-
Pension reserve	(15,752)	(3,975)	(1,259)	-	(17,493)	(38,479)
	(6,557)	83,031	(86,313)	(765)	(17,493)	(28,097)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	102,261	11,232	(3,517)	-	-	109,976
DfE/EFA Capital Grants	4,508	1,529	(90)	-	-	5,947
Capital expenditure from GAG	8,727	-	(873)	765	-	8,619
	115,496	12,761	(4,480)	765	-	124,542
Total restricted funds	108,939	95,792	(90,793)	-	(17,493)	96,445
Total of funds	115,505	98,344	(91,858)	-	(17,493)	104,498

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

General Annual Grant (GAG) must be used for the normal running costs of the academies.

As referred to in note 2, The EFA agreed an exemption to the 12% GAG carried forward for Outwood Grange Academy, Adwick, Ripon, Portland and Valley in order to fund planned capital investment by the Trust up to and including the academic year 2016/17.

During the year capital expenditure has been expended, primarily on the sports hall extension at Adwick, the arts block at Outwood Grange Academy, a changing room extension and refurb at Brumby, Library and classroom construction and remodel at Shafton and boiler upgrade at Lofthouse Gate. As a result of

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**NOTES TO THE FINANCIAL STATEMENTS
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22. STATEMENT OF FUNDS (continued)

this a transfer from restricted funds to restricted fixed asset funds has been made.

The figures above refer to the consolidated balance sheet including the reserves of Outwood Grange Services Limited, which amount to £1k.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £000	Total 2015 £000
Outwood Grange Academy	3,664	3,410
Outwood Academy Adwick	2,226	2,848
Outwood Academy Brumby	129	387
Outwood Academy Portland	2,797	2,593
Outwood Academy Valley	2,011	2,080
Outwood Academy Ripon	168	199
Outwood Grange Academies Trust	5,336	2,048
Outwood Academy Acklam	1,142	649
Outwood Academy City	95	379
Outwood Primary Academies Wakefield	553	658
Outwood Academy Foxhills	(651)	(555)
Outwood Academy Newbold	(828)	(218)
Outwood Academy Bydales	677	728
Outwood Academy Shafton	715	555
Outwood Academy Ormesby	(78)	-
Outwood Academy Carlton	119	-
Outwood Primary Academies Barnsley	360	-
Total before fixed asset fund and pension reserve	18,435	15,761
Restricted fixed asset fund	124,542	115,496
Pension reserve	(38,479)	(15,752)
Total	104,498	115,505

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
Outwood Academy Foxhills	(651)
Outwood Academy Newbold	(828)
Outwood Academy Ormesby	(78)

The academy trust is taking the following action to return the academies to surplus:

Outwood Academy Foxhills and Outwood Academy Newbold were both academies which joined the trust in the academic year 2015. Staffing restructures have taken place, but are continuing to be reviewed. All

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22. STATEMENT OF FUNDS (continued)

costs are being closely looked at, along with forecast pupil numbers into the academies. It will take a few years to return the academies back to a surplus position. In the meantime both academies are being supported by group in order to continue to improve their educational results, whilst maintaining a tight budgetary position. Outwood Academy Ormesby joined the trust in 2016 and although has made a loss it is expected to return to a surplus position in 2016/17. Again the academy is being closely monitored by the trust.

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22. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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 dep- reciation £000	Total 2016 £000	Total 2015 £000
Outwood Academy Adwick	3,859	1,009	427	918	6,213	6,009
Outwood Academy Brumby	2,411	567	205	488	3,671	3,677
Outwood Academy Portland	3,956	647	370	1,229	6,202	6,570
Outwood Academy Ripon	1,969	509	139	496	3,113	2,999
Outwood Academy Valley	5,484	825	419	1,596	8,324	8,350
Outwood Grange Academy	6,374	1,697	539	2,447	11,057	9,817
Outwood Primary Academies Wakefield	2,481	427	136	689	3,733	3,547
Outwood Academy Acklam	3,306	765	424	1,194	5,689	5,585
Outwood Academy City	3,142	835	305	908	5,190	5,388
Outwood Academy Foxhills	2,127	480	201	631	3,439	3,548
Outwood Academy Newbold	3,653	628	294	1,188	5,763	4,041
Outwood Academy Bydales	2,460	340	259	937	3,996	2,345
Outwood Academy Shafton	3,591	752	286	1,755	6,384	3,278
Outwood Grange Academies Trust	2,038	1,511	12	228	3,789	3,519
Outwood Grange Services Ltd	238	139	12	631	1,020	778
Outwood Academy Ormesby	3,192	570	368	915	5,045	-
Outwood Academy Carlton	1,971	402	228	832	3,433	-
Outwood Primary Academies Barnsley	781	108	57	371	1,317	-
	<u>53,033</u>	<u>12,211</u>	<u>4,681</u>	<u>17,453</u>	<u>87,378</u>	<u>69,451</u>

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23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Intangible fixed assets	-	-	213	213	115,292
Tangible fixed assets	-	-	124,307	124,307	204
Current assets	8,053	17,770	20	25,843	22,743
Creditors due within one year	-	(7,386)	-	(7,386)	(6,982)
Provisions for liabilities and charges	-	(38,479)	-	(38,479)	(15,752)
	<u>8,053</u>	<u>(28,097)</u>	<u>124,542</u>	<u>104,498</u>	<u>115,505</u>

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £000	2015 £000
Net income for the year (as per Statement of financial activities)	6,486	8,592
Adjustment for:		
Depreciation charges	4,374	3,658
Dividends, interest and rents from investments	(143)	(140)
Loss on the sale of fixed assets	899	-
Decrease/(increase) in stocks	2	(4)
Increase in debtors	(1,045)	(947)
Increase in creditors	405	1,933
Capital grants from DfE and other capital income	(1,937)	(1,614)
Defined benefit pension scheme obligation inherited	3,975	4,509
Defined benefit pension scheme cost less contributions payable	574	587
Defined benefit pension scheme finance cost	685	503
Net (loss) on assets and liabilities from local authority on conversion	(11,562)	(13,286)
Amortisation	106	75
Net cash provided by operating activities	<u>2,819</u>	<u>3,866</u>

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25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £000	2015 £000
Cash in hand	11,577	9,550
Notice deposits (less than 3 months)	9,643	9,614
Total	<u>21,220</u>	<u>19,164</u>

26. CAPITAL COMMITMENTS

At 31 August 2016 the Trust had capital commitments as follows:

	<u>Trust</u>		<u>Academy trust</u>	
	2016 £000	2015 £000	2016 £000	2015 £000
Contracted for but not provided in these financial statements	-	822	-	822

Although there are several large capital projects planned, nothing has actually been contracted for as at year end. The Trust has entered into the Scape procurement route in order to procure appropriately employed cost consultants and developers for the larger projects which the Trust intends to carry out.

27. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the West Yorkshire Pension Fund (WYPF) (Outwood Grange Academy, Outwood Primary Academy Ledger Lane, Outwood Primary Academy Kirkhamgate and Outwood Primary Academy Lofthouse Gate), the South Yorkshire Pension Fund (SYPF) (Outwood Academy Adwick, Outwood Academy City, Outwood Academy Shafton, Outwood Academy Carlton, Outwood Primary Academy Littleworth Grange and Outwood Primary Academy Darfield), the North Yorkshire Pension Fund (NYPF) (Outwood Academy Ripon), the Nottinghamshire Pension Fund (NPF) (Outwood Academy Portland and Outwood Academy Valley), the East Riding Pension Fund (ERPF) (Outwood Academy Brumby and Outwood Academy Foxhills), the Derbyshire Pension Fund (DPF) (Outwood Academy Newbold) and the Teesside Pension Fund (TPF) (Outwood Academy Acklam, Outwood Academy Bydales and Outwood Academy Ormesby). Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £960,678 were payable to the schemes at 31 August 2016 (2015 - 790,841) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme

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**NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS (continued)

Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £5,167k (2015 - £3,703k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £3,349k (2015 - £2,779k), of which employer's contributions totalled £2,540k (2015 - £2,105k) and employees' contributions totalled £809k (2015 - £674k). The agreed contribution rates for future years are average 16.81% for employers and average 6.5% for employees.

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27. PENSION COMMITMENTS (continued)

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

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.08 %	3.85 %
Rate of increase in salaries	3.42 %	3.81 %
Rate of increase for pensions in payment / inflation	2.00 %	2.27 %
Inflation assumption (CPI)	1.97 %	2.27 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2016	2015
Retiring today		
Males	22.59	22.87
Females	25.29	25.53
Retiring in 20 years		
Males	24.76	24.49
Females	27.71	27.37

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	24,423	16,270
Debt instruments	6,999	4,624
Property	2,988	1,984
Other - user input	-	-
Other - user input	-	-
Other - user input	-	-
Total market value of assets	<u>34,410</u>	<u>22,878</u>

The actual return on scheme assets was £4,953,000 (2015 - £279,000).

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27. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(3,114)	(2,666)
Net interest cost	(685)	(503)
Past service cost	-	(26)
Contributions by employer	2,540	2,105
	<u>(1,259)</u>	<u>(1,090)</u>
Total operating charge	(1,259)	(1,090)
Actual return on scheme assets	<u>4,953</u>	<u>279</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £000	2015 £000
Opening defined benefit obligation	38,215	26,735
Upon conversion	7,720	8,147
Current service cost	3,114	2,666
Interest cost	1,721	1,295
Contributions by employees	809	674
Actuarial losses/(gains)	21,394	(1,118)
Past service costs	-	26
Benefits paid	(499)	(209)
Administration expenses	-	(1)
	<u>72,474</u>	<u>38,215</u>
Closing defined benefit obligation	72,474	38,215

Movements in the fair value of the Trust's share of scheme assets:

	2016 £000	2015 £000
Opening fair value of scheme assets	22,878	16,392
Upon conversion	3,745	3,638
Return on plan assets (excluding net interest on the net defined pension liability)	1,052	1,207
Actuarial gains and (losses)	3,901	(928)
Contributions by employer	2,540	2,105
Contributions by employees	809	674
Benefits paid	(499)	(209)
Administration expenses	(16)	(1)
	<u>34,410</u>	<u>22,878</u>
Closing fair value of scheme assets	34,410	22,878

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**NOTES TO THE FINANCIAL STATEMENTS
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28. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£000	£000
Trust and Academy trust		
Amounts payable:		
Within 1 year	29	4,202
Between 2 and 5 years	205	15,423
After more than 5 years	85,462	54,100
Total	85,696	73,725

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**NOTES TO THE FINANCIAL STATEMENTS
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29. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

	2016	2015
	£000	£000
Recharge of support costs - Outwood Grange Services Ltd	198	153
Gift Aid Donation - Outwood Grange Services Ltd to OGAT	264	12
Recharge of staff time from OGAT to Humber UTC	223	72
Recharge of staff time from Outwood Academy Foxhills to Humber UTC	19	-
Prince's Trust - Sir Thomas Wharton XL club	1	2
Balance owed to OGSL at 31 August 2016	5	-

The gift aid payment from OGSL to OGAT of £264k includes £200k that was paid before 31 August 2016 with £64k remaining owing at year end included in accruals and deferred income. Included in trade creditors of OGAT is an amount owing to OGSL at year end of £5k. Included within trade debtors of OGSL at year end is the same amount owing from OGAT of £5k.

The Trust has been working with Humber UTC to support them in their first years of operating. The Trust has a representative on the Humber UTC board in Julie Slater under her National Leader of Education role. An agreed NLE school improvement contract has been drawn up between the Trust and Humber UTC and charges, at-cost, are made for staff time spent supporting the Humber UTC.

The trust has a director (Mr Ralph Pickles) who is also a Member of Prince's Trust NE Development Committee. The director has no financial interest in any arrangements between the trust and Princes Trust.

30. POST BALANCE SHEET EVENTS

On 1st September 2016, Outwood Academy Danum (formerly Danum Academy) joined Outwood Grange Academies Trust.

On 1st November 2016 Outwood Academy Bishopsgarth (formerly Bishopsgarth School) joined Outwood Grange Academies Trust.

31. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding
Outwood Grange Services Ltd	England.	100

The wholly owned trading subsidiary Outwood Grange Services Limited is incorporated in the United Kingdom (company number 07844668). The company provides educational support services and makes a donation each year to Outwood Grange Services Limited under the gift aid scheme.

A summary of the trading results is shown below.

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Outwood Grange Services Limited made a net deficit for the year of £1k, after a gift aid donation of £264k to Outwood Grange Academies Trust. Outwood Grange Services Limited had capital and reserves at the end of the year of £1k.

Consolidation of Subsidiary undertaking

	2016	2015
	£000	£000
Turnover	1,019	920
Cost of Sales	(1,020)	(921)
	<hr/>	<hr/>
Profit / (loss) for the year	(1)	(1)
	<hr/>	<hr/>

Consolidation of Subsidiary undertaking

	2016	2015
	£000	£000
Debtors	81	-
Creditors	(325)	(261)
Cash	244	261
Fixed Assets	1	2
	<hr/>	<hr/>
Total	1	2
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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32. CONVERSION TO AN ACADEMY TRUST

Along with the analysis below, there was also £11k of unrestricted funds and £4k of other fixed assets transferred from Kirkhamgate preschool. The preschool is now part of Outwood Primary Academy Kirkhamgate. Previously the results of the preschool were not consolidated into the accounts as it was considered immaterial.

On 1 September 2015 the Ormesby School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Outwood Grange Academies Trust Ltd from the Ormesby School Academies Trust for £nil consideration.

On 1 February 2016 Carlton Community College converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Outwood Grange Academies Trust Ltd from the Barnsley MDC for £nil consideration.

On 1 April 2016 Darfield Primary and Littleworth Grange Primary become part of OGAT. Darfield and Littleworth Grange were already academies under the sponsorship of Navigate Academies Trust. The two academies and all their operations and assets and liabilities were transferred to Outwood Grange Academies Trust Ltd from the Navigate Academies Trust for £nil consideration.

The transfers have been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net [gain/loss] in the Statement of Financial Activities as Donations – transfer from local authority on conversion/ Charitable activities – transfer from local authority on conversion.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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32. CONVERSION TO AN ACADEMY TRUST (continued)
Assets Transferred on Conversion

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Outwood Academy ORMESBY				
Freehold land & buildings	-	-	10,875	10,875
Other fixed assets	-	-	168	168
Deficit on funds	35	-	-	35
LGPS pension deficit	-	(821)	-	(821)
Outwood Academy CARLTON				
Leasehold land & buildings	-	-	-	-
Other fixed assets	-	-	25	25
Surplus on LA Funds	8	-	-	8
LGPS pension deficit	-	(1,862)	-	(1,862)
Outwood Primary Academy DARFIELD				
Leasehold land & buildings	-	-	-	-
Other fixed assets	-	-	18	18
Surplus on Funds	34	-	-	34
LGPS pension deficit	-	(358)	-	(358)
Outwood Primary Academy LITTLEWORTH GRANGE				
Freehold land & buildings	-	-	-	-
Other fixed assets	-	-	142	142
Surplus on Funds	264	-	-	264
LGPS pension deficit	-	(934)	-	(934)
Total	341	(3,975)	11,228	7,594

33. MEMBERS' LIABILITY

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

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34. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the trust received £180k and disbursed £121k from the fund. An amount of £73K is included in other creditors relating to undistributed funds that is repayable to EFA.

Outwood Grange Services Ltd acts as an agent in respect of grant funds from the NCTL for school to school support and maths hub projects. In the year ended 31 August 2016 the trust received £92k of income and dispersed £120k with £4k recognised as income in the SOFA. An amount of £54k is included in other creditors relating to undistributed funds.

35. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £000	31 August 2015 £000
Total funds under previous UK GAAP		106,723	115,505
Total funds reported under FRS 102		<u>106,723</u>	<u>115,505</u>

Reconciliation of net income	Notes	31 August 2015 £000
Net income previously reported under UK GAAP		9,048
FRS102 Pension current service costs	A	(41)
FRS102 Pension interest on scheme liabilities	B	(415)
		-
Net movement in funds reported under FRS 102		<u>8,592</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Change in prior year current service costs charged to pension scheme under FRS102
B	Change in prior year interest charged to pension scheme under FRS102