

Registered number: 06995649 (England and Wales)

OUTWOOD GRANGE ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



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OUTWOOD GRANGE ACADEMIES TRUST
REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

Members

Outwood Grange Education
Mr Roland Harden
Mr David Earnshaw, CBE
Mr Steven Harness

Trustees

Mr Christopher Dalzell, Trustee
Mr David Earnshaw, CBE, Chair of Trustees
Mrs Sue Hague, Trustee
Mr Roland Harden, Vice Chair of Trustees
Mr Martyn Oliver, Ex Officio Trustee and Chief Executive/Accounting Officer
Mr Ralph Pickles, Trustee

Company registered number

06995649 England and Wales

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 and Accounting Officer
Julie Slater, NLE, Chief Executive Principal, Secondary
Lee Wilson, NLE, Chief Executive Principal, Primary
Katy Bradford, Company Secretary and Chief Operating Officer
Ben Waterman, CIMA, Chief Financial Officer
Dr Philip Smith, NLE, Executive Principal
Carolyn Blundell, NLE, Associate Executive Principal
Jane Clayton, Associate Executive Principal
Paul Sorby, Executive Director Curriculum
Mark Hassack, NLE, Associate Executive Principal
Lynn James, Associate Executive Principal
Sabiha Laher, Associate Executive Principal
Andrew Wappat, NLE Associate Executive Principal
Ian Cooper, SLE, Executive Director Science

Senior management team (continued)

Kathryn Greenhalgh, SLE, Executive Director Maths
Emma Rennison, Executive Director of the OIE
Ted Snell, SLE, Executive Director English
Laura Calton, Communications and Compliance Officer
Amie Gyte, Executive Officer
Victoria Weatherall Executive Officer
Lisa Lewis, Director of Executive Services
Alison Lister, Director of Business Services
Andrea Wooffindin, ACA, Assistant Finance Director
Sir Michael Wilkins, NLE, Founding CEO
Angela Hull, NLE, Lead Principal
Cara Ackroyd, Principal
Lisa Allott, Principal
David Cavill, Principal
Andrew Downing, Principal
Laura Eddery, Principal
Elizabeth Ford, Principal
Jayne Gaunt, Principal
Paul Haynes, Principal
Alexandra Howe, Principal
Gemma Kilner, Principal
Victoria Kirkman, Principal
John Stephen Merifeld, Principal
Alyson Million, Principal
Steven Roberts, Principal
Toby Rutter, Principal
Jaqueline Savage, Principal
Gavin Swinscoe, Principal
Rachel Smith, Principal
Angela Sweeten, NLE, Principal
Gemma Trattles, Principal
Matthew Vickers, Principal
Karen Wakefield, Principal
Louise Ward, Principal
Emma Abbott, Associate Principal
Donna Burnett, Associate Principal
Rachael Skirrow, Associate Principal
Melissa Brant-Smith, Associate Principal
Darren Smith, Associate Principal

Independent Auditors

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

Bankers

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

Solicitors

Browne Jacobson LLP, Mowbray House, Castle Meadow Road, Nottingham NG2 1BJ

INTRODUCTION

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the year ended 31 August 2018. 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 46 to 52 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), (SORP 2015).

The Trust currently operates ten primary and twenty-one secondary academies across the East Midlands, Yorkshire and Humber and North East of England.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a Charitable 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 19 August 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 (OGAT). In addition, each academy may also be referred to by their individual name e.g. Outwood Academy Acklam and the Trust's trading subsidiary, Outwood Grange Services Limited trades as the Outwood Institute of Education.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

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. There are no indemnities awarded to any members or Trustees.

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 and Skills Funding Agency ("ESFA").

Method of Recruitment and Appointment of Trustees

The number of Trustees of the Charitable Company shall not be less than 3 but (unless determined by ordinary resolution) shall not be subject to any maximum. The articles of association permit the sponsor body to appoint Trustees through such processes as it may determine and sets out the categories of Trustees and this includes the following:

The Principal Sponsor (Outwood Grange Education)

The Chief Executive/Accounting Officer

Up to eight Sponsor Trustees

Parent Trustees (elected by parent members of the Academy Councils)

One Trustee appointed by the Secretary of State in the event that such a Trustee is required

Any additional Trustees appointed by the Secretary of State

Up to two Trustees, 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 Charitable Company to terminate that relevant funding agreement.

The Principal Sponsor may appoint up to three co-opted Trustees

The number of Trustees who are employees of the Charitable Company shall not exceed one third of the total number of Trustees including the Chief Executive

The Principal Sponsor shall appoint the Sponsor Trustees and may appoint co-opted Trustees

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new Trustees will be given the opportunity to have a tour of all the academies and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans, the governor handbook and other documents, including the Academies Financial Handbook and governor/director guidance documentation from the DFE/ESFA that they will need to undertake their role as Trustees.

Continuous Professional Development is undertaken throughout the year to ensure that Trustees are able to challenge and hold the Executive Board and Executive Team to account. The Board of Trustees have completed their annual skills audit in order to identify any significant skills gaps within the Board.

Organisational Structure

The management structure consists of six levels: the Members, the Board of Trustees, the Academy Councils, the Executive Board, the Executive Team and the Senior Leadership Teams within each academy. The aim of the management structure is to devolve responsibility via the Scheme of Delegation and encourage involvement in decision making at all levels. Terms of Reference for these groups are published alongside the Scheme of Delegation to ensure that at all levels people are clear about their responsibilities.

The members meet annually to review the performance of the Trust and ensure that the Trustees are working within the articles of association. The members review the board skills audit to address any deficiency in governance.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of results and budgets, monitoring and managing risks 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 Board is made up of the: Chief Executive Officer & Accounting Officer, Chief Operating Officer, Chief Financial Officer, Chief Executive Principal – Secondary and Chief Executive Principal – Primary supported by the Director of Executive Services, Executive Director of Curriculum and the Communications and Compliance Officer. The Executive Team consists of the above Executive Board and the following executives: Executive Principal, six Associate Executive Principals, Executive Director of the Outwood Institute of Education, Director of Business Services, Assistant Finance Director, Executive Directors of: English, Maths, Science and SEND, the Communication and Compliance Officer and the Executive Officer to the Chief Operating Officer.

Academy Senior Leadership Teams vary depending on the size of the academy but typically consist of the: Principal, Vice Principal(s), Assistant Principals and a further team, appointed under OGAT's 'Deep Leadership' model, of Associates. This team also consists of Academy Business Managers, Finance Managers and the Personal Assistant to the Principal.

The above leaders and managers control the individual academies at an executive/principal level implementing the policies laid down by the Trustees 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 Board always contain a Trustee.

The senior management team is listed in the reference and administrative details on page 3 and 4 and is considered by the Board to be the level of Principal / Associate Executive Principal / Executive Director and above.

Arrangements for setting pay and remuneration of key management personnel

The process for establishing the remuneration of the Executive Team and Principals is set out in the Trust's Pay Policy which has been consulted on with our recognised trade unions as follows:

Chief Executive, Chief Executive Principals, Executive Principals, Associate Executive Principals, and Principals

- 8.1 For the Chief Executive, Chief Executive Principals, Executive Principals and Associate Executive Principals, OGAT will assign a seven point Individual Pay Range having regard to the complexities and responsibilities of the post, in particular the financial and resources responsibilities, the "category" of schools/academies we are supporting and to market factors for jobs of a similar status/responsibility.*
- 8.2 For a Principal, OGAT will assign a seven point range having regard to the school group size. OGAT will ensure that there is no overlap of salary bands between the Principal and other leadership posts.*
- 8.3 On appointment the Chief Executive/Chief Executive Principals/Executive Principal/Associate Executive Principal/Principal will be appointed on one of the first 4 points on the range.*
- 8.4 Progression on the range for the Chief Executive/Chief Executive Principals/Executive Principal/Principal will be subject to:*
 - A review of the performance set against the annual performance management review.*
 - It should be noted that any significant concern(s) about standards of performance must have been raised in writing with the member of staff during the annual performance management cycle and*

sufficiently addressed through appropriate support provided by the Trust/academy if the review is to be judged unsatisfactory.

- *Satisfactory compliance with Teachers' Standards, as demonstrated through the performance management process*
- *The National Standards of Excellence for Head teachers will also inform the performance management process for the Chief Executive/Chief Executive Principals/Executive Principal/Principal.*

8.5 *The pay reviews will be carried out in line with the Scheme of Delegation, as follows:*

1. *For the Chief Executive a panel of 2 Board members*
2. *For the Chief Executive Principal by the Chief Executive*
3. *For the Executive Principal by the Chief Executive and the Chief Executive Principal*
4. *For the Principal by the Executive Principal and/or the Chief Executive Principal.*

In each case the person(s) responsible for the pay review will make recommendations to the OGAT Board.

8.6 *The Trust may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional or not award an increment.*

8.7 *Where performance is not at the required level this will be addressed through OGAT's Performance Management process and possibly Capability Procedure.*

8.8 *The pay review will be completed by the 31st of December*

8.9 *Where progression has been refused they will be advised of the reasons and given the opportunity to appeal against the decision made. Staff development will also be provided to enable the member of staff to meet the standards required.*

8.10 *OGAT will ensure that reasons for setting the range at a given level are recorded and that the process for the determination of the Chief Executive/Chief Executive Principal/Executive Principal/Principals' salary/grade is fair and transparent.*

Memo: Trustees are not remunerated.

The scheme of delegation requires that any pay recommendations for staff earning over £60,000 must be approved by the Board on the recommendation of the Finance and Resources Committee. Performance management reviews are conducted by the board for the CEO and then, through the Scheme of Delegation, 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 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 and other sectors.

The Board of Trustees take great care to ensure the public obtain value of money from the personnel appointed within the Trust and are attentive to excessive levels of pay. The Board and in turn the CEO, have created a climate of pay restraint and wish to report that the Chief Executive Officer and the highest paid executives have voluntarily foregone any annual uplift of salary as set out by the School Teachers Review Body since 2013. Furthermore, the CEO, although having met his performance management targets and entitled to progression under the salary scale, voluntarily rejected an uplift for the second year running and along with the Chief Executive Principal - Secondary voluntarily and under their own volition asked for their salary scales to be significantly reduced.

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Remuneration is a key function of the Trust's Finance and Resources Committee. This Committee meets regularly to consider the pay of senior employees and to ensure that pay follows an evidence based process and reflects individuals' roles and responsibilities. In considering executive pay, the committee benchmarks against external data available, including cost per pupil, cost per academy and ratio to lowest paid employee.

Trade union facility time

Facility time publication legislation requires public sector employers with more than 49 full-time equivalent employees to publish information every year about their usage and spend on trade union facility time. Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities).

The Trust meets its statutory obligations to provide facility time to trade union representatives by pooling resources with other schools and academies within the various local authorities in which the Trust's academies are located, to cover the time spent by trade union representatives across a number of different employers.

The Trust currently pays into facility time arrangements in the following local authorities:

• Derbyshire	• Redcar and Cleveland
• Sheffield	• Stockton-on-Tees
• Wakefield	• Doncaster
• Middlesbrough	• North Lincolnshire
• Nottinghamshire	• North Yorkshire

The Trust also has four academies in another local authority area, which does not allow academies to pay into the facilities time arrangements. The Trust therefore publishes facility time information as the total cost of contributions to pooled facility time expressed as a percentage of the total pay bill for the relevant period.

The first publication is for the period 1 April 2017 - 31 March 2018, when the Trust spent 0.06% of the total pay bill on facility time. This information has also been published on the Cabinet Office's facility time online reporting service.

However, for the purposes of the Trust's accounts, the period from 1 April 2018 – 31 August 2018 also must be accounted for. During this period of time, the Trust took on a further 7 academies. From May 2018, as well as paying into pooled facility time arrangements where possible, the Trust also had two employees who have been provided with time (i.e. full days) to undertake trade union duties. This time is recharged and paid for by the relevant Trade Union.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1 April 2017 - 30 April 2018	13
1 May 2018 - 31 August 2018	16

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Percentage of time spent on facility time

Percentage of time	Number of employees
0%	14
1%-50%	1
51%-99%	0
100%	1

Percentage of pay bill spent on facility time

Total cost of facility time	£97k
Total pay bill	£64.6m

The percentage of the total pay bill spent on facility time for the year was 0.15%

Paid trade union activities

The only period in which time was spent on paid trade union activities for the purposes of this report was from 1 May 2018 – 31 August 2018.

During this period two employees were employed as trade union representatives, with a total time of 1.2 FTE

Related Parties and other Connected Charities and Organisations

The Trust applies the policy of 'at-cost' and full disclosure of any related-party transactions, which are summarised below. It is the Trust's intention to keep any related-party transactions to a minimum unless they represent greater value for money than the alternative. This financial year they consist of £2k in fees paid to the Confederation of School Trusts (CST), formally known as FASNA. CST is the national organisation and sector body for school trusts in England advocating for, connecting and supporting executive and governance leaders. The Chief Executive of OGAT is also an unremunerated Director of CST.

During the year the Trust made the following recharges to Outwood Grange Services Limited, a wholly owned subsidiary company with a number of Trustees in common. No Directors, Trustees or senior management receive any additional compensation or a second salary as a result of this arrangement. The principal activity of Outwood Grange Services Limited was educational support services. During the year £88k (2017 £153k) recharge of costs were processed and at the year-end a balance of £1k (2017 £1k) was due to Outwood Grange Services Limited.

During the year Outwood Grange Services Limited made a gift aid donation of £100k (2017: £154k) to OGAT with none of this balance outstanding at the year-end (2017 £154k).

The Trust is also a part of a MAT group called The Northern Alliance of Trusts, a collaboration between 5 Multi-Academy Trusts to work on school-to-school support. This partnership is described for transparency, transactions with member trusts are carried out at cost but do not meet the definition of related party transactions.

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 Trustees 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 2018 are summarised in the table below which also shows performance against the objectives:

Objective	Performance
To ensure that every child enjoys the same high quality in terms of resourcing, tuition and care.	<p>Four OGAT academies were inspected under the Ofsted framework during 2017/18 academic year, as follows:</p> <ul style="list-style-type: none"> • Newbold - Good with Outstanding Leadership (from Special Measures) • Shafton - Good (from Special Measures) • Bydales - Outstanding (from Special Measures) • Ledger Lane - Good - section 8 and returning to carry out full section 5 inspection (from Good) <p>And in the previous year 2016/17:</p> <ul style="list-style-type: none"> • City – Requires Improvement with Good Leadership (from Special Measures) • Valley – Outstanding in all areas (from Good and was a Notice to Improve on joining OGAT in 2012) • Ormesby – Good (from Special Measures) <p>The Trust in summary is as follows:</p> <ul style="list-style-type: none"> • Out of the ten sponsored primary academies, one is Ofsted Outstanding, three are good and six await their first inspection as new academies. • Out of the twenty-one sponsored secondary academies, seven are Ofsted Outstanding, four are Good with Outstanding Leadership, two are Good, one is Requires Improvement with Good Leadership and seven are awaiting their first inspection. • Of the primaries and secondaries inspected, 94% are Good or better (Ofsted national data as at 31 August 2018 states that 86% of state funded schools are judged as Good or better). <p>Primary and secondary academy headline results in 2018 in comparison to their starting point prior to being sponsored by OGAT are provided below.</p>
To raise the standard of educational achievements of all pupils.	<p>In addition to the educational achievements obtained through public examinations (see results table below), the Trust launched a new three year Sustained Improvement Plan at the end of the 2017 academic year which is available on the Trust's website. Briefly, the plan sets out four broad aims for the Trust's development: 1) Raising standards and transforming lives, 2) Developing capacity and productivity, 3) Oversight and communication which is fit for purpose and 4) Leading system improvement.</p>

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<p>To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review.</p>	<p>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. The major development of the organisational structure in 2017/18 was the further development of the estates team and creation of an Associate Executive Principal in the Primary sector to manage the growth of primaries from five to ten.</p> <p>Using the Trust's long established curriculum led financial planning (CLFP) tools, the following Trust weighted averages were achieved in 2017/18:</p> <ul style="list-style-type: none"> • Contact ratio of 0.80 (2016/17 0.80) • Curriculum bonus of 5.5% (2016/17 7.8%) <p>The CEO, in his duty as a system leader, is an advisory council member of the group, Parents & Teachers for Excellence which promotes the development of a Knowledge Rich Curriculum amongst other things and this development is at the core of the Trust's sustained improvement plan. Furthermore, the CEO is also a Director of the Confederation of School Trusts (CST) - a national organisation and sector body for school trusts in England, an ambassador for the Careers & Enterprise Company and an Education Board Advisor for Ambition Schools Leadership (ASL).</p>
<p>To provide value for money for the funds expended.</p>	<p>At every board meeting the Trustees review the performance of the Trust to ensure that it is productive and test value for money against outcomes achieved. A value for money statement is included within these accounts.</p>
<p>To comply with all appropriate statutory and curriculum requirements.</p>	<p>All OGAT academies inspected by Ofsted during the current or previous academic years met all curriculum requirements against the Ofsted inspection framework.</p>
<p>To maintain close links with industry and commerce.</p>	<p>The Chief Executive Officer and a Trustee of the Trust are ambassadors for the Careers & Enterprise Company and seek opportunities to engage employers in the work of the Trust. Through procuring external contractors, Careers Inc, to provide careers education, information, advice & guidance (IAG), the Trust ensures impartial IAG and has further links with industry. In addition, through our Future Generation project in Tees Valley and projects like the Cutlers' Company and HEPPSY (Higher Education Plus Programme South Yorkshire), the Trust offers numerous opportunities for students to engage with employers. The Trust also undertakes exploration with a number of industry leaders to discuss the role of academies in producing an effective and highly skilled workforce. Discussions are now continuing to look at the development of high quality apprenticeships covering a wide range of industry sectors.</p>
<p>To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.</p>	<p>The Trust articulates this expectation to all its staff through its vision and values which are described in this report. All staff and governors are expected to uphold the Nolan principles. The scheme of delegation and key financial controls that the Trust operates ensure that this ethos is realised in its day-to-day operations. An assessment of this is provided by Internal audit who also provide an opinion and assurance on the effectiveness of the controls in place. The Trust has appointed RSM to perform the internal audit function in order to provide the expertise and independence required.</p>

Objectives, Strategies and Activities

Objectives:

The objectives and aims for 2018/19 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 the Trust is able to generate a positive financial outturn at the end of each financial year through efficient and effective curriculum led financial planning; and
- To progress against each of the areas identified in the Trust's Sustained Improvement Plan with a particular emphasis in 2018/19 of embedding our Knowledge Rich Curriculum and reducing the behaviours which lead to student fixed term exclusions (suspensions).

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

The values of our Trust:

Outwood Grange Academies Trust is a charitable company which sponsors primary and secondary academies. We are fortunate that our past performance has been recognised nationally and that we are regarded as one of the highest performing Multi-Academy Trusts and one of the highest performing family of schools in the North of England. OGAT was one of the first Multi-Academy Trusts having first sponsored academies back in 2009 and prior to this having a number of years' experience in running and supporting schools under National Leaders of Education (NLE) contracts. As such we have developed, and continue to develop, our model for school improvement which is focussed on creating a collaborative, pedagogical model which has 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 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 communities in which we work.

We pride ourselves in meeting the needs of all children in our care, including those who are most vulnerable or indeed challenging. These groups of students are a priority to us and we work closely with parents/carers in helping to raise their children's self-esteem, resilience and subsequent achievement and attainment. We understand that by significantly raising attainment, instilling high standards of behaviour within a caring and safe environment that we will improve social mobility and provide children with life-choices and life-chances - a vulnerable child will remain vulnerable for life without this core entitlement. We are committed to helping our students go on to achieve meaningful employment.

We have always had excellent working relationships with trade 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. Importantly, we care as much about the results and outcomes of children in our newest academies as we do for those in our first academy. In order to effect a sustainable transformation for the communities which we serve we will always seek to work with other local education providers and in particular the primary schools which feed in to our secondary academies 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 areas we serve by placing an outstanding school at the heart of the community.

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 selective in our admissions: we are fully inclusive and welcome children from vulnerable groups, e.g. 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.

Outwood Grange Academies Trust's ambition is to have a family of inclusive academies in the heart of their communities where all children are cared for and where standards are raised and lives transformed.

Strategies:

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: creating a collaborative culture. We place efficacy at the heart of our decision-making;
3. A curriculum which is both fit for purpose academically and financially;
4. A recognition and understanding that we work within accountability frameworks: Academies Financial Handbook, National Schools Commissioner/Regional Schools Commissioner, Ofsted, Department for Education, Education and Skills Funding Agency etc. and that we must adhere to the highest standards of public office; and
5. A scheme of delegation which enables responsibility to sit with those who are accountable.

The 7 strand transformation model:

All of the strands of transformation are delivered concurrently: each relies upon the others to facilitate school improvement at pace. These strands are:

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

Systematic school improvement within OGAT is achieved through the implementation of this transformation model. We have conscientiously developed an efficacious 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 develop the entire Trust: we are a family of schools.

In order to maintain a balance between the systematic approaches 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. All academies, whether old or new to our Trust, continuously develop our model and also create new innovative ways of working. It is our collective corporate responsibility to ensure that this evidence-based best practice is shared across the family of schools so that all of our children can benefit.

The transformation model is also used to undertake our Due Diligence: the lines of enquiry which afford us the opportunity to both understand the context of a school which may join our Trust and, importantly, allow us to produce a development plan detailing how the transformation model will be best implemented.

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.

Activities:

Nine new academies were sponsored by the Trust during the period 2017/18: Outwood Academy Redcar, Outwood Primary Academy Greystone, Outwood Academy Easingwold, Outwood Academy City Fields, Outwood Academy Freeston, Outwood Academy Hemsworth, Outwood Primary Academy Park Hill, Outwood Primary Academy Newstead Green and Outwood Primary Academy Bell Lane. Outwood Junior Academy Brumby was sponsored on the 1 September 2018, outside of this accounting period but sponsored by the Trust at the time of writing this report.

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 Charitable 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 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 Academy is a National Teaching School National Support School and the lead Teaching School within the Trust's multi-hub Teaching School Alliance, the Outwood Institute of Education (there are currently six Teaching Schools within the Trust). 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 National Support 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 OGAT 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 National Support 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 National Support 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. The provisional Progress 8 score places it as the highest performing school in Nottinghamshire.

Outwood Academy Valley

Outwood Academy Valley is a National Teaching School National Support School. In May 2017, the academy was inspected by Ofsted and was graded as Outstanding in all areas having previously been in a category of concern prior to joining OGAT. The provisional Progress 8 score places it as the second highest performing school in Nottinghamshire.

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 National Support 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 OGAT on 1st December 2012. It was inspected by Ofsted in 2018 and judged to be Good in a short inspection and Ofsted have declared that they will return to conduct a full inspection.

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. In November 2017, Ofsted graded the academy as Good with Outstanding leadership.

Outwood Academy Bydales

Outwood Academy Bydales joined the Trust in February 2015. The previous school was in special measures. In January 2018, Ofsted conducted their first full inspection of the academy and graded it as Outstanding in all areas.

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. In January 2018, Ofsted graded the academy as Good in all areas.

Outwood Academy Ormesby

Outwood Academy Ormesby joined the Trust on 1 September 2015. The previous school was inadequate. In June 2017, Ofsted graded the academy as Good.

Outwood Academy Carlton

Outwood Academy Carlton joined the Trust on 1 February 2016 and achieved record results last year. The school, under OGAT's leadership, obtained Good before sponsorship to academy status and awaits its first Ofsted inspection.

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". No further inspections have taken place since conversion and it awaits its first inspection under OGAT.

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. Danum was judged by Ofsted to Require Improvement. No further inspections have taken place since conversion.

Outwood Academy Bishopsgarth

Outwood Academy Bishopsgarth joined the Trust on the 1 November 2016, and was judged by Ofsted to Require Improvement. No further inspections have taken place since conversion.

Outwood Academy Redcar

Redcar Academy converted to an OGAT academy on 1st October 2017, prior to this, Redcar had been receiving support from OGAT under a National Leader of Education contract since 2015. Redcar had an Ofsted rating of Requires Improvement prior to sponsorship and awaits its first inspection under OGAT.

Outwood Primary Academy Greystone

Greystone had been receiving support from OGAT under a National Leader of Education contract since June 2017 and converted to an OGAT academy on the 1st January 2018. Greystone was in Ofsted Special Measures prior to sponsorship and awaits its first inspection under OGAT.

Outwood Academy Easingwold

Easingwold had been receiving support from OGAT under a National Leader of Education contract since June 2017 and converted to an OGAT academy on 1st April 2018. Easingwold was in Ofsted Special Measures prior to sponsorship and awaits its first inspection under OGAT.

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. There are 6 Teaching Schools within the Trust: Outwood Grange Academy, Outwood Primary Academy Kirkhamgate, Outwood Academy Portland, Outwood Academy Acklam, Outwood Academy Ripon and Outwood Academy Adwick. There are 3 National Support Schools: Outwood Academy Bydales, Outwood Academy Foxhills and Outwood Academy Valley. Our School Direct provision is led by 3 academies with links to their regional universities: Outwood Grange Academy (Sheffield Hallam University), Outwood Primary Academy Kirkhamgate (Leeds Beckett University) and Outwood Academy Acklam (Durham University). Two academies act as the appropriate body for Newly Qualified Teachers accreditation: Outwood Academy Portland and Outwood Primary Academy Kirkhamgate. We host the Yorkshire & Humber Maths Hub via Outwood Grange Academy and recently been designated as an English Hub (Outwood English Hub) at Outwood Primary Academy Lofthouse Gate.

During the year six academies transferred from Wakefield City Academies Trust to OGAT and await their first inspections under OGAT. The dates of transfer and Ofsted rating prior to OGAT sponsorship are listed below:

Outwood Primary Academy Bell Lane	1 st April 2018	Good
Outwood Primary Academy Park Hill	1 st April 2018	Requires Improvement
Outwood Primary Academy Newstead Green	1 st May 2018	Requires Improvement
Outwood Academy Freeston	1 st May 2018	Requires Improvement
Outwood Academy Hemsworth	1 st May 2018	Requires Improvement
Outwood Academy City Fields	1 st July 2018	Outstanding

OUTWOOD GRANGE ACADEMIES TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

ACHIEVEMENTS AND PERFORMANCE AND KEY PERFORMANCE INDICATORS

Secondary Academies

The total numbers of students in secondary academies for the year ended 31 August 2018 were as follows (2015/16 and 2016/17 figures are shown for comparative purposes):

Secondary Academy	2017/18	2016/17	2015/16
Years 7-11			
Outwood Grange Academy	1,792	1,783	1,786
Outwood Academy Adwick	994	967	920
Outwood Academy Brumby	714	657	628
Outwood Academy Portland	1,170	1,056	987
Outwood Academy Ripon	632	555	459
Outwood Academy Valley	1,385	1,342	1,419
Outwood Academy Acklam	1,066	958	868
Outwood Academy City	995	945	914
Outwood Academy Foxhills	576	546	564
Outwood Academy Bydales	755	713	729
Outwood Academy Newbold	790	767	788
Outwood Academy Shafton	1,096	1,023	978
Outwood Academy Ormesby	742	682	680
Outwood Academy Carlton	862	773	754
Outwood Academy Danum	966	1,020	-
Outwood Academy Bishopsgarth	475	537	548
Outwood Academy Easingwold	663	-	-
Outwood Academy Redcar	498	-	-
Post 16: Years 12-13			
Outwood Grange Academy	290	331	314
Outwood Academy Adwick	98	131	163
Outwood Academy Portland	155	191	225
Outwood Academy Ripon	27	40	54
Outwood Academy Valley	176	213	192
Outwood Academy Newbold	92	118	116
Outwood Academy Danum	159	238	-
Outwood Academy Easingwold	95	-	-

OUTWOOD GRANGE ACADEMIES TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The headline examination results for the 2017/18 academic year are summarised as follows:

Secondary Academy	Passing English & Maths (C+/4+)	
	2017/18	2016/17
Outwood Grange Academy	84%	84.5%
Outwood Academy Adwick	66%	64.2%
Outwood Academy Brumby	75%	68.0%
Outwood Academy Portland	77%	79.5%
Outwood Academy Ripon	76%	76.5%
Outwood Academy Valley	81%	79.7%
Outwood Academy Acklam	64%	62.1%
Outwood Academy City	67%	69.1%
Outwood Academy Foxhills	62%	71.7%
Outwood Academy Bydales	89%	85.2%
Outwood Academy Newbold	75%	73.2%
Outwood Academy Shafton	58%	60.8%
Outwood Academy Ormesby	62%	54.8%
Outwood Academy Carlton	62%	67.8%
Outwood Academy Bishopsgarth	52%	45.0%
Outwood Academy Danum	67%	61.1%
Outwood Academy Easingwold	86%	-
Outwood Academy Redcar	67%	-

Attendance

Secondary Academy	Attendance Levels			Unauthorised Absence		
	2017/18	2016/17	2015/16	2017/18	2016/17	2015/16
Outwood Grange Academy	94.7%	95.2%	95.4%	1.5%	1.0%	1.3%
Outwood Academy Adwick	91.0%	91.0%	93.1%	4.4%	3.6%	3.3%
Outwood Academy Brumby	93.2%	92.9%	93.6%	3.5%	3.9%	1.9%
Outwood Academy Portland	94.7%	94.1%	94.5%	2.1%	1.9%	2.0%
Outwood Academy Ripon	94.7%	94.0%	95.5%	1.0%	1.2%	0.8%
Outwood Academy Valley	95.5%	94.7%	95.6%	1.7%	1.5%	1.3%
Outwood Academy Acklam	94.1%	93.3%	93.6%	2.8%	2.8%	2.1%
Outwood Academy City	92.1%	90.5%	90.4%	4.4%	4.6%	9.3%
Outwood Academy Foxhills	93.6%	93.8%	94.6%	2.2%	2.1%	2.2%
Outwood Academy Bydales	96.2%	95.2%	95.2%	1.3%	1.1%	1.6%
Outwood Academy Newbold	94.1%	92.9%	95.1%	2.1%	2.2%	4.1%
Outwood Academy Shafton	90.4%	91.3%	93.1%	4.1%	6.9%	4.5%
Outwood Academy Ormesby	91.5%	91.0%	90.0%	3.4%	4.0%	4.3%
Outwood Academy Carlton	91.9%	91.7%	93.7%	3.4%	4.4%	6.3%
Outwood Academy Danum	91.1%	90.2%	93.7%	6.2%	5.3%	6.3%
Outwood Academy Bishopsgarth	90.5%	89.0%	93.7%	3.0%	4.0%	6.3%
Outwood Academy Easingwold	94.1%	-	-	0.4%	-	-
Outwood Academy Redcar	94.5%	-	-	2.7%	-	-

OUTWOOD GRANGE ACADEMIES TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

Primary Academies

The total numbers of students in primary academies for the year ended 31 August 2018 were as follows (2016/17 figures are shown for comparative purposes):

Primary Academy	2017/18	2016/17
Years Nursery - yr6		
Outwood Primary Academy Kirkhamgate	176	134
Outwood Primary Academy Ledger Lane	322	242
Outwood Primary Academy Lofthouse Gate	434	421
Outwood Primary Academy Darfield	177	186
Outwood Primary Academy Littleworth	408	417
Outwood Primary Academy Greystone	165	-

The percentages of students achieving expected standard+ at Key Stage 2 results for the 2017/18 academic year are summarised as follows:

Primary Academy	Reading	Reading	Writing	Writing	Maths	Maths
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
Outwood Primary Academy Kirkhamgate	84%	71%	96%	60%	92%	83%
Outwood Primary Academy Ledger Lane	70%	76%	89%	61%	89%	85%
Outwood Primary Academy Lofthouse Gate	93%	82%	93%	76%	92%	88%
Outwood Primary Academy Darfield	76%	68%	96%	52%	92%	79%
Outwood Primary Academy Littleworth	76%	56%	89%	45%	81%	76%
Outwood Primary Academy Greystone	65%	-	76%	-	71%	-

Attendance

Primary Academy	Attendance Levels		Unauthorised Absence	
	2017/18	2016/17	2017/18	2016/17
Outwood Primary Academy Kirkhamgate	95.5%	96.3%	1.5%	1.2%
Outwood Primary Academy Ledger Lane	94.9%	95.7%	1.6%	1.3%
Outwood Primary Academy Lofthouse Gate	95.8%	96.3%	1.6%	1.2%
Outwood Primary Academy Darfield	95.1%	94.1%	2.1%	2.7%
Outwood Primary Academy Littleworth	93.2%	93.8%	3.1%	3.2%
Outwood Primary Academy Greystone	94.5%	-	1.0%	-

NOTE: During the academic year 2017/18, OGAT sponsored the following academies in addition to those listed above: Outwood Primary Academy Bell Lane (01.04.18), Outwood Primary Academy Park Hill (01.04.18), Outwood Primary Academy Newstead Green (01.05.18), Outwood Academy Freeston (01.05.18), Outwood Academy Hemsworth (01.05.18) and Outwood Academy City Fields (01.07.18). Because of the late date in the academic year when these academies transferred to OGAT, the results and performance of these academies are not attributable to OGAT. For the fullness of disclosure, at the time of writing this report, Outwood Junior Academy Brumby was also a part of the Trust but sponsorship took place on 01.09.18 and therefore falls outside of the period of this report.

Going Concern

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

FINANCIAL REVIEW

Financial report for the year

The Trust's ongoing income is predominantly from the ESFA in the form of recurrent grants. The use of these grants is restricted to the provision of education. In the year, total income increased to £160.6m, up £44.5m from 2016/17. The increase is mainly driven by sponsorship of an additional 9 academies (Outwood Academy Redcar, Outwood Primary Academy Greystone, Outwood Academy Easingwold, Outwood Academy City Fields, Outwood Academy Hemsworth, Outwood Academy Freeston, Outwood Primary Academy Park Hill, Outwood Primary Academy Bell Lane and Outwood Primary Academy Newstead Green) during the course of the year adding £48.4m to the Fixed Asset fund, partially offset by transferring pension liabilities of £7.7m.

During the year ended 31 August 2018, total expenditure of £122.3m was covered by recurrent grant funding together with other incoming resources. The excess of income over expenditure for the year was £38.3m (2017: £5.2m). The Trust generated £4.6m in cash from its operating activities (2017: £3.8m) and held a total of £25.3m in cash at 31 August 2018. In future years operating cash is expected to remain positive as the Trust benefits from increasing pupil numbers and a continued focus on cost. The in-year surplus, including the £3.2m of restricted reserves spent on capital projects, was £0.4m. The operating surplus of the Trust, excluding asset and pension adjustments, was £3.2m.

The number of additional academies sponsored in 2018 does present additional risks to the financial position of the Trust but this is well managed by a due diligence and transformation processes that is well refined and mitigated by the wider portfolio of academies within the Trust. However, factors outside of the Trust's immediate control may create significant headwinds. This includes; any nationally negotiated pay awards for Teachers and support staff that do not attract a corresponding increase in funding; any further delay or dilution in the rollout of the national fairer funding formula; and any unfunded increases in employer pension contributions, particularly with respect to teachers' pensions. The overall cash position of the Trust is secure but the cash balance will reduce as the Trust continues to invest in a number of significant capital projects. The Trust is committed to balancing expenditure on current students and making significant capital investments to maintain and improve the quality of its estate for future students, particularly where this is necessary to address issues at academies that have transferred to OGAT in a condition that is not fit for purpose.

At 31 August 2018, the net book value of tangible fixed assets was £189.0m, up £49.5m from 2017. This movement is comprised of £48.4m in donated assets, £4.5m of net depreciation and £5.5m in net additions. The latter is primarily driven by expenditure on the following projects: the converting of a library at Carlton; a canteen extension at City; remodelling and refurbishment of toilets and changing areas at Danum; works at Easingwold for mechanical and electrical replacements; a continuation of window replacements at Outwood Grange Academy; planning and architect fees for the new school at Kirkhamgate and new nursery and extension at Ledger Lane; and works at Ripon to improve the school buildings, along with various site works for health and safety and safeguarding. Across the Trust computer replacements have also taken place along with upgrading of phone systems, networks and servers.

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 increased slightly from £38.1m to £39.6m. This is primarily due to £7.7m pension liabilities transferring with the 9 academies sponsored during the year plus £3.9m net pension cost but largely offset by £10.7m in actuarial gains.

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, or lower funding levels. 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. The current forecast for the next three years, based on our current delivery model, shows an overall surplus position in each year.

Restricted General Reserves

Restricted Income Funds must be spent by the Trust on the provision of education. At the 31 August 2018 these funds totalled £9.0m which the Trust board intends to use to fund significant capital investment in the Trust's schools buildings and infrastructure. Transfers from the Restricted Income Fund 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 within the aims and objectives of the Trust. 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 2018 the unrestricted reserves of the Trust are £10.1m. The combined reserves of the Trust for restricted income funds and unrestricted income funds are £19.1m. In line with its reserves policy the Trust has assessed it requires £10.2m contingency to fund any deficits, allow for any unforeseen conditions and sustain the Trust's effective delivery model. It also allows for potential capacity building, which aligns with the Trust's 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 £25.3m has primarily been allocated for capital projects across the Trust based on health and safety, safeguarding, operational necessity and teaching and learning. This includes a new school at Outwood Primary Academy Kirkhamgate, a new sports hall and significant mechanical and electrical modernisation at Outwood Academy Ripon, an extension to the P16 centre in Worksop, a new nursery at Outwood Primary Academy Ledger Lane, a rolling IT investment program and a large number of smaller projects across the estate.

Investment Policy

The general policy objective is to invest the surplus funds prudently and not expose the Trust to an inappropriate level of risk. 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.

This prohibits the Trust taking on capital risk i.e. investing in equities but does allow the Trust to make fixed term deposits with banks.

Principal Risks and Uncertainties

The Trustees 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 fraud.
- Reputational risk – including from the wider academy sector if the actions of another trust(s) bring the sector into disrepute or if OGAT is brought into disrepute by not following appropriate policies and procedures.

The Trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, behaviour, 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. As part of its risk management strategy the Trust currently uses the 'Risk Protection Arrangements' (RPA) which is specifically designed for academies as an alternative to commercial insurance to transfer some risks. Under RPA, the UK government covers the losses instead of commercial insurance. After conversion all new academies joining the Trust will use RPA as soon as their existing insurance arrangements come to an end. The Trust has an effective system of internal financial controls and this is explained in more detail on pages 32 - 33.

Fundraising

The Trust only participates in low level fundraising. The purpose of this is not to fund the Trust's core provision of education but support related activities and charities. This fundraising does not involve any professional fundraisers and is only based on voluntary donations from the Trust's stakeholders.

PLANS FOR FUTURE PERIODS

As a major sponsor of academies, OGAT will continue to develop its family 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.

The past performance of the Trust gives Trustees reasonable assurance for future growth however, all new projects will come with a full business case including a detailed due diligence. Decisions on growth therefore will be made on a case by case basis.

Simply put, growth of academies will be based upon the following:

1. We understand that we are only as good as our last set of results;
2. We must have built capacity in advance of need to support new schools; and
3. The growth of the Trust must make geographic sense in order to maintain the 'family of schools' and balance workload.

OUTWOOD GRANGE ACADEMIES TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

AUDITORS

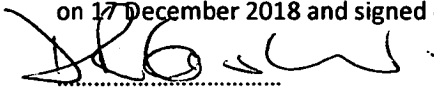
In so far as the Trustees are aware:

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

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

APPROVAL

Trustees report, incorporating a strategic report, approved by order of the board of Trustees as company Trustees on 17 December 2018 and signed on its behalf by:



Mr David Earnshaw, CBE
Chair of Trustees

OUTWOOD GRANGE ACADEMIES TRUST
GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

SCOPE OF RESPONSIBILITY

As Trustees, 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 Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees formally met 8 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr David Earnshaw, CBE, Chair of Trustees	8	8
Mrs Sue Hague, Trustee	8	8
Mr Roland Harden, Vice Chair of Trustees	8	8
Mr Ralph Pickles, Trustee	8	8
Mr Martyn Oliver, Ex Officio Trustee and Chief Executive/Accounting Officer	8	8
Mr Christopher Dalzell, Trustee	4	8

The Finance and General Purposes Committee is a subcommittee 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;
- setting the remuneration of senior staff.;

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
Mrs Sue Hague, Trustee	3	3
Mr Christopher Dalzell, Trustee	3	3

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 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.

OUTWOOD GRANGE ACADEMIES TRUST
GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

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 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 regularity assurance report which again is reviewed by the audit committee and any recommendations implemented by management.

Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
Mr Ralph Pickles, Trustee	3	3
Mr Roland Harden, Vice Chair	0	3

The Board have commissioned a review of the effectiveness of their work via the Trust's internal auditors. This was completed in January 2018 and concluded that appropriate governance arrangements were in place and providing the highest possible judgement of substantial assurance.

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: raising standards and transforming 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. Further to this, the Trust is a founding member of a group of like-minded Multi-Academy Trusts in the north east of England, called the 'Northern Alliance of Trusts'. OGAT 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 as detailed within their respective education, health and care 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.

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 which focuses on the development of the very best pedagogical practice through collaboration: we are a collaborative Trust.

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 page 16). 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 through our large evidence base.

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 benchmarking 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.

In total, 76% of OGAT's costs related to staffing.

- Teaching Staff including agency teaching: 50%
- Support Staff: 26%

The refinement of our leadership and support staff models 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. In 2018/19 we are undertaking a Job Evaluation exercise across the Trust to ensure equity in pay and conditions and we expect to exceed the National Living Wage for our lowest paid staff.

Non-pay costs

The Trust continues to eliminate often expensive service level agreements in schools that join the Trust and replaces these with Trust wide agreements that leverage the Trust's scale to achieve value for money. In addition all academies use a single finance system which integrates electronic ordering, electronic payslips, online expenses and HR/Payroll.

OUTWOOD GRANGE ACADEMIES TRUST
GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

The Trust has achieved good value for money through effective and efficient procurement of goods and services. Examples of net savings over the last 4 years include; office and classroom supplies £268k, water £118k, and energy £231k. In October 2017, the Trust recruited an experienced Procurement Manager to strengthen the Trust's procurement processes ensuring better value for money is obtained from suppliers throughout the life of any contracts the Trust awards.

As a proportion of the annual total income, non-pay costs can be broken down as:

- Supplies and Services: 14%
- Premises costs: 10%

In total, 24% of OGAT's costs relate to non-pay costs.

Capital Works

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

Resources are finite and the list of capital works the Trust would like to undertake significantly exceeds the funds available, therefore careful consideration is given to large projects. The Trust works in close collaboration with the ESFA on major capital works.

The Trust is committed to ensuring its assets remain fit for purpose through a regular programme of maintenance and capital investments. In addition to the 10% spend on premises maintenance detailed above the Trust continued its capital program, investing £6.7m during 2017/18.

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.

Student weighted Trust average results were very high in 2018. At KS4, from an average point score at KS2 which is significantly lower than the national average (27.6 compared to 28.7), the overall Progress 8 score was +0.19. Whilst this score is lower than 2017 of 0.38, it should be noted that the trust grew by five new secondary academies in the year 2017/18 and that 350 certificated GCSE grades were taken under the old A*-G GCSE system and therefore did not count in the league tables, even though, and most importantly, they counted for the students: those 'legacy' grades, if counted, improve the progress score of eight academies. 36% of 2018's Year 11 cohort were classed as 'disadvantaged'. The basics score at 4+ was 72.5% (up from 70.4% in 2017) and compared to 2017 national average of 63.9% with English at 83% (2017: 79%) compared to 2017 national average of 75.5% and maths at 76.7% (2017: 76%) compared to 2017 national average of 69.3%. Basics at 5+ were 54.2% (2017 51.4%) compared to a national average of 39.9% with English at 68.7% (2017 66%) compared to 60.5% nationally (2017) and maths at 60.2% (2017 58%) compared to a 2017 national average of 48.6%.

In the primaries, at KS2, results were equally strong with 76% (2017 68%) achieving the expected standard compared to a 2017 national average of 64%. At the higher standard, we attained 25% (2017 17%) compared to a 2017 national average of 9% with every component part of reading, writing and maths all being either at or, as in most cases, significantly higher than the 2017 national average.

The National Schools Commissioner describes OGAT as one of the best MATs in the country.

Improved outcomes by Ofsted

The Trust had four Ofsted inspections of its academies in 2017/18 with one secondary academy being graded as Outstanding, one Good with Outstanding leadership and one as Good – all three were in Special Measures prior to joining OGAT. One primary was inspected and remained Good with Ofsted indicating they would come back to undertake a full section 5 inspection as it may now be better than Good.

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 we are deployed to help other academies, MATs and the whole sector improve their educational and financial performance. The adoption of some of these practices has helped drive better value for money across the system. In the year 2017/18, 120 different schools and academies have benefitted from CPD at Outwood.

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. We recognise that growing by nine academies in one year, ten by the 01.09.18, was a significant challenge for the Trust but we are confident that with the results and performance stated here, the financial controls and performance during 2017/18 and forecast for 2018 onwards that overall productivity, including taking on these ten new academies, means that the Trust has provided the taxpayer with very good value for money.

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 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. Furthermore, and in the spirit of continuous improvement, the Trust plans to implement a revised risk strategy in 2018/19 following the work undertaken with RSM to develop and refine the Trust's approach.

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.

The internal auditor's role includes giving expert advice and performing a range of checks (internal audits) on the Trust's system of internal controls. The results of these audits are discussed in detail at the audit committee. In addition, and on an annual basis, the internal auditor reports to the Audit Committee on the overall findings and gives an opinion to the Trustees as to the overall effectiveness of the Trust's internal controls. During the year RSM have conducted audits in the areas of:

- Governance
- Financial Controls and Reporting
- Health and Safety
- Safeguarding, including the prevent agenda
- Alternative Provision
- Special Educational Needs and Disability
- General Data Protection Regulations (GDPR) Readiness
- Learner Records
- Review of previous audit action plans and updates

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

REVIEW OF EFFECTIVENESS

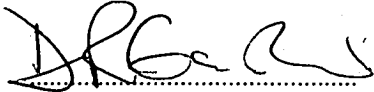
As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- 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 Audit Committee and a plan to ensure continuous improvement of the system is in place.

OUTWOOD GRANGE ACADEMIES TRUST
GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

Approved by order of the members of the board of Trustees on 17 December 2018 and signed on their behalf, by:



Mr David Earnshaw, CBE
Chair of Trustees



Mr Martyn Oliver, Chief Executive
CEO and Accounting Officer

OUTWOOD GRANGE ACADEMIES TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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

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

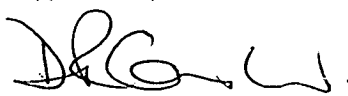
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 company will continue in business.

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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 17 December 2018 and signed on its behalf by:



Mr David Earnshaw, CBE
Chair of Trustees

**OUTWOOD GRANGE ACADEMIES TRUST
STATEMENT OF 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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2017.

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 2017.

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



Mr Martyn Oliver
Accounting Officer
17 December 2018

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

OPINION

We have audited the financial statements of Outwood Grange Academies Trust for the year ended 31 August 2018 which comprise the Trust Consolidated statement of financial activities incorporating income and expenditure account, the Trust Consolidated balance sheet, the Trust Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group and of the parent charitable company affairs as at 31 August 2018 and of the group'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 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report and the strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report and strategic report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Directors (who are also the Trustees of the charitable company) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In preparing the financial statements, the Trustees are responsible for assessing the groups and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that act.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

USE OF OUR REPORT

This report is made solely to the Academy Trust'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 Academy Trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



JONATHAN DAVIS (Senior Statutory Auditor)

For and on behalf of:

Saffery Champness LLP

Statutory Auditors

Mitre House

North Park Road

Harrogate

North Yorkshire

HG1 5RX

17 December 2018

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

In accordance with the terms of our engagement letter dated 18 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Outwood Grange Academies Trust and the ESFA, 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 ACCOUNTANT

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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

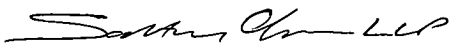
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OUTWOOD GRANGE
ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
JONATHAN DAVIS (Reporting Accountant)

For and on behalf of:

Saffery Champness LLP

Statutory Auditors

Mitre House

North Park Road

Harrogate

North Yorkshire

HG1 5RX

17 December 2018

OUTWOOD GRANGE ACADEMIES TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE
ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

		2017/18	2017/18	2017/18	2017/18	2016/17
		Unrestricted	Restricted	Restricted		
	Note	Funds	General	Fixed Asset	Total	Total
		£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	3	-	-	3,441	3,441	2,849
Transfer from local authority	31	-	(526)	14,111	13,585	2,873
Transfer in from existing academy	31	419	(7,170)	34,324	27,573	7,638
Charitable activities:						
Funding for the academy trust's educational operations	4	158	114,102	-	114,260	100,700
Teaching schools	32	44	561	-	605	453
Other trading activities	5	826	29	-	855	1,126
Teaching schools	32	58	36	-	94	340
Investments	6	151	-	-	151	100
Total Income		1,656	107,032	51,876	160,564	116,079
Expenditure on:						
Charitable activities:						
Academy trust educational operations	8	1,039	114,786	5,609	121,434	110,127
Teaching schools	32	-	852	-	852	793
Total Expenditure		1,039	115,638	5,609	122,286	110,920
Net income / (expenditure)		617	(8,606)	46,267	38,278	5,159
Transfers between funds	19		(3,218)	3,218	-	-
Other recognised gains / (losses):						
Actuarial gains on defined benefit pension schemes	28	-	10,067	-	10,067	10,664
Net movement in funds		617	(1,757)	49,485	48,345	15,823
Reconciliation of funds						
Total funds brought forward		9,435	(28,884)	139,770	120,321	104,498
Total funds carried forward		10,052	(30,641)	189,255	168,666	120,321

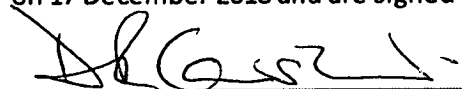
All activities in the current and prior year relate to continuing activities.

OUTWOOD GRANGE ACADEMIES TRUST
CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2018

Company number: 06995649 England and Wales

	Note	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Intangible assets	14		274		224
Tangible assets	15		188,981		139,545
			<u>189,255</u>		<u>139,769</u>
Current assets					
Stock	16	11		11	
Debtors	17	6,825		4,173	
Cash at bank and in hand		<u>25,271</u>		<u>23,301</u>	
		<u>32,107</u>		<u>27,485</u>	
Liabilities					
Creditors: Amounts falling due within one year	18	(13,052)		(8,815)	
Net current assets			<u>19,055</u>		<u>18,670</u>
Total assets less current liabilities			<u>208,310</u>		<u>158,439</u>
Net assets excluding pension liability			<u>208,310</u>		<u>158,439</u>
Defined benefit pension scheme liability	28		(39,644)		(38,118)
Total net assets			<u>168,666</u>		<u>120,321</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	19	189,255		139,770	
Restricted income fund	19	9,003		9,234	
Pension reserve	19	<u>(39,644)</u>		<u>(38,118)</u>	
Total restricted funds			<u>158,614</u>		<u>110,886</u>
Unrestricted income funds	19		10,052		9,435
Total funds			<u>168,666</u>		<u>120,321</u>

The financial statements on pages 42 to 89 were approved by the Directors, and authorised for issue, on 17 December 2018 and are signed on their behalf, by:



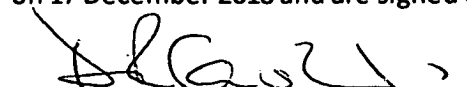
Mr David Earnshaw, CBE, Chair of Trustees

OUTWOOD GRANGE ACADEMIES TRUST
ACADEMY TRUST BALANCE SHEET AS AT 31 AUGUST 2018

Company number: 06995649 England and Wales

	Note	2018 £000	2018 £000	2017 £000	2017 £000
Fixed assets					
Intangible assets	14		274		224
Tangible assets	15		188,981		139,544
			<u>189,255</u>		<u>139,768</u>
Current assets					
Stock	16	11		11	
Debtors	17	6,809		4,317	
Cash at bank and in hand		<u>24,905</u>		<u>22,976</u>	
		<u>31,725</u>		<u>27,304</u>	
Liabilities					
Creditors: Amounts falling due within one year	18	<u>(12,670)</u>		<u>(8,633)</u>	
Net current assets			<u>19,055</u>		<u>18,671</u>
Total assets less current liabilities			<u>208,310</u>		<u>158,439</u>
Net assets excluding pension liability			<u>208,310</u>		<u>158,439</u>
Defined benefit pension scheme liability	28		<u>(39,644)</u>		<u>(38,118)</u>
Total net assets			<u>168,666</u>		<u>120,321</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	19	189,255		139,770	
Restricted income fund	19	9,003		9,234	
Pension reserve	19	<u>(39,644)</u>		<u>(38,118)</u>	
Total restricted funds			<u>158,614</u>		<u>110,886</u>
Unrestricted income funds	19		<u>10,052</u>		<u>9,435</u>
Total funds			<u>168,666</u>		<u>120,321</u>

The financial statements on pages 42 to 89 were approved by the Directors, and authorised for issue, on 17 December 2018 and are signed on their behalf, by:



Mr David Earnshaw, CBE, Chair of Trustees

OUTWOOD GRANGE ACADEMIES TRUST
CONSOLIDATED STATEMENT OF CASHFLOWS AS AT 31 AUGUST 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	4,629	3,827
Cash flows from investing activities	25	(3,078)	(1,977)
Cash flows from financing activities	24	419	231
Change in cash and cash equivalents in the reporting period		<u>1,970</u>	<u>2,081</u>
Cash and cash equivalents at 1 September 2017		23,301	21,220
Cash and cash equivalents at 31 August 2018	26	<u>25,271</u>	<u>23,301</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

Basis of Preparation and consolidation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, 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 Outwood Grange Services Limited. The results of the subsidiary are consolidated on a line by line basis.

The Academy Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account. The surplus of the Academy Trust for the period ended 31 August 2018 is £48,345k.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the 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.

Income

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

Grants

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

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

Sponsorship Income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other Income

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

Donated goods, facilities and services

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

Transfer on conversion

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

The assets and liabilities of Outwood Primary Academy Greystone and Outwood Academy Easingwold have transferred on conversion and been valued at their fair value at the point the risks and rewards transfer to the Trust. Further details of the transactions are set out in note 31.

Transfer of existing academies into the Academy Trust

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within Donations and capital grant income to the net assets acquired.

The assets and liabilities of Outwood Academy Redcar, Outwood Primary Academy Bell Lane, Outwood Primary Academy Park Hill, Outwood Primary Academy Newstead Green, Outwood Academy Hemsworth, Outwood Academy Freeston and Outwood Academy City Fields have been valued at their fair values at the point the risks and rewards transferred to the Trust. Further details of the transactions are set out in note 31.

Donated fixed assets (excluding Transfers on conversion/into the Academy Trust)

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

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

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 on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	25%	over 4 years
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Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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

Freehold buildings	2%	over 50 years
Long leasehold buildings	2%	over 50 years
Long leasehold land	0.8%	over 125 years
Motor vehicles	25%	over 4 years
Furniture and fixtures	10%	over 10 years
Computer equipment	25%	over 4 years
Plant and equipment	10%	over 10 years
Assets under construction	0%	no depreciation

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Liabilities

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

Provisions

Provisions are recognised when the Academy 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.

Leased Assets

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

Investments

The Trust's shareholding in the wholly owned subsidiary, Outwood Grange Services Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Financial Instruments

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

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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 part 11, chapter 3 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.

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.

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.

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.

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

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

Agency arrangements

The academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over 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 any balances held are disclosed in note 30.

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 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

Critical areas of judgement

During the year ended 31 August 2018 seven existing academies transferred into the trust (six from the Wakefield City Academies Trust and one from Redcar Academy) and two schools converted to the Academy Trust from North Yorkshire County Council. The judgement of fair value has been applied by considering the net book values of the land and buildings provided by the former Trust and/or valuations undertaken by the ESFA. In each instance the quality and reliability of the available information has been considered before determining the fair value of donated assets. Where there has been insufficient information to make a reasonable determination, an expert and independent valuation has been commissioned.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State at 31 August 2018 certain academies within the Trust were subject to limits 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.

As referred to in note 19, the ESFA agreed an exemption to the 12% GAG carried forward limit for Outwood Grange Academy, Adwick, Ripon, Portland and Valley for the 2017/18 academies financial year. The restrictions and corresponding relaxation do not apply to other schools in the Trust.

3 Donations and capital grants

	2017/18	2017/18	2017/18	2017/18	2016/17
	Unrestricted	Restricted	Restricted	Total Funds	Total
	Funds	Funds	Fixed Asset		
	£000	£000	Funds	£000	£000
Capital grants DfE/ESFA	-	-	3,431	3,431	2,849
Other donations			10	10	
	-	-	3,441	3,441	2,849
Total 2016/17	-	-	2,849	2,849	

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the Academy Trust's educational operations

	2017/18 Unrestricted Funds £000	2017/18 Restricted Funds £000	2017/18 Total Funds £000	2016/17 Total £000
DfE / ESFA grants				
General Annual Grant (GAG)	-	100,335	100,335	89,756
Start Up Grants	-	144	144	127
Other DfE Group grants	48	7,854	7,902	6,505
National College Grants	-	567	567	452
	<u>48</u>	<u>108,900</u>	<u>108,948</u>	<u>96,840</u>
Other Government grants				
Local authority grants	-	3,176	3,176	1,842
Other government grants	-	48	48	85
	<u>-</u>	<u>3,224</u>	<u>3,224</u>	<u>1,927</u>
Other Income from the academy trusts educational operations				
Catering	-	2,341	2,341	1,896
Other income	154	198	352	37
	<u>202</u>	<u>114,663</u>	<u>114,865</u>	<u>100,700</u>
Income for the Trust	158	114,102	114,260	100,247
Income for the Teaching School (Outwood Grange Services Ltd)	44	561	605	453
	<u>202</u>	<u>114,663</u>	<u>114,865</u>	<u>100,700</u>
Total 2016/17	<u>37</u>	<u>100,663</u>	<u>100,700</u>	

Other than the DfE/ESFA grants which are for the provision of education, capital works and school improvement, 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 bike-ability funding. Money has also been received in respect of the School's Sports Partnership. Outwood Grange Services Limited has received grants from the DfE (formerly National College for Teaching and Learning) for various projects which they carry out and have separately audited. There are no unfulfilled conditions or other contingencies for the grants recognised in the SOFA.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

5 Other trading activities

	2017/18	2017/18	2017/18	2016/17
	Unrestricted	Restricted	Total Funds	Total
	Funds	Funds		
	£000	£000	£000	£000
Hire of facilities	152	-	152	141
External fees	580	-	580	754
Educational sales	152	65	217	231
	<u>884</u>	<u>65</u>	<u>949</u>	<u>1,126</u>
Income for the Trust	673	29	702	786
Income for the Teaching School (Outwood Grange Services Ltd)	211	36	247	340
	<u>884</u>	<u>65</u>	<u>949</u>	<u>1,126</u>
Total 2016/17	<u>1,126</u>	<u>-</u>	<u>1,126</u>	

6 Investment income

	2017/18	2017/18	2017/18	2016/17
	Unrestricted	Restricted	Total	Total
	Funds	Funds	Funds	
	£000	£000	£000	£000
Interest on short term deposits	151	-	151	100
Total 2016/17	<u>100</u>	<u>-</u>	<u>100</u>	

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure	Non Pay Expenditure				
	2017/18	2017/18	2017/18	2017/18	2016/17
	Staff Costs	Premises	Other	Total Funds	Total
	£000	£000	£000	£000	£000
Expenditure on raising funds:					
Direct Costs	-	-	-	-	-
Allocated Support Costs	-	-	-	-	-
Academy's educational operations:					
Direct Costs	57,939	-	13,667	71,606	65,256
Allocated Support Costs	30,615	11,490	8,575	50,680	45,664
	<u>88,554</u>	<u>11,490</u>	<u>22,242</u>	<u>122,286</u>	<u>110,920</u>
 Total 2016/17	 <u>79,530</u>	 <u>15,916</u>	 <u>15,474</u>	 <u>110,920</u>	

Net income for the period includes:

	2017/18	2016/17
	Total Funds	Total
	£000	£000
Operating lease rentals including PFI	5,362	5,063
Depreciation	5,507	4,749
Loss on disposal of fixed assets	-	187
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	101	122
Impairment of fixed assets	-	1,367
Internal audit fees	42	42
Fees payable to auditor for:		
- audit	47	36
- other services	<u>19</u>	<u>19</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable Activities	2017/18	2017/18	2017/18	2017/18	2016/17
	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total expenditure	Total Funds
	£000	£000	£000	£000	£000
Direct costs – educational operations	735	65,262	5,609	71,606	65,256
Support costs – educational operations	304	50,376	-	50,680	45,664
	<u>1,039</u>	<u>115,638</u>	<u>5,609</u>	<u>122,286</u>	<u>110,920</u>
Expenditure for the Trust	884	114,941	5,609	121,434	110,127
Expenditure for the Teaching School (Outwood Grange Services Ltd)	155	697	-	852	793
	<u>1,039</u>	<u>115,638</u>	<u>5,609</u>	<u>122,286</u>	<u>110,920</u>
Total 2016/17	<u>809</u>	<u>103,873</u>	<u>6,238</u>	<u>110,920</u>	

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

Analysis of support costs		2017/18	2016/17
	Educational Operations	Total	Total
	£000	£000	£000
Bank interest and charges	70	70	48
Catering costs	2,873	2,873	2,554
Cleaning	1,163	1,163	889
Governance costs	123	123	110
Heat and Light	1,737	1,737	1,337
Insurance	455	455	432
Maintenance of premises and equipment	7,024	7,024	6,297
Marketing	66	66	67
Other support costs	1,268	1,268	1,631
Pension Interest cost (net)	1,001	1,001	-
Recruitment and support	909	909	584
Rent and Rates	795	795	724
Security and Transport	468	468	913
Staff Development	182	182	-
Support staff costs	30,615	30,615	27,422
Technology costs	1,746	1,746	1,464
Telephone costs	185	185	250
Total support costs	50,680	50,680	44,722
2016/17	44,722	44,722	

9 Pension Interest	2017/18	2016/17
	£000	£000
Interest income on pension scheme assets	1,424	886
Interest on pension scheme liabilities	(2,425)	(1,829)
	(1,001)	(943)

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

a. Staff costs	2017/18	2016/17
	£000	£000
Wages and salaries	64,623	57,543
Social security costs	6,375	5,533
Pension costs	14,045	12,506
	<u>85,043</u>	<u>75,582</u>
 Agency staff costs	 2,969	 3,244
Staff restructuring costs	542	704
	<u>88,554</u>	<u>79,530</u>
 Staff restructuring costs comprise:		
Redundancy payments	513	476
Severance payments	29	228
	<u>542</u>	<u>704</u>

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £29,382 (2017: £227,719). Individually, the payments were as listed below:

Amount £	Date
3,290	27/10/2017
9,122	13/11/2017
1,500	23/11/2017
2,994	14/02/2018
2,478	16/04/2018
8,456	25/07/2018
1,542	23/07/2018
<u>29,382</u>	

The Trust has agreed settlement terms with 7 colleagues in the 2017/18 academic year. In all cases, these agreements have been reached because they represent best value for the Trust and wherever possible the agreements are restricted to the statutory amounts that the employee would be entitled to.

Although the redundancy figures are significant, the Trust has again inherited staffing structures that were not fit for purpose in schools that joined the Trust and restructuring processes were necessary to ensure that the staffing met the current curriculum demand to support students' outcomes.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

c. Staff numbers

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

	2017/18	2016/17
	No.	No.
Teachers	1,266	1,106
Administration and support	1,820	1,606
Management	54	44
	<u>3,140</u>	<u>2,756</u>

c. Staff numbers

The average number of persons employed by the academy trust expressed as a full time equivalent during the year was as follows:

	2017/18	2016/17
	No.	No.
Teachers	1,110	963
Administration and support	988	856
Management	53	43
	<u>2,151</u>	<u>1,862</u>

d. Higher paid staff

During the year ended 31 August 2018 52 (2017: 50) of the below staff participated in a pension scheme. 43 (2016: 49) were in the Teachers' Pension Scheme and 8 (2017: 1) were in the Local Government Pension Scheme whilst 1 was in no pension scheme (2017: none). Employers pension contributions for the TPS amounted to £538k (2017: £648k) and for the LGPS £69k (2017: £15k).

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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

	2017/18	2016/17
	No.	No.
£60,001 - £70,000	24	22
£70,001 - £80,000	9	10
£80,001 - £90,000	11	9
£90,001 - £100,000	-	5
£100,001 - £110,000	5	1
£110,001 - £120,000	2	1
£140,001 - £150,000	-	1
£150,001 - £160,000	1	1
£160,001 - £170,000	1	1
	<u>53</u>	<u>51</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on pages 3 and 4. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £4,427,000 (2017: £4,068,000).

The increase was primarily driven by the sponsorship of 9 additional academies during the period.

11 Central Services

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

- ✓ Payroll
- ✓ HR
- ✓ Finance
- ✓ Governance
- ✓ Capital project management and estates management
- ✓ IT services
- ✓ Continued professional development (CPD)
- ✓ School improvement
- ✓ Data management and compliance
- ✓ Website management and compliance
- ✓ Recruitment

The academy charges for these services on the following basis:

As a percentage of GAG income: 5% for all academies, except where new academies join late in the academic year.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

The actual amounts charged in the year were as follows:		2018	2017
		£000	£000
Outwood Academy	OUTWOOD GRANGE	494	513
Outwood Academy	VALLEY	365	381
Outwood Academy	DANUM	343	372
Outwood Academy	PORTLAND	340	319
Outwood Academy	ACKLAM	323	287
Outwood Academy	ADWICK	294	294
Outwood Academy	SHAFTON	276	266
Outwood Academy	NEWBOLD	243	242
Outwood Academy	CITY	227	225
Outwood Academy	CARLTON	215	224
Outwood Academy	ORMESBY	209	224
Outwood Academy	BYDALES	187	191
Outwood Academy	EASINGWOLD	183	-
Outwood Academy	BRUMBY	179	168
Outwood Academy	RIPON	179	160
Outwood Academy	BISHOPSGARTH	174	151
Outwood Academy	FOXHILLS	145	144
Outwood Academy	REDCAR	140	-
Outwood Primary	LITTLEWORTH GRANGE	96	95
Outwood Primary	LOFTHOUSEGATE	73	71
Outwood Primary	LEDGER LANE	56	55
Outwood Primary	DARFIELD	43	41
Outwood Primary	KIRKHAMGATE	33	32
Outwood Primary	GREYSTONE	29	-
		4,846	4,455

No levy charge was made for: Outwood Primary Academies; Bell Lane, Newstead Green and Park Hill and Outwood Academies; Freeston, Hemsworth and City Fields.

12 Related Party Transactions – Trustees’ remuneration and expenses

One Trustee has been paid remuneration or has received other benefits from employment with the Academy Trust. The CEO only receives remuneration in respect of services he provides undertaking the roles of principal and staff members under his contracts of employment.

The value of Trustees’ remuneration and other benefits was as follows:

- Martyn Oliver (Chief Executive Officer, Accounting Officer and ex-officio Trustee)
- Remuneration £165,000 - £170,000 (2017: £165,000 - £170,000)
- Employer’s pension contributions paid £25,000 - £30,000 (2017: £25,000 - £30,000)

During the period ended 31 August 2018, no Trustees received any benefits in kind (2017 - no Trustees).

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

During the period ended 31 August 2018, travel and subsistence expenses totalling £5,420 were reimbursed or paid directly to 4 Trustees (2017: £6,870 to 3 Trustees).

13 Trustees 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 Trustees and officers indemnity element from the overall cost of the RPA scheme.

14 Intangible fixed assets: Consolidated and academy trust

	Computer Software £000	Total £000
Cost		
At 1 September 2017	609	609
Additions	151	151
Disposals	(98)	(98)
At 31 August 2018	<u>662</u>	<u>662</u>
Amortisation		
At 1 September 2017	385	385
Charged in year	101	101
Disposal	(98)	(98)
At 31 August 2018	<u>388</u>	<u>388</u>
Carrying amount		
At 31 August 2017	<u>224</u>	<u>224</u>
At 31 August 2018	<u>274</u>	<u>274</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

15 Tangible fixed assets:	Freehold Land and Buildings	Leasehold Land and Buildings	Fixtures Equipment Vehicles	Computer Equipment	Assets Under Construction	Total
Consolidated and Academy Trust	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2017	35,683	105,211	10,180	7,425	548	159,047
Acquisitions	7,405	39,730	1,059	241	-	48,435
Additions	140	157	1,339	1,148	3,725	6,509
Disposals	-	-	-	(1,045)	-	(1,045)
Transfers	-	217	588	-	(805)	-
At 31 August 2018	43,228	145,315	13,166	7,769	3,468	212,946
Depreciation						
At 1 September 2017	3,102	8,278	3,278	4,844	-	19,502
Charged in year	656	2,313	1,314	1,224	-	5,507
Disposals	-	-	-	(1,044)	-	(1,044)
Impairment	-	-	-	-	-	-
At 31 August 2018	3,758	10,591	4,592	5,024	-	23,965
Net Book Values						
At 31 August 2017	32,581	96,933	6,902	2,581	548	139,545
At 31 August 2018	39,470	134,724	8,574	2,745	3,468	188,981

Included within acquisitions are amounts donated on transfer from existing academies and conversion to an academy of:

- £676k for Bell Lane from Wakefield City Academies Trust (WCAT), with the transfer of 125 year peppercorn lease from Wakefield Metropolitan District Council;
- £1,140k for Newstead Green from WCAT, with the transfer of 125 year peppercorn lease from Wakefield Metropolitan District Council;
- £11,647k for Hemsworth from WCAT, with the transfer of 125 year peppercorn lease from Wakefield Metropolitan District Council;
- £6,623k for Freeston from WCAT, with the transfer of 125 year peppercorn lease from Wakefield Metropolitan District Council;
- £1,313k for Park Hill from WCAT, with the transfer of 125 year peppercorn lease from Wakefield Metropolitan District Council;
- £5,403k for City Fields from WCAT, with the transfer of 125 year peppercorn lease from Wakefield Metropolitan District Council;
- £7,522k for Redcar from Redcar Academy, with the transfer of freehold land and buildings from Redcar and Cleveland Borough Council at nil value;
- £2,283k for Greystone from North Yorkshire County Council, with the transfer of 125 year peppercorn lease from North Yorkshire County Council and

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

- £11,828k for Easingwold from North Yorkshire County Council and with the transfer of 125 year peppercorn lease from North Yorkshire County Council.

The disposals of assets all relate to assets that have been fully written down and are no longer in use by the academy.

Included in freehold land and buildings is freehold land at valuation £7,961k (2017: £7,389k) which is not depreciated.

	Group	Academy	Group	Academy
	2017/18	2017/18	2016/17	2016/17
	£000	£000	£000	£000
16 Stock				
Clothing and catering	11	11	11	11
	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
17 Debtors				
	Group	Academy	Group	Academy
	2017/18	2017/18	2016/17	2016/17
	£000	£000	£000	£000
Trade Debtors	132	129	180	177
VAT recoverable	1,900	1,887	1,141	1,128
Other Debtors	3	3	113	273
Prepayments and Accrued Income	4,790	4,790	2,739	2,739
	<u>6,825</u>	<u>6,809</u>	<u>4,173</u>	<u>4,317</u>
18 Creditors: Amounts falling due within 1 year				
	Group	Academy	Group	Academy
	2017/18	2017/18	2016/17	2016/17
	£000	£000	£000	£000
Trade Creditors	3,204	3,129	2,047	2,026
Other Tax and Social Security	1,725	1,725	1,369	1,369
ESFA Creditor: Abatement of GAG	304	304	-	-
Other Creditors	2,372	2,344	1,740	1,692
Accruals and Deferred Income	5,447	5,168	3,659	3,546
	<u>13,052</u>	<u>12,670</u>	<u>8,815</u>	<u>8,633</u>
Deferred Income at 1 September 2017	313	276	166	103
Released from previous years	(313)	(276)	(166)	(103)
Resources deferred in the year	847	700	313	276
Deferred Income at 31 August 2018	<u>847</u>	<u>700</u>	<u>313</u>	<u>276</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

At the balance sheet date the Academy Trust was holding funds received in advance for lettings of £7k, SSIF Grant £68k, SEN £58k, Rates relief £120k, UIFSM £194k, School Games Organiser £14k, Pupil Premium £129k, PNA £80k and Other grants and income £12k. Within Outwood Grange Services Limited there is also deferred income for the maths hub project of £133k, School Direct £10k, £12k for training and £10k other.

	Balance at 1 September 2017	Income	Expenses	Gains / Losses / Transfers	Balance at 31 August 2018
	£000	£000	£000	£000	£000
19 Funds consolidated					
Restricted General Funds					
General Annual Grant	9,234	100,335	(97,348)	(3,218)	9,003
Start Up Grant	-	144	(144)	-	-
Pupil Premium	-	6,224	(6,224)	-	-
Other Grants	-	5,421	(5,421)	-	-
Other Income	-	2,604	(2,604)	-	-
Pension Reserve	(38,118)	(7,696)	(3,897)	10,067	(39,644)
	<u>(28,884)</u>	<u>107,032</u>	<u>(115,638)</u>	<u>6,849</u>	<u>(30,641)</u>
Restricted fixed assets fund					
Transfer on conversion	120,524	48,435	(3,739)	-	165,220
DfE Group capital grants	8,796	3,431	(210)	-	12,017
Capital expenditure from GAG	10,450	-	(1,658)	3,218	12,010
Sponsorship	-	10	(2)	-	8
	<u>139,770</u>	<u>51,876</u>	<u>(5,609)</u>	<u>3,218</u>	<u>189,255</u>
Total restricted funds	<u>110,886</u>	<u>158,908</u>	<u>(121,247)</u>	<u>10,067</u>	<u>158,614</u>
Total unrestricted funds	<u>9,435</u>	<u>1,656</u>	<u>(1,039)</u>	<u>-</u>	<u>10,052</u>
Total Funds	<u>120,321</u>	<u>160,564</u>	<u>(122,286)</u>	<u>10,067</u>	<u>168,666</u>

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

Unrestricted fund: this contains resources which can be spent on any purpose at the discretion of the Trustees, within the objects of the Trust as set out in its governing documents.

Restricted general fund: this contains revenue (running costs) resources which can only be spent for particular purposes. Items within restricted funds are as below:

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

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

As referred to in note 2, the ESFA agreed an exemption to the 12% GAG carried forward limit for Outwood Grange Academy, Adwick, Ripon, Portland and Valley for the 2017/18 academies financial year. The restrictions and corresponding relaxation do not apply to other schools in the Trust.

Start-up Grant: This income is received from the ESFA as part of GAG income and is for schools that have recently converted.

Other DfE/ESFA grants: this is Pupil Premium, UIFSM income, Early Years funding, Summer school funding and sports grants income.

Other Grants: this is SEN and other Local Authority grant income.

Other income: this is mainly catering sales income from students.

Restricted fixed asset fund: this contains resources to be spent for particular capital purposes where the conditions of the funding state that the asset must be retained and used on an ongoing basis.

£3,218k (2017: £1,831k) was transferred from restricted general funds to restricted fixed assets funds to support the purchase of assets as described below.

Other than donated assets, the major items of expenditure on fixed assets during the year were the converting of a library at Carlton, a canteen extension at City Sheffield, remodelling and refurbishment of student and staff toilets and changing areas at Danum, works at Easingwold for mechanical and electrical replacements, a continuation of window replacements at Outwood Grange, planning and architect fees for the new school at Kirkhamgate and new nursery and extension at Ledger Lane, and works at Ripon to improve the school buildings, along with various site works for health and safety and safeguarding. Across the Trust computer replacements have also taken place along with upgrading of phone systems, networks and servers.

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

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

Comparative information in respect of the preceding period is as follows :

	Balance at 1 September 2016 £000	Income £000	Expenses £000	Gains / Losses / Transfers £000	Balance at 31 August 2017 £000
Restricted General Funds					
General Annual Grant	10,382	89,851	(89,168)	(1,831)	9,234
Start Up Grant	-	127	(127)	-	-
Pupil Premium	-	6,958	(6,958)	-	-
Other Grants	-	1,927	(1,927)	-	-
Other Income	-	1,896	(1,896)	-	-
Pension Reserve	(38,479)	(6,506)	(3,797)	10,664	(38,118)
	<u>(28,097)</u>	<u>94,253</u>	<u>(103,873)</u>	<u>8,833</u>	<u>(28,884)</u>
Restricted fixed assets fund					
Transfer on conversion	109,976	16,786	(6,238)	-	120,524
DfE Group capital grants	5,947	2,849	-	-	8,796
Capital expenditure from GAG	8,619	-	-	1,831	10,450
	<u>124,542</u>	<u>19,635</u>	<u>(6,238)</u>	<u>1,831</u>	<u>139,770</u>
Total restricted funds	<u>96,445</u>	<u>113,888</u>	<u>(110,111)</u>	<u>10,664</u>	<u>110,886</u>
Total unrestricted funds	<u>8,053</u>	<u>2,191</u>	<u>(809)</u>	<u>-</u>	<u>9,435</u>
Total Funds	<u>104,498</u>	<u>116,079</u>	<u>(110,920)</u>	<u>10,664</u>	<u>120,321</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

A current year 12 months and prior year 12 months combined position is as follows :

	Balance at 1 September 2016 £000	Income £000	Expenses £000	Gains / Losses / Transfers £000	Balance at 31 August 2018 £000
Restricted General Funds					
General Annual Grant	10,382	190,186	(186,516)	(5,049)	9,003
Start Up Grant	-	271	(271)	-	-
Pupil Premium	-	13,182	(13,182)	-	-
Other Grants	-	7,348	(7,348)	-	-
Other Income	-	4,500	(4,500)	-	-
Pension Reserve	(38,479)	(14,202)	(7,694)	20,731	(39,644)
	<u>(28,097)</u>	<u>201,285</u>	<u>(219,511)</u>	<u>15,682</u>	<u>(30,641)</u>
Restricted fixed assets fund					
Transfer on conversion	109,976	65,221	(9,977)	-	165,220
DfE Group capital grants	5,947	6,280	(210)	-	12,017
Capital expenditure from GAG	8,619	-	(1,658)	5,049	12,010
Sponsorship	-	10	(2)	-	8
	<u>124,542</u>	<u>71,511</u>	<u>(11,847)</u>	<u>5,049</u>	<u>189,255</u>
Total restricted funds	<u>96,445</u>	<u>272,796</u>	<u>(231,358)</u>	<u>20,731</u>	<u>158,614</u>
Total unrestricted funds	<u>8,053</u>	<u>3,847</u>	<u>(1,848)</u>	<u>-</u>	<u>10,052</u>
Total Funds	<u>104,498</u>	<u>276,643</u>	<u>(233,206)</u>	<u>20,731</u>	<u>168,666</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total	Total
	2018	2017
	£000	£000
Outwood Academy Trust	6,888	8,787
Acklam	2,535	1,394
Adwick	2,679	2,313
Bishopsgarth	367	41
Brumby	23	(13)
Bydales	275	477
Carlton	(470)	(373)
City Fields	(144)	-
City	(482)	(195)
Danum	(1,175)	(1,363)
Easingwold	(623)	-
Foxhills	(1,044)	(854)
Freeston	17	-
Outwood Grange	5,310	4,121
Hemsworth	(198)	-
Newbold	(1,738)	(1,620)
Ormesby	(595)	(434)
Portland	2,871	2,584
Redcar	135	-
Ripon	654	407
Shafton	33	167
Valley	1,966	1,941
Outwood Primary		
Bell Lane	8	-
Darfield	131	-
Greystone	(94)	-
Kirkhamgate	179	-
Ledger Lane	469	613
Littleworth Grange	761	677
Lofthousegate	177	-
Newstead Green	(22)	-
Park Hill	162	-
Total before fixed asset fund and pension reserve	19,055	18,670
Restricted Fixed Asset Fund	189,255	139,770
Pension reserve	(39,644)	(38,118)
Total funds	168,666	120,322

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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

Name of Academy		Deficit	Deficit
		2018	2017
		£000	£000
Outwood Academy	Carlton	(470)	(373)
	City Fields	(144)	-
	City	(482)	(195)
	Danum	(1,175)	(1,363)
	Easingwold	(623)	-
	Foxhills	(1,044)	(854)
	Hemsworth	(198)	-
	Newbold	(1,738)	(1,620)
	Ormesby	(595)	(434)
	Greystone	(94)	-
	Newstead Green	(22)	-

The Trust's objective is to ensure that pooled reserves remain sufficient to cover capital requirements and the reserve policy of the Trust as a whole. By applying the 'family of schools' ethos to capital allocation, the Trust will allow individual schools to set in year deficit budgets and have an overall fund deficit if the program of school improvement, staffing restructure, pupil growth (and the impact of lagged funding) and capital investment requires it. However, this process always ensures that ring fenced funding such as pupil premium is preserved in each school and that the overall financial health of the Trust is maintained. The Trust will manage the in-year deficits of any schools during the turnaround phase which includes implementing plans that will return a surplus budget in the long term. Carlton, City Fields, City, Danum, Easingwold, Foxhills, Hemsworth, Newbold, Ormesby, Greystone, Newstead Green are expected to deliver surplus budgets in the long term.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

Analysis of Academies by cost for the year ended 31 August 2018

	Teaching and education staff costs	Other support staff costs	Education supplies	Other costs excl. depreciation	Total 2018
	£000	£000	£000	£000	£000
Acklam	3,575	888	401	1,160	6,024
Adwick	3,934	937	382	766	6,019
Bishopsgarth	2,387	556	235	394	3,572
Brumby	2,526	735	249	473	3,983
Bydales	2,636	384	185	852	4,057
Carlton	3,365	952	251	1,144	5,712
City Fields	456	318	47	123	944
City	3,293	1,107	383	718	5,501
Danum	4,714	1,164	473	979	7,330
Easingwold	1,483	350	58	365	2,256
Foxhills	2,138	524	235	563	3,460
Freeston	838	417	83	137	1,475
Outwood Grange	6,257	1,451	492	1,168	9,368
Hemsworth	1,707	876	88	282	2,953
Newbold	3,514	456	251	1,156	5,377
Ormesby	3,051	463	464	821	4,799
Portland	4,354	831	407	1,063	6,655
Redcar	1,925	726	208	548	3,407
Ripon	2,287	1,115	158	448	4,008
Shafton	3,761	740	266	1,610	6,377
Valley	5,404	813	509	1,302	8,028
Bell Lane	353	114	27	65	559
Darfield	657	186	29	259	1,131
Greystone	375	111	18	114	618
Kirkhamgate	561	106	33	124	824
Ledger Lane	916	142	51	201	1,310
Littleworth Grange	1,274	208	68	505	2,055
Lofthouse Gate	1,181	173	61	265	1,680
Newstead Green	217	235	15	43	510
Park Hill	521	216	32	110	879
Trust	2,460	1,667	38	947	5,112
Outwood Grange Services Ltd	238	116	12	328	694
	72,358	19,077	6,209	19,033	116,677

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

Analysis of Academies by cost for the year ended 31 August 2017

	Teaching and education staff costs	Other support staff costs	Education supplies	Other costs excl. depreciation	Total 2017
	£000	£000	£000	£000	£000
Acklam	3,532	718	367	1,240	5,857
Adwick	4,203	919	429	899	6,450
Bishopsgarth	2,342	469	146	333	3,290
Brumby	2,469	634	159	495	3,757
Bydales	2,508	334	224	875	3,941
Carlton	3,436	763	272	1,114	5,585
City	3,380	879	311	764	5,334
Danum	5,257	1,495	474	1,152	8,378
Foxhills	2,114	478	167	584	3,343
Outwood Grange	6,980	1,465	516	1,294	10,255
Newbold	3,820	540	294	1,296	5,950
Ormesby	3,312	498	416	915	5,141
Portland	4,265	584	285	1,234	6,368
Ripon	2,281	478	107	633	3,499
Shafton	3,706	821	252	1,635	6,414
Valley	5,645	727	581	1,637	8,590
Wakefield Primaries	2,713	352	129	611	3,805
Barnsley Primaries	1,957	321	89	819	3,186
Trust	2,077	1,734	16	647	4,474
Outwood Grange Services Ltd	196	89	13	495	793
	66,193	14,298	5,247	18,672	104,410

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

20 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	274	274
Tangible fixed assets	-	-	188,981	188,981
Current assets	11,091	21,016	-	32,107
Current liabilities	-	(13,052)	-	(13,052)
Pension scheme liability	-	(39,644)	-	(39,644)
Total net assets	11,091	(31,680)	189,255	168,666

Comparative information in respect of the preceding period is as follows :

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	225	225
Tangible fixed assets	(1)	-	139,545	139,544
Current assets	9,436	18,049	-	27,485
Current liabilities	-	(8,815)	-	(8,815)
Pension scheme liability	-	(38,118)	-	(38,118)
Total net assets	9,435	(28,884)	139,770	120,321

21 Capital commitments

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	1,732	439

The main costs "contracted for" at the year-end but not provided for relate to works at Outwood Academy Easingwold for mechanical and electrical works where a letter of intent was sent pre year end. Other costs relate to the remaining spend on a reception extension and toilet works at Outwood Primary Academy Lofthouse Gate.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

22 Commitments under operating leases

Operating leases

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	Group	Academy	Group	Academy
	2018	2018	2017	2017
	£000	£000	£000	£000
Amounts due within one year	5,932	5,932	5,007	5,007
Amounts due between one and five years	22,809	22,809	19,483	19,483
Amounts due after five years	59,889	59,889	58,604	58,604
	88,630	88,630	83,094	83,094

Of the above, £87,911k relates to PFI commitments across 8 schools.

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

	2017/18	2016/17
	£000	£000
Net income for the reporting period (as per the statement of financial activities)	38,278	5,159
Adjusted for:		
Amortisation [note 14]	101	122
Depreciation [note 15]	5,507	4,750
Impairment	-	1,367
Loss on sale of fixed assets	-	186
Capital grants from DfE and other capital income	(3,431)	(2,849)
Interest receivable [note 6]	(151)	(100)
Defined benefit pension scheme obligation inherited	7,696	6,506
Defined benefit pension scheme cost less contributions payable [note 28]	2,871	2,854
Defined benefit pension scheme finance cost [note 28]	1,026	943
Transfer in of assets from local authority on academy conversions and academy transfers	(48,854)	(16,977)
(Increase)/decrease in stocks	-	1
(Increase)/decrease in debtors	(2,652)	437
Increase/(decrease) in creditors	4,238	1,428
Net cash provided by Operating Activities	4,629	3,827

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

24 Cash flows from financing activities

	2017/18	2016/17
	£000	£000
Repayments of borrowing	-	-
Cash inflows from new academies converting or transferring	419	231
Cash inflows from new borrowing	-	-
Net cash provided by financing activities	419	231

25 Cash flows from investing activities

	2017/18	2016/17
	£000	£000
Dividends, interest and rents from investments	151	100
Proceeds from sale of tangible fixed assets	-	-
Purchase of intangible fixed assets	(151)	(134)
Purchase of tangible fixed assets	(6,509)	(4,792)
Capital grants from DfE Group	3,431	2,849
Capital funding received from sponsors and others	-	-
Net cash (used in) investing activities	(3,078)	(1,977)

26 Analysis of cash and cash equivalents

	2017/18	2016/17
	£000	£000
Cash in hand and at bank	10,889	8,977
Notice deposits	14,382	14,324
Total cash and cash equivalents	25,271	23,301

27 Members liability

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

28 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by: the West Yorkshire Pension Fund (WYPF) (Outwood Grange Academy, Outwood Primary Academy Ledger Lane, Outwood Primary Academy Kirkhamgate and Outwood Primary Academy Lofthouse Gate, Outwood Primary Academy Bell Lane, Outwood Primary Academy Park Hill, Outwood Primary Academy Newstead Green, Outwood Academy Freeston, Outwood Academy Hemsworth, Outwood Academy City Fields), the South Yorkshire Pension Fund (SYPF) (Outwood Academy Adwick, Outwood Academy City, Outwood Academy Shafton, Outwood Academy Carlton, Outwood Academy Danum, Outwood Primary Academy Littleworth Grange and Outwood Primary Academy Darfield), the North Yorkshire Pension Fund (NYPF) (Outwood Academy Ripon,

OUTWOOD GRANGE ACADEMIES TRUST
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Outwood Academy Easingwold, Outwood Primary Academy Greystone), 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, Outwood Academy Ormesby and Outwood Academy Bishopsgarth, Outwood Academy Redcar). 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 2016.

Contributions amounting to £1,500k were payable to the schemes at 31 August 2018 (2017: £1,172k) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £7,012k (2017: £6,264k).

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £4,905k (2017: £4,530k), of which employer's contributions totalled £3,755k (2017: £3,538k) and employees' contributions totalled £1,150k (2017: £992k). The agreed contribution rates for future years are an average of 17.27% across the Trust with the minimum being 13.5% and the maximum being 23.10% for employers and a sliding scale rate of between 5.5% and 12.5% per cent for employees.

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 (average)	2018	2017
Rate of increase in salaries	3.23%	3.31%
Rate of increase for pensions in payment/inflation	2.12%	2.19%
Discount rate for scheme liabilities	2.79%	2.51%
Inflation assumption (CPI)	2.10%	2.19%
Commutation of pensions to lump sums	50.00%	50.00%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The average assumed life expectations on retirement age 65 are:

	2018	2017
<i>Retiring today</i>		
Males	22.5	22.5
Females	25.4	25.3
<i>Retiring in 20 years</i>		
Males	24.3	24.5
Females	27.5	27.5

Sensitivity analysis	2018	2017
	£000	£000
Discount rate +0.1%	3,701	1,999
Discount rate -0.1%	2,612	2,028
Mortality assumption – 1 year increase	3,120	2,205
Mortality assumption – 1 year decrease	2,813	2,183
CPI rate +0.1%	3,071	1,717
CPI rate -0.1%	1,847	1,700

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

The Trust operates within seven local authority pension schemes and the actuarial reports are performed by four different actuaries. The sensitivity analysis performed by the different actuaries does not align perfectly with the sensitivity criteria highlighted in the disclosures. Where the sensitivity data has not been provided an average of the impact on the other schemes has been applied to give a total sensitivity impact.

The academy trust's share of the assets in the scheme were:

	2018	2017
	£000	£000
Equities	49,420	34,237
Gilts	7,309	4,515
Corporate bonds	2,996	2,300
Property	5,680	3,846
Cash and other liquid assets	3,778	1,901
Other	4,248	1,051
Total market value of assets	73,431	47,850

The actual return on scheme assets was:

3,461	3,400
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Amount recognised in the Statement of Financial Activities

	2017/18	2016/17
	£000	£000
Current service cost	6,604	5,926
Past service cost	22	46
Interest income	(1,424)	(886)
Interest cost	2,425	1,805
Gain on curtailment	-	420
Admin expenses	25	24
Total amount recognised in the SOFA	7,652	7,335

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

Changes in the present value of defined benefit obligations were as follows:

	2017/18	2016/17
	£000	£000
At 1 September	85,968	72,889
Conversion of academy trusts	1,634	13,042
Transferred in on existing academies joining the academy trust	24,376	-
Current service cost	6,604	5,926
Interest cost	2,425	1,805
Employee contributions	1,150	992
Actuarial (gain)	(8,030)	(8,150)
Benefits paid	(1,074)	(1,002)
Losses or gains on curtailments	-	420
Past service cost	22	46
At 31 August	113,075	85,968

Changes in the fair value of academy trust's share of scheme assets:

	2017/18	2016/17
	£000	£000
At 1 September	47,850	34,410
Conversion of academy trusts	1,108	6,536
Transferred in on existing academies joining the academy trust	17,206	-
Interest income	1,424	886
Actuarial gain	2,037	2,514
Employer contributions	3,755	3,538
Employee contributions	1,150	992
Benefits paid	(1,074)	(1,002)
Effect of non-routine settlements	(25)	(24)
At 31 August	73,431	47,850

29 Related party transactions

Owing to the nature of the Academy Trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

Expenditure Related Party Transactions

		2018	2017
Supplier	Service received	£000	£000
Outwood Grange Services Ltd	Recharge costs from Trust to OGSL	88	153
Princes Trust	Education services	-	1
Confederation of School Trusts	Subscription fees	1	-
FASNA Commercial Ltd	Conference fees	1	-

Balances owed at 31 August 2018 within creditors

	2018	2017
	£000	£000
Outwood Grange Services Ltd	-	1

Income Related Party Transactions

		2018	2017
Customer	Service provided	£000	£000
Outwood Grange Services Ltd	Gift Aid donation	100	154
Humber UTC	Recharge of staff time	-	184
Redcar Academy	Recharge of staff time	27	422
Ambition School Leadership	Training delivery	6	-

Balances owed at 31 August 2018 within debtors

	2018	2017
	£000	£000
Outwood Grange Services Ltd	-	154
Ambition School Leadership	1	-
Humber UTC	-	19
Redcar Academy	-	39

Ralph Pickles is a member of the Princes Trust NE Development Committee. The Trustee has no financial interest in any arrangements between the Trust and Princes Trust.

Martyn Oliver is on the board of Confederation of School Trusts, formerly FASNA and also the education board of Ambition School Leadership.

Outwood Grange Academies Trust worked with the Humber UTC under an NLE contract and during this time a Trustee of OGAT sat on the board of Humber UTC. The NLE contract came to an end on 31/08/2017.

The Trust also supported Redcar Academy under an NLE contract prior to its conversion on the 1 October 2017. Members of OGAT's SLT managed the school during this time. The related party transactions represent the recharge of staff time for the period to 1 October 2017.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

30 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the Academy Trust had a brought forward balance of £155k, received £186k of funds and has accrued income of £26k due from Wakefield City Academies Trust for Outwood Academy Hemsworth. £124k was disbursed from the fund. An amount of £243k is included in other creditors relating to undistributed funds that is repayable to the ESFA.

Outwood Grange Services Limited acts as an agent in respect of grant funds from the National College of Teaching and Learning (NCTL) for school to school support services and maths hub projects. In the year ended 31 August 2018 the trust had a brought forward balance of £47k, received no income and dispersed £17k with £nil recognised as income in the SOFA. An amount of £30k is included in other creditors relating to undistributed profits.

31 Transfer of existing academies into the Academy Trust

On 1 April 2018 Bell Lane Primary School transferred to Outwood Grange Academies Trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Outwood Grange Academies Trust from Wakefield City Academies Trust for £nil consideration.

The acquisition has 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 in the Statement of Financial Activities as Donations – transfer in from existing academy.

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

	Value reported by transferring academy	Fair value adjustment	Transfer In
	£000	£000	£000
Outwood Primary Academy Bell Lane			
Tangible fixed assets			
Leasehold land and buildings	651	-	651
Furniture and equipment	11	-	11
Computer equipment	14	-	14
Pensions			
Pensions – pension scheme assets	699	-	699
Pensions – pension scheme liabilities	(1,046)	-	(1,046)
Net assets	329	-	329

On 1 May 2018 Havercroft Primary School transferred to Outwood Grange Academies Trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Outwood Grange Academies Trust from Wakefield City Academies Trust for £nil consideration.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

The acquisition has 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 in the Statement of Financial Activities as Donations – transfer in from existing academy.

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

	Value reported by transferring academy	Fair value adjustment	Transfer in
	£000	£000	£000
Outwood Primary Academy Newstead Green			
Tangible fixed assets			
Leasehold land and buildings	1,114	-	1,114
Furniture and equipment	17	-	17
Computer equipment	9	-	9
Pensions			-
Pensions – pension scheme assets	842	-	842
Pensions – pension scheme liabilities	(1,227)	-	(1,227)
Net assets	<u>755</u>	<u>-</u>	<u>755</u>

On 1 May 2018 Hemsworth Arts and Community School transferred to Outwood Grange Academies Trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Outwood Grange Academies Trust from Wakefield City Academies Trust for £nil consideration.

The acquisition has 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 in the Statement of Financial Activities as Donations – transfer in from existing academy.

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

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

	Value reported by transferring academy £000	Fair value adjustment £000	Transfer in £000
Outwood Academy Hemsworth			
Tangible fixed assets			
Leasehold land and buildings	12,063	(826)	11,237
Furniture and equipment	302	-	302
Computer equipment	108	-	108
Pensions			
Pensions – pension scheme assets	5,280	-	5,280
Pensions – pension scheme liabilities	(7,409)	-	(7,409)
Net assets	10,344	(826)	9,518

On 1 May 2018 Freeston Academy transferred to Outwood Grange Academies Trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Outwood Grange Academies Trust from Wakefield City Academies Trust for £nil consideration.

The acquisition has 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 in the Statement of Financial Activities as Donations – transfer in from existing academy.

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

	Value reported by transferring academy £000	Fair value adjustment £000	Transfer in £000
Outwood Academy Freeston			
Tangible fixed assets			
Leasehold land and buildings	6,390	-	6,390
Furniture and equipment	204	-	204
Computer equipment	29	-	29
Pensions			
Pensions – pension scheme assets	2,757	-	2,757
Pensions – pension scheme liabilities	(4,002)	-	(4,002)
Net assets	5,378	-	5,378

On 1 April 2018 Heath View Primary School transferred to Outwood Grange Academies Trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Outwood Grange Academies Trust from Wakefield City Academies Trust for £nil consideration.

OUTWOOD GRANGE ACADEMIES TRUST
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The acquisition has 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 in the Statement of Financial Activities as Donations – transfer in from existing academy.

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

	Value reported by transferring academy £000	Fair value adjustment £000	Transfer in £000
Outwood Primary Academy Park Hill			
Tangible fixed assets			
Leasehold land and buildings	1,282	-	1,282
Furniture and equipment	21	-	21
Computer equipment	10	-	10
Pensions			
Pensions – pension scheme assets	795	-	795
Pensions – pension scheme liabilities	(1,296)	-	(1,296)
Net assets	<u>812</u>	<u>-</u>	<u>812</u>

On 1 July 2018 Wakefield City Academy transferred to Outwood Grange Academies Trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Outwood Grange Academies Trust from Wakefield City Academies Trust for £nil consideration.

The acquisition has 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 in the Statement of Financial Activities as Donations – transfer in from existing academy.

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

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

	Value reported by transferring academy £000	Fair value adjustment £000	Transfer in £000
Outwood Academy City Fields			
Tangible fixed assets			
Leasehold land and buildings	8,080	(3,137)	4,943
Furniture and equipment	426	-	426
Computer equipment	34	-	34
Pensions			
Pensions – pension scheme assets	4,695	-	4,695
Pensions – pension scheme liabilities	(6,184)	-	(6,184)
Net assets	<u>7,051</u>	<u>(3,137)</u>	<u>3,914</u>

On 1 October 2018 Redcar Academy transferred to Outwood Grange Academies Trust under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Outwood Grange Academies Trust from Redcar Academy for £nil consideration.

The acquisition has 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 in the Statement of Financial Activities as Donations – transfer in from existing academy.

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

	Value reported by transferring academy £000	Fair value adjustment £000	Transfer In £000
Outwood Academy Redcar			
Tangible fixed assets			
Freehold land and buildings	7,404	-	7,404
Furniture and equipment	81	-	81
Computer equipment	37	-	37
Cash in bank and in hand	419	-	419
Pensions			-
Pensions – pension scheme assets	2,138	-	2,138
Pensions – pension scheme liabilities	(3,212)	-	(3,212)
Net assets	<u>6,867</u>	<u>-</u>	<u>6,867</u>

Conversion to an Academy Trust

OUTWOOD GRANGE ACADEMIES TRUST
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On 1 January 2018 the Greystone Community Primary 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 from the North Yorkshire County Council for £nil consideration.

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

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

	Restricted funds	Restricted fixed asset funds	Total funds
	£000	£000	£000
Outwood Primary Academy Greystone			
Tangible fixed assets			
Leasehold land and buildings	-	2,283	2,283
Cash in bank and in hand	-	-	-
Pensions			
Pensions – pension scheme assets	366	-	366
Pensions – pension scheme liabilities	(588)	-	(588)
Net assets	<u>(222)</u>	<u>2,283</u>	<u>2,061</u>

On 1 January 2018 the Greystone Community Primary 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 from the North Yorkshire County Council for £nil consideration.

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

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

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Outwood Academy Easingwold			
Tangible fixed assets			
Leasehold land and buildings	-	11,828	11,828
Cash in bank and in hand	-	-	-
Pensions			
Pensions – pension scheme assets	742	-	742
Pensions – pension scheme liabilities	(1,046)	-	(1,046)
Net assets	<u>(304)</u>	<u>11,828</u>	<u>11,524</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

32 Teaching school trading account

	2017/18 £000	2017/18 £000	2017/18 £000	2016/17 £000
	Unrestricted funds	Restricted funds	Total funds	Total funds
Income				
Direct Income				
Other income	44	561	605	453
Other Income				
Fundraising and other trading activities	211	36	247	340
Total Income	<u>255</u>	<u>597</u>	<u>852</u>	<u>793</u>
Expenditure				
Direct costs				
Direct staff costs	-	231	231	196
Staff development	-	1	1	-
Other direct costs	-	327	327	243
Total direct costs	<u>-</u>	<u>559</u>	<u>559</u>	<u>439</u>
Other costs				
Support staff costs	-	110	110	83
Depreciation	-	-	-	1
Technology costs	-	2	2	4
Recruitment and support	-	13	13	14
Security and support	-	-	-	-
Other support costs	-	166	166	247
Share of governance	-	2	2	5
Total other costs	<u>-</u>	<u>293</u>	<u>293</u>	<u>354</u>
Total Expenditure	<u>-</u>	<u>852</u>	<u>852</u>	<u>793</u>
Transfers between funds excluding depreciation	-	-	-	-
Surplus/(Deficit) from all sources	<u>255</u>	<u>(255)</u>	<u>-</u>	<u>-</u>
Teaching school balances at 1 September 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Teaching school balances at 31 August 2018	<u>255</u>	<u>(255)</u>	<u>-</u>	<u>-</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

33 Events after the end of the reporting period

On 1 September 2018 Brumby Junior School joined Outwood Grange Academies Trust as Outwood Junior Academy Brumby. As at the date that these financial statements have been signed, the transfer values have not been finalised. However the Trustees expect the net impact of this to be favourable.

34 Principal Subsidiaries

Outwood Grange Services Limited

Subsidiary Name

Outwood Grange Services Limited

Company registration number

07844668

Basis of control

100% owned

Equity Shareholding %

100%

	2017/18	2016/17
	£000	£000
Total assets as at 31 August 2018	382	338
Total liabilities as at 31 August 2018	(382)	(338)
Total equity as at 31 August 2018	-	-
Turnover for the year ended 31 August 2018	852	793
Expenditure for the year ended 31 August 2018	(752)	(639)
Gift aid donation	(100)	(154)
Result for the year ended 31 August 2018	-	-