

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Jacqueline Frost Vivien Gillespie Maxwell Harnden William Knowles David Mason Roderick Stanley-Bell Alan Whittaker
Trustees	Jason Addison Paul Carter, Vice Chair Stella Day Sohail Faruqi Roger Fern, Chair Maxwell Harnden (resigned 5 October 2020) Anna Hennell James, CEO & Accounting Officer Jason Kirk Naomi Smith
Company registered number	10650092
Company name	Orwell Multi Academy Trust
Principal and registered office	Halifax Primary School Prince of Wales Drive Ipswich Suffolk IP2 8PY
Bankers	Lloyds Bank plc 13 Cornhill Ipswich IP1 1DG
Solicitors	Stone King 13 Queen Square Bath BA1 2HJ
Current Senior Managers	Chief Executive Officer / Accounting Officer - Anna Hennell James Chair of Trustees - Roger Fern Vice Chair of Trustees - Paul Carter Headteacher - Kasha Blake Headteacher - Kelly Head Headteacher - Anita Krishna Headteacher - Paul Arch Headteacher - Christine Davy Headteacher - Lee Abbott (appointed 01/01/2020) Chief Finance Officer - Jennifer Hunwicke

ORWELL MULTI ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

The principal activity of the company is the operation of 6 state funded schools providing education for pupils aged 3 – 11. Its schools have a combined pupil capacity of 1845 and had a roll of 1779 in the October 2020 school census.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum of Association is the primary governing document of the academy trust. The Trustees of Orwell Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Orwell Multi Academy Trust.

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 1.

b. 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.

c. Trustees' indemnities

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.

d. Method of recruitment and appointment or election of Trustees

The Members may appoint by ordinary resolution up to 10 Trustees.

The total number of Trustees including the Chief Executive Officer if they so choose to act as Trustee under Article 57 who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

Providing that the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Trustee. If so appointed, the individual holding the post of Chief Executive Officer shall continue as a Trustee until such time as he or she ceases to hold the post of Chief Executive Officer.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

The Trustees may appoint Co-opted Trustees. A 'Co-opted Trustee' means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee.

Trustees are appointed by the Members of the Trust on recommendation from the Trust Board. When recruiting Trustees, the Trust Board will carry out a skills analysis of the existing Trust Board and endeavour to recruit persons whose skill set and experience will enhance the overall capacity of the Board of Trustees.

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. All new Trustees will be offered a tour of the schools and the chance to meet with senior staff and pupils. All Trustees are introduced to policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. All Trustees are made familiar with the terms of reference and the policies surrounding conduct, including the safeguarding agenda in schools, have time with the CEO and Chair of the Trust to discuss main reports and Key Performance Indicators (KPIs). Meetings with committee chairs and senior staff will also be scheduled as appropriate. As there are expected to be only one or two new Trustees a year, induction will be carried out informally and will be tailored specifically to the individual.

The Trust recognises the need for training for all Governors, Trustees and Members. Over the past year training opportunities have included:

- Safeguarding
- Preparing for Ofsted
- Safer Recruitment
- Curriculum Intent and Implementation

f. Organisational structure

The Trust was set up with a management structure to support the Education Brief. The current structure consists of two levels: the Trustees and the Executive Leadership Team (ELT) who are responsible for the day to day running of the schools. The scheme of delegation outlines the responsibilities across the Trust. The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments. The ELT, consisting of the Chief Executive Officer, Chief Finance Officer (CFO) and the Headteachers, are responsible for leading each Trust school on a day to day basis. These school leaders control the Trust at an executive level implementing the policies laid down by the Trustees and reporting back to them. They are responsible for the day to day operations of the Trust, in particular organising the teaching staff, facilities and pupils. The appointment of staff, through a short listing and interviews process always includes a safe recruitment trained individual.

The CEO is the Accounting Officer.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of all management personnel are detailed in the Trust scheme of delegation. Management personnel, including the Chief Executive Officer, are paid in line with the pay scales set out in the national pay and conditions documents. Pay ranges are agreed with the Trustees, who are responsible for setting pay. All management personnel are subject to normal appraisal procedures which will determine pay increments. Any other remuneration is in line with the Trust pay policy. Neither the CEO /AO nor the CFO receive any additional remuneration. Non-executive Trustees do not receive any remuneration.

An independent review of the pay ranges for school leaders was carried out in the spring term of 2020 to ensure consistency of application of the STPCD and the Trust Pay Policy.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy Trust has more than 49 full time employees through any 7 months within the reporting period it must include information included in Schedule 2 of the Regulations. Whilst the Trust did have more than 49 full time employees throughout the period it did not have any employees who were union officials during the period and therefore there are no time or financial information to declare.

h. Related parties and other connected charities

Halifax Primary School have a parent association which is a registered charity.

i. Engagement with employees

Orwell Multi Academy Trust is committed to high levels of employee involvement and good communication. Our distributed leadership model provides for school-level leadership across the Trust. School leaders are all part of the Executive Leadership Team that meets regularly with the CEO and CFO. Office Managers meet regularly with the CFO. Headteachers and Office Managers are responsible for cascading news and information from these meetings within their own schools. Other information is relayed to staff through regular Trust mailings, emails and staff training sessions.

Policy Regarding Disabled Employees

Orwell Multi Academy Trust is committed to ensuring that we are mindful of equality in all that we do. As an equal opportunity employer we seek to offer disabled members of staff the same conditions of service, employment rights, promotion and training opportunities as other members of staff in similar roles. We seek to ensure that disabled staff, disabled staff who apply for a job within the organisation, or those that have a disability recognised whilst in our employment, have equality of opportunity.

We seek to make Orwell Multi Academy Trust buildings accessible to all.

j. Engagement with suppliers, customers and others in a business relationship with the academy trust

The Trust maintains regular communications with our suppliers, especially those with significant contracts, such as Chartwells (catering), to ensure that our supply chains comply with our values and that colleagues working with us feel valued and supported.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

During the COVID-19 pandemic, the trust has followed the PPN 02/20 and PPN 04/20 to support our suppliers, while maintaining our duty to ensure public money is spent carefully. This has been achieved through regular contact and close scrutiny of costs to ensure our key suppliers survive the current crisis

Objectives and activities

a. Objects and aims

The aim of the Trust is for every child to leave an Orwell Multi Academy Trust school well prepared for the next stage of their academic career, with a passion for lifelong learning.

To achieve this, we will:

- Retain, train and recruit the best staff at all levels
- Research, develop and implement the best practice
- Make learning irresistible, relevant and life-enhancing
- Promote excellence through high expectations and aspirations for success

We will ensure the following values underpin everything we do:

- Inclusivity; we will ensure that all members of the community are equally valued
- Integrity; we will ensure that all actions that we take are in line with our visions and values
- Innovation; we will look beyond the known and be prepared to take risks in the relentless pursuit of excellence
- Influence; we will use the skills and expertise from within OMAT to inspire and empower other school communities.

b. Objectives, strategies and activities

The principal object and activity of the charitable company is the operation of Orwell Multi Academy Trust to provide free education and care for pupils of different abilities between the ages of 3 and 11 years.

The Trust's activities cover a broad curriculum range. Beyond the school day a range of before and after school clubs and activities enrich the curriculum experience. School visits and trips are regularly planned for all pupils with the aim of providing experiences beyond those that they would normally receive.

The Trustees ensure that each school and the Academy Trust as a whole have effective development plans that target areas of development particular to each school and they ensure that the plans are effectively executed. The short term monitoring of the development plan is delegated to the Local Governing Committees who report to the Trustees termly.

The Trust's aim to retain, train and recruit the best staff at all levels, and to use the skills and expertise from within OMAT to inspire and empower other school communities, is enhanced through the Trust Teaching School (Orwell TS) and the National Leader of Education (NLE) designation of the CEO, with Halifax Primary as a National Support School (NSS). The Teaching School has a large number of associated Specialist Leaders of Education (SLEs) who work across the Trust Schools to develop staff and improve outcomes for pupils, as well as offering school to school support for schools outside the Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

c. Public benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Trustees have recorded in this report the activities carried out by the Trust in order to further charitable purposes for the public benefit.

Strategic report

Achievements and performance

Halifax Primary School was inspected by Ofsted in December 2019 and maintained a Good judgement.

The Willows Primary School was inspected in January 2020. Ofsted recognised the improvements made at The Willows over the previous four terms and the impact of the challenge and support from the Trust.

'Leaders have worked hard and effectively over the last four terms to dramatically improve provision.' *'The leaders of the Trust and those responsible for the governance of the school have provided school leaders with a lot of support and regular challenge.'* The school received a letter of recognition from Amanda Spielman (HMCI). Although the quality of education requires improvement, all other areas were judged to be Good.

Handford Hall Primary School was inspected in February 2020 and sustained a Good judgement. There was enough evidence of improved performance to suggest that the school could be judged outstanding if Ofsted were to carry out a section 5 inspection.

All schools in the Trust remained open for the children of key workers and vulnerable children during the national lockdown due to the COVID-19 pandemic, including over the Easter holidays. The schools provided remote learning for all other pupils. This was a mix of online work, videos and lessons delivered via school websites or Class Dojo, and learning packs and resources sent home or collected by families.

The schools continued to provide meals for those pupils still in school. We worked with Chartwells, our catering provider, to supply all eligible families with a food hamper each week, in lieu of the free school meals the children would have been provided with in school.

There were no statutory tests or assessments for the pupils in the 2019 – 20 academic year, due to the COVID-19 pandemic, so there is no official data to report.

No school staff were furloughed during the lockdown.

Where there was non-delivery of services due to the lockdown, reviews of payment were made on a case by case basis. Where full services were delivered, immediate payments were made rather than following the usual payment terms.

In order to ensure that all schools remained safe during the lockdown, and in preparation for the wider opening of schools in June 2020, and the full re-opening of schools in September 2020, all schools have invested heavily in cleaning and sanitising supplies, handwashing stations to increase capacity, and PPE.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Lettings in schools were curtailed due to the lockdown and this led to a small drop in income for Halifax Primary School.

The Trustees receive termly information to enable them to monitor performance.

a. Key performance indicators

- Ensure that standards across the Trust remain above the national figure for both attainment and progress.
- Disadvantaged children's attainment and progress is in line with the progress of non-disadvantaged children nationally.
- Ensure that standards across the Trust remain high and schools are challenging themselves by working in partnership across the Trust
- Pupil attendance across the Trust to be in line with the national average.

In order to make a judgement on KPIs the Trust looks at:

- achievement of pupils;
- quality of teaching within the schools;
- behaviour and safety of pupils in the schools;
- quality of leadership and management of the schools.

There was no statutory data for 2019 – 2020 due to the restricted opening of schools because of the global pandemic. Schools continued to provide high quality education to all pupils, either face to face for those pupils attending school (Children of critical workers, vulnerable pupils, pupils who could not be accommodated in their own setting)

Schools continued to challenge themselves and ensure that high standards were maintained over the year in spite of the lockdown. All schools maintained their programme of Continuing Professional Development, monitored the quality of delivery of lessons whether face to face or remotely and engaged in webinars, discussion groups and conferences at a local and national level in relation to school improvement and leading in challenging circumstances.

Attendance across the Trust was high during the lockdown period, and in line with or above the national figures in terms of children of critical works and vulnerable children attending.

b. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

c. Promoting the success of the company

The Board considers it crucial that the trust maintains a reputation for promoting and upholding the highest standards of educational provision, and that any decisions made are in line with our vision, values and strategic aims. Trustees give careful consideration to all decision making, taking into account the long term consequences of any decisions on our existing academies and staff. By adhering to our core values we seek to sustain strong partnerships with the communities we serve.

Financial review

We receive our income from a number of sources. The majority of income comes from central government via the Education and Skills Funding Agency (ESFA) who provide us with the grant, based largely on our pupil numbers, to cover our staffing and general running costs. (General Annual Grant – GAG). The ESFA may provide us with additional grants for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE / ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our pupils) this appears in the accounts as 'other government grants.' Such income is collectively referred to as 'restricted funds.' Other income is received from parents (for example income for trips) and from other third parties (for example from letting of our premises). Such other income may be restricted or unrestricted depending on whether it comes to us with conditions as to its use or whether it is available to spend at the discretion of the Trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are categorised into restricted and unrestricted. Funds not available for spending include the book value of fixed assets such as land, buildings and resources. These have a value and are therefore included as assets in the accounts but clearly we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme (LGPS) deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS deficit by paying over pension contributions due as calculated by the scheme's actuaries.

The academy has also been in receipt of capital grants from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2020, total expenditure of £9,861,525 was covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension funds) was £125,852.

All of the expenditure recorded in the Statement of Financial Activities was in furtherance of the Trust's objectives as set out above.

Prudence has been observed throughout the period to ensure reserves of funds are maintained in line with the Trust's reserves policy.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Financial review (continued)

Where schools have converted into the Trust, tangible fixed assets comprising land and buildings, furniture, fixtures and fittings and classroom equipment were granted to the Trust upon conversion by the Local Authority. The assets were used exclusively for the provision of education and associated support services to the pupils of the Trust.

At 31st August 2020 the net book value of fixed assets was £19,118,070 and movements in tangible fixed assets are shown within note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

In accordance with FRS102, the academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31st August 2020 and supporting notes to the accounts 28.

a. Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to the higher of 5% of GAG income or the risk adjusted value of every asset in the academy's condition improvement survey. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

b. Investment policy

The Trust does not currently have any investments and there are no immediate plans for investment. This position will be reviewed on a regular basis.

c. Principal risks and uncertainties

The major risks to which the Trust is exposed are:

- Reduction in funding through loss of pupils
- Reduction in funding due to changes to the national funding formula
- Reputational risk by poor Ofsted performance of more vulnerable schools
- Failure to recruit and retain high quality staff

d. Risk Management

The Trust Board is responsible for risk management and for maintaining a sound system of internal controls that support the achievement of internal policies, aims and objectives whilst safeguarding public funds and other funds and assets for which it is responsible. A risk register is maintained and regularly reviewed by the Trust Board. Their key objective is to minimise risk and take mitigating action where required. Areas of risk assessed include; control of finance, staffing, premises, Health & Safety, educational outcomes, safeguarding.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Streamlined energy and carbon reporting

The academy trust's greenhouse gas emissions and energy consumption are as follows:

	2020
Energy consumption used to calculate emissions (kWh):	977,274
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	177.26
	<hr/>
Total scope 1	177.26
	<hr/> <hr/>
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	3.19
	<hr/> <hr/>
Total gross emissions (in tonnes of CO2 equivalent)	180.45
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The academy trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

Three key measures have been taken to improve energy efficiency:

- We have installed smart meters across all sites to improve our understanding of energy consumption;
- We are looking to have a plan in place by September 2021 to move all our servers to the cloud;
- We have invested in LED lighting in some schools across the trust estate and are investigating completing this in the remaining schools with the aim of reducing overall energy consumption.

Plans for future periods

The Trust will endeavour to take on further schools, including through sponsorship, as part of the growth plan, and is in talks with potential partner schools. The Trust has been approved as a sponsor and the first sponsored school joined the Trust in November 2018.

Centralised roles will be developed, and school based office roles reviewed in the light of future growth.

The Trust has Teaching School status and provides support and training to other schools, as well as engaging in Initial Teacher Training.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Funds held as custodian on behalf of others

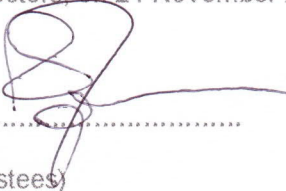
The Academy and its Trustees do not act as the Custodian Trustees for any other charity.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 24 November 2020 and signed on its behalf by:



.....
Roger Fern
(Chair of Trustees)

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Orwell Multi Academy Trust (OMAT) 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.

Trustees are skilled in areas including education, finance, Human Resources, strategic planning. Trustees have driven strategy and changes across the Trust, set the Trust priorities for the year, assessed structure, capacity and growth, and provided challenge and support to the leadership.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to Anna Hennell James, the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Orwell Multi Academy 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 has formally met 10 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
Jason Addison	7	10
Paul Carter, Vice Chair	9	10
Stella Day	9	10
Sohail Faruqi	5	10
Roger Fern, Chair	9	10
Maxwell Harnden	1	10
Anna Hennell James, CEO & Accounting Officer	10	10
Jason Kirk	9	10
Naomi Smith	10	10

Governance Review

During the summer term 2020 the Board commissioned a review of the Trust, to assess:

- What are the current strengths / successes across the MAT?
- Is the current structure fit for purpose to support the ambition of the MAT in always working in an inclusive and rigorous manner?
- What changes may be needed across the MAT to ensure that it can be successful over the next 3 years in an ever-changing educational landscape

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The review took place over two weeks in June 2020 and the team consisted of three reviewers. Reviewers carried out the following activities:

- A desk top review of MAT documentation including the Scheme of Delegation, current Ofsted reports, the Accountabilities Framework, individual academy SIP's, staffing structures, The Financial Handbook, a staff survey and key MAT policies
- Interviews with 20 members of the MAT leadership structure including Trustees, Chairs of Local Governing Committees, Headteachers and members of the MAT central team

Following the review an action plan has been drawn up to develop the strategic plan for the Trust for the next 3 years.

Maxwell Harnden resigned on 5 October 2020.

The finance, resources and audit (FRA) committee is a sub-committee of the main board of trustees. The FRA's primary purpose is to provide assurance over the suitability of, and compliance with, its financial systems and operational controls. Its purpose is to assist the decision making of the Trust Board, by enabling more detailed consideration to be given to the best means of fulfilling the Board's responsibility to ensure sound management of the Academies' finances and resources. FRA Committee meetings have taken place throughout the year and the Chair of the FRA is a qualified accountant.

The key challenge for the Committee during the year has been the implementation of an in-house Pay roll system and embedding the centralised finances approaches.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Jason Addison	3	6
Stella Day	3	6
Anna Hennell James	6	6
Jenny Hunwicke	5	6
Jason Kirk	6	6
Naomi Smith	6	6

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the academy 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 academy trust has delivered improved value for money during the year by procuring across more than one school where possible, centralising some work streams, and embedding the centralised system for finance.

PPN02/20 was used with 6 contracts and each contract was reviewed on a case by case basis to ensure value for money was achieved and continuity of service could be provided moving forward.

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate 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 on-going process designed to identify and prioritise the risks to the achievement of academy 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 Orwell Multi Academy Trust for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy 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 on-going process for identifying, evaluating, and managing the academy trust's significant risks that has been in place for the period 1st September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The academy 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 finance, resources and audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint MHA Larking Gowen as internal auditor. There have been visits to the schools and the shared services team in the autumn term of 2019. Spring and summer term visits were delayed due to the COVID-19 pandemic.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- Payroll
- Purchasing
- Income
- Monitoring and Review
- Bank Account reconciliations and management
- Governance and Policies

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

On a termly basis, the Chief Finance Officer shares the internal audit reports to the board of trustees through the Finance, Resource and Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the period MHA Larking Gowen have delivered their schedule as planned and no material control issues arose as a result of their review.

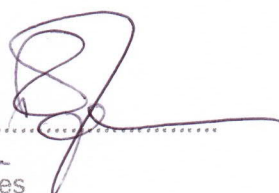
Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive leaders within the academy 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 Finance, Resources and Audit committee and has addressed the actions within the action plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:



.....
Roger Fern
Chair of Trustees
Date: 24 November 2020



.....
Anna Hennell James
Accounting Officer

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Anna Hennell James
Accounting Officer
Date: 24 November 2020

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published 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 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



.....
Roger Fern
(Chair of Trustees)
Date: 24 November 2020

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ORWELL MULTI ACADEMY TRUST**

Opinion

We have audited the financial statements of Orwell Multi Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust'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.

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ORWELL MULTI ACADEMY TRUST (CONTINUED)**

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 Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other 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 including the Strategic report for the financial year 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ORWELL MULTI ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the academy trust'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 academy trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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. This description forms part of our Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Joanne Fox BA FCA (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP
Chartered Accountants
Statutory Auditors
Ipswich

Date: 03.12.2020

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ORWELL
MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Orwell Multi Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Orwell Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Orwell Multi Academy Trust's funding agreement with the Secretary of State for Education dated 24 March 2017 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by 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.

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2019 to 2020. The work undertaken, includes, but is not limited to:

- Enquiry of senior management and the trustees
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest
- Checking the application of the financial controls
- Review of certain governance arrangements
- Review of the trust's process for checking its financial systems, controls, transactions and risks

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ORWELL
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Larking Gowen LLP
Chartered Accountants
Statutory Auditors
Ipswich

Date: 3.12.2020

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		-	-	-	-	1,881,768
Other donations and capital grants		12,016	500	1,059,832	1,072,348	136,427
Charitable activities:	4					
Teaching school		9,303	53,163	-	62,466	52,758
Funding the academy trust's educational operations		94,240	8,867,381	-	8,961,621	8,594,401
Other trading activities	5	81,143	-	-	81,143	120,003
Investments	6	8,083	-	-	8,083	12,646
Total income		204,785	8,921,044	1,059,832	10,185,661	10,798,003
Expenditure on:						
Raising funds		1,517	-	-	1,517	841
Charitable activities:	7					
Teaching school		757	76,521	-	77,278	86,196
Academy trust educational operations		117,188	8,946,392	719,150	9,782,730	9,187,555
Total expenditure		119,462	9,022,913	719,150	9,861,525	9,274,592
Net income/(expenditure) carried forward		85,323	(101,869)	340,682	324,136	1,523,411

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Net income/(expenditure) brought forward		85,323	(101,869)	340,682	324,136	1,523,411
Transfers between funds	20	-	(201,602)	201,602	-	-
Net movement in funds before other recognised gains/(losses)		85,323	(303,471)	542,284	324,136	1,523,411
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	28	-	(258,000)	-	(258,000)	(809,000)
Net movement in funds		85,323	(561,471)	542,284	66,136	714,411
Reconciliation of funds:						
Total funds brought forward		1,399,377	(1,424,936)	19,542,524	19,516,965	18,802,554
Net movement in funds		85,323	(561,471)	542,284	66,136	714,411
Total funds carried forward		1,484,700	(1,986,407)	20,084,808	19,583,101	19,516,965

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 28 to 61 form part of these financial statements.

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10650092

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	8,344	12,853
Tangible assets	15	19,118,070	19,437,462
		<u>19,126,414</u>	<u>19,450,315</u>
Current assets			
Stocks	16	3,739	3,912
Debtors	17	1,355,233	511,283
Cash at bank and in hand		2,890,571	2,720,478
		<u>4,249,543</u>	<u>3,235,673</u>
Creditors: amounts falling due within one year	18	(1,074,880)	(1,050,955)
Net current assets		<u>3,174,663</u>	<u>2,184,718</u>
Total assets less current liabilities		<u>22,301,077</u>	<u>21,635,033</u>
Creditors: amounts falling due after more than one year	19	(6,976)	(9,068)
Net assets excluding pension liability		<u>22,294,101</u>	<u>21,625,965</u>
Defined benefit pension scheme liability	28	(2,711,000)	(2,109,000)
Total net assets		<u><u>19,583,101</u></u>	<u><u>19,516,965</u></u>

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10650092

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the academy			
Restricted funds:			
Fixed asset funds	20	20,084,808	19,542,524
Restricted income funds	20	724,593	684,064
Restricted funds excluding pension asset	20	20,809,401	20,226,588
Pension reserve	20	(2,711,000)	(2,109,000)
Total restricted funds	20	18,098,401	18,117,588
Unrestricted income funds	20	1,484,700	1,399,377
Total funds		19,583,101	19,516,965

The financial statements on pages 23 to 61 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Roger Fern
 (Chair of Trustees)
 Date: 24 November 2020

The notes on pages 28 to 61 form part of these financial statements.

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	<i>2019</i> £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(500,481)	648,718
Cash flows from investing activities	24	672,666	(33,349)
Cash flows from financing activities	23	(2,092)	(2,092)
Change in cash and cash equivalents in the year		170,093	613,277
Cash and cash equivalents at the beginning of the year		2,720,478	2,107,201
Cash and cash equivalents at the end of the year	25, 26	<u>2,890,571</u>	<u>2,720,478</u>

The notes on pages 28 to 61 from part of these financial statements

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Orwell Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 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 academy trust 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.

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 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 year 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.

• **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 year it is receivable and to the extent the academy trust has provided the goods or services.

• **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 a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

1.4 Expenditure

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

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Expenditure (continued)

- **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.

1.5 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.

1.6 Intangible 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 assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Computer software	- 20 %
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ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 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.

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

Depreciation is provided on the following bases:

Leasehold land	- Over the life of the lease
Long-term leasehold property	- 2% - 4%
Plant and machinery	- 7.69% - 33%
Fixtures, fittings and equipment	- 20%
IT equipment	- 20%

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.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Debtors

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

1.10 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.

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.11 Liabilities and provisions

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

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

1.12 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 bases are as follows:

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

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 notes 18 and 19. 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.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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

1. Accounting policies (continued)

1.14 Pensions

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.

1.15 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 the 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 Group.

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

2. Critical accounting estimates and areas of judgment

Estimates and judgments 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset fund 2020 £	Total funds 2020 £
Donations	3,753	500	-	4,253
Capital Grants	-	-	1,059,832	1,059,832
Transfer from local authority on conversion	8,263	-	-	8,263
Total 2020	12,016	500	1,059,832	1,072,348

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset fund 2019 £	Total funds 2019 £
Donations	22,013	-	-	22,013
Capital Grants	-	-	114,414	114,414
Transfer from local authority on conversion	63,110	(172,000)	1,990,658	1,881,768
Total 2019	85,123	(172,000)	2,105,072	2,018,195

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NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for Academy's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant	-	6,904,182	6,904,182	6,724,182
Rates Relief	-	31,402	31,402	26,305
Pupil Premium	-	577,088	577,088	592,977
UIFSM	-	303,061	303,061	289,732
PE & Sports Grant	-	110,060	110,060	99,747
Other DfE/ESFA grants	-	21,280	21,280	119,822
Teachers Pay Grant	-	84,690	84,690	52,756
Teachers Pension Grant	-	245,766	245,766	-
Teaching School Grant	-	53,163	53,163	25,938
	-	8,330,692	8,330,692	7,931,459
Other Government Grants				
SEN Funding	-	208,471	208,471	155,950
Early Years	-	143,210	143,210	159,470
Opportunity Funding	-	136,037	136,037	169,601
Other Government Grants	-	5,720	5,720	33,715
Other revenue grants	-	47,899	47,899	19,384
	-	541,337	541,337	538,120
Other funding				
Trip income	38,995	-	38,995	63,262
Catering income	55,245	-	55,245	86,936
Receipts from insurance claims	-	6,380	6,380	562
Teaching School	9,303	-	9,303	26,820
	103,543	6,380	109,923	177,580
Exceptional government funding				
Coronavirus exceptional support	-	42,135	42,135	-
	-	42,135	42,135	-
Total 2020	103,543	8,920,544	9,024,087	8,647,159
<i>Total 2019</i>	<i>177,580</i>	<i>8,469,579</i>	<i>8,647,159</i>	

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

4. Funding for Academy's educational operations (continued)

The academy trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding". The funding received for coronavirus exceptional support covers £42,135 of additional costs spent on free school meals other than through the national voucher scheme. These costs are included in note 7 as appropriate.

In 2019, all other funding was unrestricted and the remainder of funding for the Academy's educational operations was restricted.

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Hire of Facilities	17,160	17,160	27,521
Income from other activities	61,589	61,589	88,881
Uniforms Income	2,394	2,394	3,039
Other Catering Income	-	-	562
	<u>81,143</u>	<u>81,143</u>	<u>120,003</u>
<i>Total 2019</i>	<u>120,003</u>	<u>120,003</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Bank Interest	8,083	8,083	12,646
	<u>12,646</u>	<u>12,646</u>	
<i>Total 2019</i>	<u>12,646</u>	<u>12,646</u>	

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

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total 2019 £</i>
Expenditure on fundraising trading activities:					
Direct costs	-	-	1,517	1,517	841
Charitable activities:					
Direct costs	6,465,947	714,641	692,712	7,873,300	7,263,257
Support costs	739,475	576,727	670,506	1,986,708	2,010,494
Total 2020	<u>7,205,422</u>	<u>1,291,368</u>	<u>1,364,735</u>	<u>9,861,525</u>	<u>9,274,592</u>
<i>Total 2019</i>	<u>6,599,808</u>	<u>1,290,248</u>	<u>1,384,536</u>	<u>9,274,592</u>	

8. Analysis of expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Charitable activities expenditure	7,873,300	1,986,708	9,860,008	9,273,751
Total 2020	<u>7,873,300</u>	<u>1,986,708</u>	<u>9,860,008</u>	<u>9,273,751</u>
<i>Total 2019</i>	<u>7,263,257</u>	<u>2,010,494</u>	<u>9,273,751</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	739,475	712,879
Technology costs	97,326	86,244
Premises costs	576,727	611,302
Other support costs	545,625	564,276
Governance costs	27,555	35,793
	<u>1,986,708</u>	<u>2,010,494</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	<i>2019 £</i>
Operating lease rentals	12,776	8,943
Depreciation of tangible fixed assets	714,641	678,946
Amortisation of intangible assets	4,509	5,088
Fees paid to auditors for:		
- audit	11,720	11,380
- other services	4,630	4,500
	<u>4,630</u>	<u>4,500</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	5,208,887	4,961,863
Social security costs	380,525	393,398
Pension costs	1,532,901	1,070,880
	<u>7,122,313</u>	<u>6,426,141</u>
Supply staff costs	60,543	134,718
Staff restructuring costs	11,476	29,000
Apprenticeship Levy	11,090	9,949
	<u>7,205,422</u>	<u>6,599,808</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	11,476	-
Severance payments	-	29,000
	<u>11,476</u>	<u>29,000</u>

b. Non-statutory/non-contractual staff severance payments

Included in 2020 staff restructuring costs were non statutory/non contractual severance payments totalling £nil (2019: £29,000) payable to 0 (2019: 3) individuals. Individually, the payments were 2019: £22,000, £4,000 and £3,000.

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

c. Staff numbers

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

	2020	<i>2019</i>
	No.	<i>No.</i>
Teachers	94	<i>73</i>
Administration and other support	160	<i>193</i>
Management	17	<i>18</i>
	271	<i>284</i>

d. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	3	<i>2</i>
In the band £70,001 - £80,000	1	<i>1</i>
In the band £80,001 - £90,000	1	<i>1</i>

e. Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. 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 £684,307 (*2019 £670,028*).

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

11. Central services

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

- Chief Executive Leadership time and support
- Chief Finance Officer time and support
- School Improvement consultancy and support
- Coaching and mentoring support
- HR consultancy advice and support
- Finance system licenses and costs
- Audit Fees (both external and internal)
- Trust governance and risk management
- Governor Clerking & Training
- Attendance officer
- Access to management tools
- Access to Occupational health & Wellbeing
- GDPR compliance support
- IT consultancy support
- Health and Safety software

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

The shared services team charge for these services by transferring 5% each of GAG, Early Years Funding and any other grants relating to GAG income (such as the teacher pension and pay grant) for each academy.

The academy trust also provides the following support services to its academies:

- Trust Finance lead time and support
- Centralised finance processing
- Trustwide contract procurement and management
- CIF bid and H&S support

This is charged on an at cost basis apportioned at 50% per school and 50% per pupil.

The actual amounts charged during the year were as follows:

	2020	<i>2019</i>
	£	£
Handford Hall Primary School	87,752	63,892
Halifax Primary School	101,270	79,076
Springfield Infants School	72,496	50,079
The Willows Primary School	98,446	74,533
Brooklands Community Primary School	51,327	35,576
Grange Community School	53,847	33,053
Total	465,138	336,209

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

11. Central services (continued)

The trust holds the pension reserve for all of its academies and so pension service costs and pension finance income from the local government pension scheme are held centrally and not recharged to the academies within the trust.

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	<i>2019</i>
		£	£
A Hennell James (CEO and Accounting Officer)	Remuneration	85,000 -	<i>80,000 -</i>
		90,000	<i>85,000</i>
	Pension contributions paid	20,000 -	<i>10,000 -</i>
		25,000	<i>15,000</i>

During the year ended 31 August 2020, expenses totalling £781 were reimbursed or paid directly to 1 Trustee (*2019 - £1,088 to 1 Trustee*).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2020 is included in the general insurance premium.

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

14. Intangible assets

	Computer software £
Cost	
At 1 September 2019	23,991
At 31 August 2020	<u>23,991</u>
Amortisation	
At 1 September 2019	11,138
Charge for the year	4,509
At 31 August 2020	<u>15,647</u>
Net book value	
At 31 August 2020	<u>8,344</u>
<i>At 31 August 2019</i>	<u>12,853</u>

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

15. Tangible fixed assets

	Leasehold property £	Assets under construction £	Furniture and equipment £	Plant and machinery £	IT equipment £	Total £
Cost or valuation						
At 1 September 2019	19,649,103	-	104,214	924,391	217,361	20,895,069
Additions	30,862	154,911	63,274	24,983	121,219	395,249
At 31 August 2020	<u>19,679,965</u>	<u>154,911</u>	<u>167,488</u>	<u>949,374</u>	<u>338,580</u>	<u>21,290,318</u>
Depreciation						
At 1 September 2019	1,094,467	-	22,897	296,350	43,893	1,457,607
Charge for the year	501,670	-	27,037	131,452	54,482	714,641
At 31 August 2020	<u>1,596,137</u>	<u>-</u>	<u>49,934</u>	<u>427,802</u>	<u>98,375</u>	<u>2,172,248</u>
Net book value						
At 31 August 2020	<u><u>18,083,828</u></u>	<u><u>154,911</u></u>	<u><u>117,554</u></u>	<u><u>521,572</u></u>	<u><u>240,205</u></u>	<u><u>19,118,070</u></u>
At 31 August 2019	<u><u>18,554,636</u></u>	<u><u>-</u></u>	<u><u>81,317</u></u>	<u><u>628,041</u></u>	<u><u>173,466</u></u>	<u><u>19,437,462</u></u>

Land with a value of £8,357,219 (2019: £8,426,364) is held under long term leases, each with a term of 125 years, with Suffolk County Council. A peppercorn rent is payable on each lease.

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NOTES TO THE FINANCIAL STATEMENTS
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16. Stocks

	2020	<i>2019</i>
	£	£
Goods for resale	3,739	3,912

17. Debtors

	2020	<i>2019</i>
	£	£
Due within one year		
Trade debtors	4,783	8,782
Other debtors	8,324	82,452
Prepayments and accrued income	1,128,167	268,656
Tax recoverable	213,959	151,393
	1,355,233	511,283

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18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	399,642	474,881
Other taxation and social security	103,098	101,105
Other creditors	138,491	119,857
Accruals and deferred income	433,649	355,112
	1,074,880	1,050,955
	1,074,880	1,050,955
	2020 £	2019 £
Deferred income at 1 September 2019	262,204	191,886
Resources deferred during the year	256,214	262,204
Amounts released from previous periods	(262,204)	(191,886)
	256,214	262,204
	256,214	262,204

At the balance sheet date the academy trust was holding funds received in advance for school trips totalling £5,481, £179,863 for Universal Infant Free School Meals grants, £25,528 for Devolved Formula Capital grants and £45,342 for other grant income relating to 2020/21.

Included within other creditors is a Salix loan of £2,092 (2019 - £2,092) relating to the purchase of lighting. The loan amount is due to Suffolk County Council.

19. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other loans	6,976	9,068
	6,976	9,068

Included within other loans is a Salix loan of £6,976 (2019 - £9,068) relating to the purchase of lighting. The loan amount is due to Suffolk County Council.

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

20. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General fund	1,399,377	204,785	(119,462)	-	-	1,484,700
Restricted general funds						
General Annual Grant (GAG)	452,319	6,904,682	(6,635,881)	(154,461)	-	566,659
Start Up Grant	5,237	-	(5,237)	-	-	-
Pupil Premium	82,529	577,088	(584,162)	-	-	75,455
Other ESFA/DfE Grants	95,960	898,392	(872,341)	(45,735)	-	76,276
Teaching school	26,064	53,163	(76,521)	-	-	2,706
Other Restricted Funds	21,955	487,719	(504,771)	(1,406)	-	3,497
Pension reserve	(2,109,000)	-	(344,000)	-	(258,000)	(2,711,000)
	<u>(1,424,936)</u>	<u>8,921,044</u>	<u>(9,022,913)</u>	<u>(201,602)</u>	<u>(258,000)</u>	<u>(1,986,407)</u>
Restricted fixed asset funds						
Transfer on Conversion	19,214,806	-	(719,150)	-	-	18,495,656
DfE/ESFA Capital Grants	240,357	1,059,832	-	-	-	1,300,189
Capital expenditure from restricted funds	87,361	-	-	201,602	-	288,963
	<u>19,542,524</u>	<u>1,059,832</u>	<u>(719,150)</u>	<u>201,602</u>	<u>-</u>	<u>20,084,808</u>
Total Restricted funds	<u>18,117,588</u>	<u>9,980,876</u>	<u>(9,742,063)</u>	<u>-</u>	<u>(258,000)</u>	<u>18,098,401</u>
Total funds	<u><u>19,516,965</u></u>	<u><u>10,185,661</u></u>	<u><u>(9,861,525)</u></u>	<u><u>-</u></u>	<u><u>(258,000)</u></u>	<u><u>19,583,101</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Restricted general funds

During the period the allocation of opening restricted funds balances were reviewed and restated. The reallocations were only between funds. There was no change to overall opening restricted funds.

The restricted general fund consists of recurrent grants, the use of which is restricted to educational purposes.

Other ESFA/DfE Grants includes balances for Rates relief, Universal Infant Free School Meals and the PE and Sports Grant.

Other restricted funds includes balances for SCITT funding, Early Years funding, High Tariff Needs funding, Growth Funding, a grant for Syrian resettlement and SEN funding.

Pupil premium provides funding to raise the attainment of disadvantaged pupils and support pupils with parents in regular armed forces.

Start-Up grant is funding provided to an academy trust in their first year to help with the initial setup costs of an academy trust.

Restricted fixed asset funds

The government capital funds are provided by the government for specific capital projects. In year, the trust has received Devolved Formula Capital funding of £43,852 and CIF grant income of £1,015,980.

Unrestricted funds

These funds relate to unrestricted income to be used to support the academy trust's objectives and educational activities.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	2019
	£	£
Handford Hall Primary School	585,797	563,161
Halifax Primary School	450,014	458,061
Springfield Infants School	212,870	182,950
The Willows Primary School	456,497	432,513
Brooklands Community Primary School	130,999	160,780
Grange Community Primary School	155,730	93,437
Shared services	206,134	166,475
Teaching School	11,252	26,064
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,209,293	2,083,441
Restricted fixed asset fund	20,084,808	19,542,524
Pension reserve	(2,711,000)	(2,109,000)
	<hr/>	<hr/>
Total	19,583,101	19,516,965
	<hr/> <hr/>	<hr/> <hr/>

The Trust is currently budgeting a 2020/21 deficit of £366,869 (2019/20 - £289,563 deficit) to reinvest some of these reserves in schools and is constantly reviewing the balances in schools and the provision available to our students.

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

20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	<i>Total 2019</i>
	£	£	£	£	£	£
Handford Hall Primary School	1,157,407	110,544	71,173	216,567	1,555,691	1,524,955
Halifax Primary School	1,466,439	79,554	96,062	295,284	1,937,339	1,938,962
Springfield Infants School	943,886	98,276	67,758	181,364	1,291,284	1,300,964
The Willows Primary School	1,325,580	177,395	95,962	234,772	1,833,709	1,751,306
Brooklands Community Primary School	502,095	40,664	99,466	192,712	834,937	786,747
Grange Community Primary School	624,463	95,029	45,305	133,311	898,108	743,005
Central services	428,957	143,657	15,550	203,143	791,307	544,619
Academy trust	6,448,827	745,119	491,276	1,457,153	9,142,375	8,590,558

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

20. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>As restated Expenditure £</i>	<i>As restated Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General fund	1,040,167	395,352	(78,737)	42,595	-	1,399,377
Restricted general funds						
General Annual Grant (GAG)	444,542	6,724,182	(6,287,946)	(428,459)	-	452,319
Start Up Grant	78,172	-	(57,297)	(15,638)	-	5,237
Pupil Premium	47,009	592,977	(557,457)	-	-	82,529
Other ESFA/DfE Grants	41,419	588,362	(515,319)	(18,502)	-	95,960
Teaching school	59,500	25,938	(21,438)	(37,936)	-	26,064
Other Restricted Funds	6,287	538,120	(508,452)	(14,000)	-	21,955
Pension reserve	(988,000)	(172,000)	(569,000)	429,000	(809,000)	(2,109,000)
	<u>(311,071)</u>	<u>8,297,579</u>	<u>(8,516,909)</u>	<u>(85,535)</u>	<u>(809,000)</u>	<u>(1,424,936)</u>
Restricted fixed asset funds						
Transfer on Conversion	17,851,111	1,990,658	(626,963)	-	-	19,214,806
DfE/ESFA Capital Grants	125,943	114,414	-	-	-	240,357
Capital expenditure from restricted funds	96,404	-	(51,983)	42,940	-	87,361
	<u>18,073,458</u>	<u>2,105,072</u>	<u>(678,946)</u>	<u>42,940</u>	<u>-</u>	<u>19,542,524</u>
Total Restricted funds	<u>17,762,387</u>	<u>10,402,651</u>	<u>(9,195,855)</u>	<u>(42,595)</u>	<u>(809,000)</u>	<u>18,117,588</u>

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

20. Statement of funds (continued)

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>As restated Expenditure</i>	<i>As restated Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
Total funds	<u>18,802,554</u>	<u>10,798,003</u>	<u>(9,274,592)</u>	<u>-</u>	<u>(809,000)</u>	<u>19,516,965</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020	Restricted funds 2020	Restricted fixed asset funds 2020	Total funds 2020
	£	£	£	£
Tangible fixed assets	-	-	19,118,070	19,118,070
Intangible fixed assets	-	-	8,344	8,344
Current assets	1,493,567	1,618,573	1,137,403	4,249,543
Creditors due within one year	(8,867)	(893,980)	(172,033)	(1,074,880)
Creditors due in more than one year	-	-	(6,976)	(6,976)
Provisions for liabilities and charges	-	(2,711,000)	-	(2,711,000)
Total	<u>1,484,700</u>	<u>(1,986,407)</u>	<u>20,084,808</u>	<u>19,583,101</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019</i>	<i>Restricted funds 2019</i>	<i>Restricted fixed asset funds 2019</i>	<i>Total funds 2019</i>
	£	£	£	£
Tangible fixed assets	-	-	19,437,462	19,437,462
Intangible fixed assets	-	-	12,853	12,853
Current assets	1,599,558	1,532,746	103,369	3,235,673
Creditors due within one year	(200,181)	(848,682)	(2,092)	(1,050,955)
Creditors due in more than one year	-	-	(9,068)	(9,068)
Provisions for liabilities and charges	-	(2,109,000)	-	(2,109,000)
Total	<u>1,399,377</u>	<u>(1,424,936)</u>	<u>19,542,524</u>	<u>19,516,965</u>

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

21. Analysis of net assets between funds (continued)

22. Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of financial activities)	324,136	1,523,411
Adjustments for:		
Amortisation	4,509	5,088
Depreciation	714,641	678,946
Capital grants from DfE and other capital income	(1,059,832)	(114,414)
Interest receivable	(8,083)	(12,646)
Defined benefit pension scheme obligation inherited	-	172,000
Defined benefit pension scheme cost less contributions payable	301,000	39,023
Defined benefit pension scheme finance cost	43,000	33,000
Decrease/(increase) in stocks	173	(568)
Increase in debtors	(843,950)	(52,029)
Increase in creditors	23,925	427,428
Fixed assets transferred from Local Authorities	-	(1,984,230)
Cash transferred on conversion to an academy trust	-	(66,291)
Net cash (used in)/provided by operating activities	(500,481)	648,718

23. Cash flows from financing activities

	2020 £	2019 £
Repayments of borrowing	(2,092)	(2,092)
Net cash used in financing activities	(2,092)	(2,092)

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24. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	8,083	12,646
Purchase of tangible fixed assets	(395,249)	(226,700)
Capital grants from DfE Group	1,059,832	114,414
Cash transferred on conversion to an academy trust	-	66,291
Net cash provided by/(used in) investing activities	672,666	(33,349)

25. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	2,890,571	2,720,478
Total cash and cash equivalents	2,890,571	2,720,478

26. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	2,720,478	170,093	2,890,571
Debt due after 1 year	(9,068)	2,092	(6,976)
	2,711,410	172,185	2,883,595

27. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	1,022,565	-
	1,022,565	-

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28. Pension commitments

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 Suffolk County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £134,462 were payable to the schemes at 31 August 2020 (2019 - £115,752) 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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

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FOR THE YEAR ENDED 31 AUGUST 2020

28. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £788,247 (2019 - £529,112).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 2020 was £540,000 (2019 - £514,000), of which employer's contributions totalled £448,000 (2019 - £429,000) and employees' contributions totalled £ 92,000 (2019 - £85,000). The agreed contribution rates for future years are 28 per cent for employers and tiered 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

	2020	2019
	%	%
Rate of increase in salaries	2.9	2.6
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.9	21.3
Females	24.1	23.5
<i>Retiring in 20 years</i>		
Males	22.7	22.3
Females	25.6	24.9

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28. Pension commitments (continued)

Sensitivity analysis

	2020 £000	<i>2019</i> <i>£000</i>
Discount rate +0.1%	176,000	<i>153,400</i>
Discount rate -0.1%	(176,000)	<i>(153,400)</i>
Mortality assumption - 1 year increase	108,440	<i>84,360</i>
Mortality assumption - 1 year decrease	(108,440)	<i>(84,360)</i>
CPI rate +0.1%	162,400	<i>132,000</i>
CPI rate -0.1%	(162,400)	<i>(132,000)</i>

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

	2020 £	<i>2019</i> <i>£</i>
Equities	2,347,000	<i>1,726,000</i>
Corporate bonds	1,034,000	<i>932,040</i>
Property	358,000	<i>759,440</i>
Cash and other liquid assets	239,000	<i>34,520</i>
Total market value of assets	3,978,000	<i>3,452,000</i>

The actual return on scheme assets was £3,978 (*2019 - £179,504*).

The amounts recognised in the Statement of financial activities are as follows:

	2020 £	<i>2019</i> <i>£</i>
Current service cost	(722,000)	<i>(514,000)</i>
Past service cost	(27,000)	<i>(22,000)</i>
Interest income	70,000	<i>83,000</i>
Interest cost	(113,000)	<i>(116,000)</i>
Total amount recognised in the Statement of financial activities	(792,000)	<i>(569,000)</i>

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28. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	5,561,000	3,380,000
Conversion of academy trusts	-	551,000
Interest cost	113,000	116,000
Employee contributions	92,000	85,000
Actuarial losses	174,000	893,000
Current service cost	722,000	514,000
Past service costs	27,000	22,000
	<u>6,689,000</u>	<u>5,561,000</u>

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

	2020 £	2019 £
At 1 September	3,452,000	2,392,000
Conversion of academy trusts	-	379,000
Interest income	70,000	83,000
Actuarial (losses)/gains	(84,000)	84,000
Employer contributions	448,000	429,000
Employee contributions	92,000	85,000
	<u>3,978,000</u>	<u>3,452,000</u>

29. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	8,428	16,676
Later than 1 year and not later than 5 years	1,893	15,137
	<u>10,321</u>	<u>31,813</u>

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30. 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.

31. 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 Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following transactions took place in the period of account with organisations connected to the trust. None of the organisations are under the control of the trust's trustees or members.

Teach First: This is an organisation in which trustee S Faruqi is an employee. Income of £7,800 (2019: £8,535) was received in the year in respect of mentoring grants and catering recharges, and expenditure of £26,700 (2019: £24,817) was made in relation to Teach First's standard services. £19,680 (2019: £26,760) is included in creditors at the year end.

Team Ipswich Swimming: This is an organisation in which trustee S Day is a Club secretary. Income of £3,605 (2019: £6,647) was received in the year for use of a school swimming pool. There is no balance owed to Orwell Multi Academy Trust at the year end (2019: £nil)

University of Suffolk: This is an organisation in which member V Gillepsie is a director. Expenditure of £nil (2019: £2,550) was made in relation to University of Suffolk's services. There is no balances owed to University of Suffolk at the year end (2019: £nil).

Raedwald Trust: This is an organisation in which trustees A Hennell James and R Fern are board members, and A Whittaker a member. Income of £30 (2019: £23,475) was received in respect of teaching services and expenditure of £16,720 was made in relation to PRU places (2019: £nil). There is no balanced owed to Orwell Multi Academy Trust at the year end or previous year end.

Ipswich Borough Council: This is an organisation in which member W Knowles and trustee R Fern are councilors. Expenditure of £38,012 (2019: £48,183) was made in relation to rates and waste collection. £nil is included in creditors at the year end (2019: £15,515).

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32. Teaching school trading account

	2020	2020	2019	2019
	£	£	£	£
Income				
Teaching school income	53,163		25,938	
Services provided	9,303		26,820	
Total income		62,466		52,758
Expenditure				
Other direct expenditure	625		461	
Wages	47,795		74,466	
Professional fees	23,384		6,190	
IT support	-		1,727	
Course Fees	5,474		3,350	
Total direct expenditure	77,278		86,194	
Total expenditure		77,278		86,194
Deficit from all sources		(14,812)		(33,436)
Teaching school balances at 1 September 2019		26,064		59,500
Teaching school balances at 31 August 2020		<u>11,252</u>		<u>26,064</u>