

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

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ORWELL MULTI ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | Alan Whittaker Roderick Stanley-Bell Jacqueline Frost Maxwell Harnden William Knowles David Mason Vivien Gillespie |
| Trustees | Roger Fern, Chair Paul Carter, Vice Chair Stella Day Jason Addison Jason Kirk Darren Pearl (resigned 1 September 2018) Sohail Faruqi Maxwell Harnden Anna Hennell James, CEO & Accounting Officer 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 (appointed - 01/09/2018) Headteacher - Christine Davy Acting Headteacher - Heather Haines (appointed 01/09/2019) Chief Finance Officer - Jennifer Hunwicke |

ORWELL MULTI ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. 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 1814 in the school census on 3rd October 2019.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

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.

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
- Interpreting and analysing data
- The new Ofsted framework

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

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.

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.

h. Related parties and other connected charities and organisations

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

i. 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.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

- 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 growth strategy has been supported by the addition of Grange Community Primary School (Felixstowe) in November 2018.

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 Teaching School Status of Halifax Primary School, 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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

a. Key performance indicators

Brooklands Primary School is currently rated Outstanding by Ofsted, Halifax Primary, Handford Hall Primary, The Willows Primary and Springfield Infants and Nursery are currently rated as Good.

Grange Community joined the Trust on 1st November 2018, under a sponsored arrangement. An Academy Order was issued following an Ofsted judgement of 'Inadequate' in December 2017.

None of the Trust schools were inspected between 1st September 2018 and 31st August 2019.

Our strategic priority is sustaining and improving high performance across the Trust so that all pupils by the age of 11 have achieved at least nationally expected standards.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

The table below shows pupil results for 2019, for schools in the Trust on 1st September 2018, compared to national averages, and 2018 outcomes. Figures given are the percentage of pupils achieving the expected or greater depth (GD) standards.

| | Brooklands | Halifax | Handford | Willows | Springfield | Trust 2019 Average | National Average | 2018 Trust average |
|----------------|------------|---------|----------|---------|-------------|--------------------------|---------------------|--------------------------|
| GLD | 80 | 70 | 71 | 80 | 71 | 74 | 73 | 75 |
| Y 1 Phonics | 93 | 88 | 78 | 73 | 85 | 83 | 83 | 82 |
| KS1 R | 80 | 75 | 73 | 52 | 80 | 72 | 75 | 77 |
| KS1 W | 76 | 70 | 66 | 50 | 74 | 67 | 70 | 70 |
| KS1 M | 83 | 78 | 73 | 64 | 79 | 75 | 76 | 79 |
| RWM | 77 | 70 | 66 | 47 | 75 | 67 | 65 | 67 |
| KS1 RGD | 33 | 20 | 18 | 9 | 40 | 24 | 26 | 22 |
| KS1W GD | 23 | 10 | 20 | 4 | 23 | 16 | 16 | 17 |
| KS1 M GD | 30 | 25 | 32 | 5 | 26 | 24 | 22 | 19 |
| RWM GD | 17 | 8 | 14 | 2 | 20 | 12 | 11 | 11 |
| | | | | | | | | |
| KS2 R | 93 | 73 | 82 | 66 | | 79 | 73 | 73 |
| KS2 W | 85 | 88 | 84 | 74 | | 83 | 78 | 81 |
| KS2 M | 81 | 82 | 79 | 64 | | 77 | 79 | 65 |
| RWM | 81 | 68 | 79 | 51 | | 70 | 65 | 59 |
| KS2 RGD | 37 | 32 | 24 | 6 | | 25 | 28 | 16 |
| KS2W GD | 33 | 28 | 37 | 11 | | 27 | 20 | 17 |
| KS2 M GD | 33 | 18 | 24 | 5 | | 20 | 24 | 16 |
| RWM | 19 | 8 | 5 | 3 | | 9 | 10 | 7 |

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

KS1 – KS2 Progress measures

| Progress Measures | Brooklands | Halifax | Handford Hall | The Willows | Trust Average | National |
|-------------------|------------|---------|---------------|-------------|---------------|----------|
| Reading | 2.35 | -0.89 | 4.59 | -3.1 | 2.95 | 0.0 |
| Writing | 1.98 | 1.4 | 5.93 | -1.53 | 1.95 | 0.0 |
| Maths | 1.53 | -0.23 | 2.85 | -3.37 | 0.2 | 0.0 |

End of KS2 Analysis:

Overall there was a combined 11% improvement in outcomes across the 5 schools in the Trust as at 1st September 2018.

Reading:

79% of our pupils are reading at expected levels, which is 6% above the national average and shows a 6% improvement on 2018. 25% of our pupils are reading at greater depth, which is just below the national average of 28%, but a 9% improvement on last year.

Writing:

83% of our pupils are writing at expected levels, which is 5% above the national average and shows a 2% improvement on last year. 27% of our pupils are writing at greater depth, 7% above the national average and a 10% improvement on last year.

Maths:

77% of our pupils are achieving at expected levels in maths, which is just below the national average of 79, and shows a 12% improvement on 2018. 20% of our pupils are working at greater depth, which is 4% below the national average of 24%, but a 4% improvement on last year.

Progress Measures:

Average progress measures across the Trust are positive. Most schools show average progress. The Willows progress is well below national in Reading and maths. Handford Hall has progress that is well above national in Reading and Writing, and above national in maths.

The Trustees receive termly information to enable them to monitor performance of the Trust.

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 2019

Strategic report (continued)

Achievements and performance (continued)

Financial review

a. Reserves policy

The Trustees have agreed a Reserves Policy and review it on an annual basis. The Trustees feel it is important that funding received during a financial year is spent for the benefit of all pupils on roll at the time, whilst recognising the need for prudent accounting. In deciding the level of reserves Trustees will take into account the following:

- one month salary bill
- the school's annual budget
- the need for any large project spend such as facilities development or building condition needs
- any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the school funding and its expiry date
- anticipated funding over the next three years.

The level of reserves required will be set annually as part of the annual planning and budget setting process. The current policy is for each academy within the Trust to hold revenue reserves equivalent to:

- 1 month of salary expenses, plus
- Risk adjusted value of every asset in the academy's conditions survey:
 - i. Value of expenditure required on asset
 - ii. Divided by life of asset until expenditure required

For example a roof needing £300,000 of expenditure with a life of 4 years would require £75,000 in reserves (£300,000/4).

This target level of reserves will be agreed recognising any factors set out in paragraph 3 above, plus:

- Allowing for quality of or any material changes in conditions survey
- Likelihood of success or suitability for CIF bids or other external funding

Where an academy cannot demonstrate reserves to this value then it must set a surplus budget for the purpose of building up reserves. The required surplus will be agreed depending upon each academy's budgetary position and shortfall in reserves, but 1% of GAG income is the starting assumption.

Where an academy has reserves in excess of this target amount the Trust Board must confirm when approving the academy's budget that this is consistent with the School Development Plan and ambitions for the school.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2019 was £2,083,441.

Unspent capital funds at 31 August 2019 was £103,369.

The Trust is currently budgeting a 2019/20 deficit of £248,730 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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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

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. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

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 2019, total expenditure of £9,274,592 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 £366,345, including £63,110 received on conversion of Grange Community Primary School.

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.

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 2019 the net book value of fixed assets was £19,450,315 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 2019 and supporting notes to the accounts 27.

e. 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

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

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.

Funds held as custodian on behalf of others

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

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy trust's equal opportunities policy, the academy trust has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy trust's offices.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

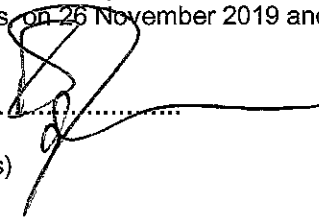
Disclosure of information to auditors

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 26 November 2019 and signed on its behalf by:

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



ORWELL MULTI ACADEMY TRUST
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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.

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 6 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 |
|--|-------------------|-------------------|
| Roger Fern, Chair | 6 | 6 |
| Paul Carter, Vice Chair | 4 | 6 |
| Stella Day | 5 | 6 |
| Jason Addison | 2 | 6 |
| Jason Kirk | 6 | 6 |
| Sohail Faruqi | 4 | 6 |
| Maxwell Harnden | 4 | 6 |
| Anna Hennell James, CEO & Accounting Officer | 6 | 6 |
| Naomi Smith | 6 | 6 |
| Darren Pearl | 0 | 0 |

Governance Review

During the Autumn Term 2018, the Board reviewed the Scheme of Delegation and will be reviewing this again in 2019. The Board also changed the terminology of Local Governing Bodies to Local Governing Committees. The Board agreed to discuss in more detail a formalised process of reviewing the Scheme of Delegation and ensuring the local headteachers and governing committees are involved fully.

The Board have discussed the challenge of ensuring all academies within the Trust remain sustainable and performing well and are aware of Ofsted inspection visits being due during 2019/20. The Board appointed an interim Director of School Improvement during the year, and the staff member left at the end of July 2019. The Board are focused on appointing a permanent school improvement lead to work with the academies during 2019/20.

The Board hosted a Trust Vision and Values day in the Summer Term 2019 and continues to focus on ways of involving leaders and staff members in Trust wide activities.

The Board will be hosting a Trust wide Continuous Professional Development (CPD) day in November 2019. The Board has also organised a Trust wide pupil Carol Concert in Ipswich in December 2019.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Darren Pearl resigned on 1 September 2018.

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 decision to move to a shared services model supporting finance, including payroll and HR operations. The model was agreed as a way of sharing cost savings across the Trust and ensuring processes remained consistent.

The shared services team work with the local academies and headteachers to ensure there is a coordinated approach to finance processes, internal controls and payroll.

On 1 November 2018, a new academy joined the Trust, Grange Primary. The school previously had been judged as inadequate by Ofsted and the Trust sponsors this academy. For the Trust this is the first school it has sponsored. The financial situation of this school and the changes in staffing have resulted in further challenges for the FRA committee to ensure sufficient financial support has been given in order to fully support the academy to improve their performance within a short time frame.

Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|--------------------|-------------------|-------------------|
| Jason Addison | 3 | 4 |
| Stella Day | 4 | 4 |
| Anna Hennell James | 4 | 4 |
| Jenny Hunwicke | 4 | 4 |
| Jason Kirk | 3 | 4 |
| Naomi Smith | 4 | 4 |

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 academy 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 moving to a centralised system for finance.

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (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 year 1 September 2018 to 31 August 2019 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 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
- delegation of authority and segregation of duties
- 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 2018, and the spring and summer terms of 2019.

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

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

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 financial management and governance self-assessment process;
- the work of the executive managers 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 on 26 November 2019 and signed on their behalf by:


.....
Roger Fern
Chair of Trustees


.....
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 2018.

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 2018.

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: 26 November 2019

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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.

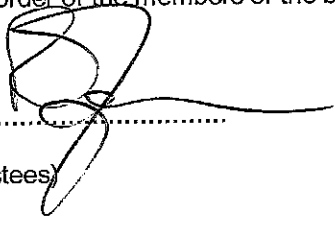
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 on 26 November 2019 and signed on its behalf by:

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



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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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.

MHA Larking Gowen

Christopher Yeates FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants

Statutory Auditors

Ipswich

13 December 2019

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**

In accordance with the terms of our engagement letter dated 1 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 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 the 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 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 2018 to 2019. 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Larking Gowen

Larking Gowen LLP
Ipswich

Date: 13 December 2019

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

| | Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants: | 3 | | | | | |
| Transfer from local authority on conversion | | 63,110 | (172,000) | 1,990,658 | 1,881,768 | 3,114,597 |
| Other donations and capital grants | | 22,013 | - | 114,414 | 136,427 | 97,594 |
| Charitable activities: | | | | | | |
| Teaching school | | 26,820 | 25,938 | - | 52,758 | 60,000 |
| Funding the academy trust's educational operations | | 150,760 | 8,443,641 | - | 8,594,401 | 7,105,567 |
| Other trading activities | | 120,003 | - | - | 120,003 | 117,709 |
| Investments | 6 | 12,646 | - | - | 12,646 | 4,109 |
| Total income | | 395,352 | 8,297,579 | 2,105,072 | 10,798,003 | 10,499,576 |
| Expenditure on: | | | | | | |
| Raising funds | | 841 | - | - | 841 | 867 |
| Charitable activities: | | | | | | |
| Teaching school | | - | 86,196 | - | 86,196 | 500 |
| Academy trust educational operations | | 77,896 | 8,430,713 | 678,946 | 9,187,555 | 7,622,171 |
| Total expenditure | | 78,737 | 8,516,909 | 678,946 | 9,274,592 | 7,623,538 |
| Net income/(expenditure) carried forward | | 316,615 | (219,330) | 1,426,126 | 1,523,411 | 2,876,038 |

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 2019

| | Note | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Net income/(expenditure) brought forward | | 316,615 | (219,330) | 1,426,126 | 1,523,411 | 2,876,038 |
| Transfers between funds | 20 | 42,595 | (85,535) | 42,940 | - | - |
| Net movement in funds before other recognised gains/(losses) | | 359,210 | (304,865) | 1,469,066 | 1,523,411 | 2,876,038 |
| Other recognised gains/(losses): | | | | | | |
| Actuarial losses on defined benefit pension schemes | 27 | - | (809,000) | - | (809,000) | 409,000 |
| Net movement in funds | | 359,210 | (1,113,865) | 1,469,066 | 714,411 | 3,285,038 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 1,040,167 | (311,071) | 18,073,458 | 18,802,554 | 15,517,516 |
| Net movement in funds | | 359,210 | (1,113,865) | 1,469,066 | 714,411 | 3,285,038 |
| Total funds carried forward | | 1,399,377 | (1,424,936) | 19,542,524 | 19,516,965 | 18,802,554 |

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

The notes on pages 30 to 65 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

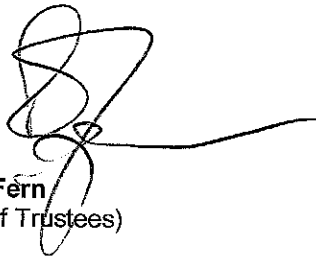
| | Note | 2019 £ | 2018 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Intangible assets | 14 | 12,853 | 17,941 |
| Tangible assets | 15 | 19,437,462 | 17,905,478 |
| | | <u>19,450,315</u> | <u>17,923,419</u> |
| Current assets | | | |
| Stocks | 16 | 3,912 | 3,344 |
| Debtors | 17 | 511,283 | 459,254 |
| Cash at bank and in hand | | 2,720,478 | 2,037,132 |
| | | <u>3,235,673</u> | <u>2,499,730</u> |
| Creditors: amounts falling due within one year | 18 | (1,050,955) | (621,435) |
| Net current assets | | <u>2,184,718</u> | <u>1,878,295</u> |
| Total assets less current liabilities | | <u>21,635,033</u> | <u>19,801,714</u> |
| Creditors: amounts falling due after more than one year | 19 | (9,068) | (11,160) |
| Net assets excluding pension liability | | <u>21,625,965</u> | <u>19,790,554</u> |
| Defined benefit pension scheme liability | 27 | (2,109,000) | (988,000) |
| Total net assets | | <u><u>19,516,965</u></u> | <u><u>18,802,554</u></u> |

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------|-------------------|
| Funds of the academy | | | |
| Restricted funds: | | | |
| Fixed asset funds | 20 | 19,542,524 | 18,073,458 |
| Restricted income funds | 20 | 684,064 | 676,929 |
| | | <hr/> | <hr/> |
| Restricted funds excluding pension asset | 20 | 20,226,588 | 18,750,387 |
| Pension reserve | 20 | (2,109,000) | (988,000) |
| | | <hr/> | <hr/> |
| Total restricted funds | 20 | 18,117,588 | 17,762,387 |
| Unrestricted income funds | 20 | 1,399,377 | 1,040,167 |
| | | <hr/> | <hr/> |
| Total funds | | 19,516,965 | 18,802,554 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The financial statements on pages 25 to 65 were approved by the Trustees, and authorised for issue on 26 November 2019 and are signed on their behalf, by:



Roger Fern
(Chair of Trustees)

The notes on pages 30 to 65 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 2019

| | Note | 2019 £ | 2018 £ |
|---|------|------------------|-----------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 22 | 648,718 | 465,278 |
| Cash flows from investing activities | 24 | (33,349) | (52,955) |
| Cash flows from financing activities | 23 | (2,092) | (2,093) |
| Change in cash and cash equivalents in the year | | 613,277 | 410,230 |
| Cash and cash equivalents at the beginning of the year | | 2,107,201 | 1,696,971 |
| Cash and cash equivalents at the end of the year | 25 | 2,720,478 | 2,107,201 |

The notes on pages 30 to 65 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 2019

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 2018 to 2019 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 2019

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 2019

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.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

| | |
|-------------------|--------|
| Computer software | - 20 % |
|-------------------|--------|

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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% |

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.

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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.

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. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.13 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.

1.14 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 2019

1. Accounting policies (continued)

1.15 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Grange Community Primary School to an academy trust have been valued at their fair value. Fair values of premises leases have been based on open market valuation conducted by Suffolk County Council. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. Income from donations and capital grants

| | 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 |

| | <i>Unrestricted funds 2018 £</i> | <i>Restricted funds 2018 £</i> | <i>Restricted fixed asset fund 2018 £</i> | <i>Total funds 2018 £</i> |
|---|--|--|---|---------------------------------------|
| Donations | 1,565 | - | - | 1,565 |
| Capital Grants | - | - | 96,029 | 96,029 |
| Transfer from local authority on conversion | 115,730 | (75,000) | 3,073,867 | 3,114,597 |
| | 117,295 | (75,000) | 3,169,896 | 3,212,191 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for Academy's educational operations

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Total funds 2019 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|
| DfE/ESFA grants | | | |
| General Annual Grant | - | 6,724,182 | 6,724,182 |
| Rates Relief | - | 26,305 | 26,305 |
| Pupil Premium | - | 592,977 | 592,977 |
| Teaching School Grant | - | 25,938 | 25,938 |
| UIFSM | - | 289,732 | 289,732 |
| PE & Sports Grant | - | 99,747 | 99,747 |
| Other DfE/ESFA grants | - | 172,578 | 172,578 |
| | - | 7,931,459 | 7,931,459 |
| SEN Funding | - | 155,950 | 155,950 |
| Early Years | - | 159,470 | 159,470 |
| Growth/Opportunity Funding | - | 169,601 | 169,601 |
| Syrian Resettlement Funding | - | 19,384 | 19,384 |
| Other Government Grants | - | 33,715 | 33,715 |
| | - | 538,120 | 538,120 |
| Trip income | 63,262 | - | 63,262 |
| Catering income | 86,936 | - | 86,936 |
| Receipts from insurance claims | 562 | - | 562 |
| Teaching School | 26,820 | - | 26,820 |
| | 177,580 | - | 177,580 |
| Total 2019 | 177,580 | 8,469,579 | 8,647,159 |

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

| | Unrestricted funds 2019 £ | Total funds 2019 £ | <i>Total funds 2018 £</i> |
|------------------------------|--|---------------------------------------|---------------------------------------|
| Hire of Facilities | 27,521 | 27,521 | 28,496 |
| Income from other activities | 88,881 | 88,881 | 79,173 |
| Uniforms Income | 3,039 | 3,039 | 10,040 |
| Other Catering Income | 562 | 562 | - |
| | <u>120,003</u> | <u>120,003</u> | <u>117,709</u> |

All income in the prior year was unrestricted.

6. Investment income

| | Unrestricted funds 2019 £ | Total funds 2019 £ | <i>Total funds 2018 £</i> |
|---------------|--|---------------------------------------|---------------------------------------|
| Bank Interest | 12,646 | 12,646 | 4,109 |
| | <u>12,646</u> | <u>12,646</u> | <u>4,109</u> |

All income in the prior year was unrestricted.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. Expenditure

| | Staff Costs | Premises | Other | Total |
|--|--------------------|------------------|------------------|------------------|
| | 2019 | 2019 | 2019 | 2019 |
| | £ | £ | £ | £ |
| Expenditure on fundraising trading activities: | | | | |
| Direct costs | - | - | 841 | 841 |
| Charitable activities: | | | | |
| Direct costs | 5,886,929 | 678,946 | 697,382 | 7,263,257 |
| Support costs | 712,879 | 611,302 | 686,313 | 2,010,494 |
| Total 2019 | 6,599,808 | 1,290,248 | 1,384,536 | 9,274,592 |

8. Analysis of expenditure by activities

| | Direct costs | Support | Total |
|-----------------------------------|---------------------|------------------|------------------|
| | 2019 | costs | funds |
| | £ | 2019 | 2019 |
| | | £ | £ |
| Charitable activities expenditure | 7,263,257 | 2,010,494 | 9,273,751 |
| Total 2019 | 7,263,257 | 2,010,494 | 9,273,751 |

| | <i>Direct costs</i> | <i>Support</i> | <i>Total</i> |
|-----------------------------------|---------------------|----------------|--------------|
| | <i>2018</i> | <i>costs</i> | <i>funds</i> |
| | <i>£</i> | <i>2018</i> | <i>2018</i> |
| | | <i>£</i> | <i>£</i> |
| Charitable activities expenditure | 6,362,906 | 1,259,765 | 7,622,671 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Analysis of expenditure by activities (continued)

Analysis of support costs

| | Total funds 2019 £ | <i>Total funds 2018 £</i> |
|---------------------|---------------------------------------|---------------------------------------|
| Staff costs | 712,879 | 249,477 |
| Technology costs | 86,244 | 58,069 |
| Premises costs | 611,302 | 384,957 |
| Other support costs | 564,276 | 542,119 |
| Governance costs | 35,793 | 25,143 |
| | <u>2,010,494</u> | <u>1,259,765</u> |

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

| | 2019 £ | <i>2018 £</i> |
|---------------------------------------|-------------------|-------------------|
| Operating lease rentals | 8,943 | 10,174 |
| Depreciation of tangible fixed assets | 678,946 | 653,094 |
| Amortisation of intangible assets | 5,088 | 4,487 |
| Fees paid to auditors for: | | |
| - audit | 11,380 | 12,220 |
| - other services | 4,500 | 5,800 |
| | <u>11,380</u> | <u>12,220</u> |
| | <u>4,500</u> | <u>5,800</u> |

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

| | 2019 £ | 2018 £ |
|---------------------------|-------------------------|-------------------------|
| Wages and salaries | 4,961,863 | 4,165,783 |
| Social security costs | 393,398 | 342,182 |
| Pension costs | 1,070,880 | 935,756 |
| | <u>6,426,141</u> | <u>5,443,721</u> |
| Supply staff costs | 134,718 | 24,137 |
| Staff restructuring costs | 29,000 | 3,000 |
| Apprenticeship Levy | 9,949 | 5,984 |
| | <u><u>6,599,808</u></u> | <u><u>5,476,842</u></u> |

Staff restructuring costs comprise:

| | 2019 £ | 2018 £ |
|--------------------|---------------|--------------|
| Severance payments | 29,000 | 3,000 |
| | <u>29,000</u> | <u>3,000</u> |

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

Including in staff restructuring costs are non statutory/non contractual severance payments totalling £29,000 (2018: £3,000) payable to 3 individuals (2018:1). Individually, the payments were: £22,000, £4,000 and £3,000.

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10. Staff costs (continued)

c. Staff numbers

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

| | 2019 | 2018 |
|----------------------------------|-------------|-------------|
| | No. | No. |
| Teachers | 73 | 79 |
| Administration and other support | 193 | 161 |
| Management | 18 | 14 |
| | <u>284</u> | <u>254</u> |

d. Higher paid staff

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

| | 2019 | 2018 |
|-------------------------------|-------------|-------------|
| | No. | No. |
| In the band £60,001 - £70,000 | 2 | - |
| In the band £70,001 - £80,000 | 1 | 2 |
| In the band £80,001 - £90,000 | 1 | - |
| | <u>4</u> | <u>2</u> |

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) received by key management personnel for their services to the academy trust was £670,028 (2018: £462,563).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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
- Trust Finance lead time and support
- Centralised finance processing
- 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
- GDPR compliance support
- Trustwide contract procurement and management

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 actual amounts charged during the year were as follows:

| | 2019 | 2018 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Handford Hall Primary School | 63,892 | 67,257 |
| Halifax Primary School | 79,076 | 82,282 |
| Springfield Infants School | 50,079 | 56,606 |
| The Willows Primary School | 74,533 | 77,696 |
| Brooklands Community Primary School | 35,576 | 9,198 |
| Grange Community School | 33,053 | - |
| Total | 336,209 | 293,039 |

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.

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

The Chief Executive Officer has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer only received remuneration in respect of services they provide undertaking the roles of Chief Executive Officer under their contract of employment. The value of remuneration and other benefits was as follows:

| | | 2019 | 2018 |
|--|----------------------------|--------------------|--------------------|
| | | £ | £ |
| A Hennell James (CEO and Accounting Officer) | Remuneration | 80,000 - 85,000 | 75,000 - 80,000 |
| | Pension contributions paid | 10,000 - 15,000 | 10,000 - 15,000 |

During the year ended 31 August 2019, expenses totalling £1,088 were reimbursed or paid directly to 1 Trustee (2018 - £541 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 2019 is included in the general insurance premium.

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NOTES TO THE FINANCIAL STATEMENTS
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14. Intangible assets

| | Computer software £ |
|-----------------------|---------------------------|
| Cost | |
| At 1 September 2018 | 23,991 |
| At 31 August 2019 | <u>23,991</u> |
| Amortisation | |
| At 1 September 2018 | 6,050 |
| Charge for the year | 5,088 |
| At 31 August 2019 | <u>11,138</u> |
| Net book value | |
| At 31 August 2019 | <u>12,853</u> |
| At 31 August 2018 | <u>17,941</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

15. Tangible fixed assets

| | Leasehold property £ | Assets under construc- tion £ | Furniture and equipment £ | Plant and machinery £ | IT equipment £ | Total £ |
|------------------------------|----------------------------|---|------------------------------------|-----------------------------|----------------------|-------------------|
| Cost or valuation | | | | | | |
| At 1 September 2018 | 17,646,843 | 1,568 | 74,988 | 882,209 | 78,532 | 18,684,140 |
| Additions | 55,481 | - | 29,226 | 3,164 | 138,829 | 226,700 |
| Transfer in on conversion | 1,945,212 | - | - | 39,018 | - | 1,984,230 |
| Transfers between classes | 1,568 | (1,568) | - | - | - | - |
| At 31 August 2019 | 19,649,104 | - | 104,214 | 924,391 | 217,361 | 20,895,070 |
| Depreciation | | | | | | |
| At 1 September 2018 | 593,953 | - | 4,692 | 163,184 | 16,833 | 778,662 |
| Charge for the year | 500,514 | - | 18,206 | 133,166 | 27,060 | 678,946 |
| At 31 August 2019 | 1,094,467 | - | 22,898 | 296,350 | 43,893 | 1,457,608 |
| Net book value | | | | | | |
| At 31 August 2019 | 18,554,637 | - | 81,316 | 628,041 | 173,468 | 19,437,462 |
| <i>At 31 August 2018</i> | <i>17,052,890</i> | <i>1,568</i> | <i>70,296</i> | <i>719,025</i> | <i>61,699</i> | <i>17,905,478</i> |

Land with a value of £8,426,364 (2018: £7,726,596) 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

| | 2019 | 2018 |
|------------------|-------|-------|
| | £ | £ |
| Goods for resale | 3,912 | 3,344 |

17. Debtors

| | 2019 | 2018 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Due within one year | | |
| Trade debtors | 8,782 | 5,977 |
| Other debtors | 82,452 | 1,663 |
| Prepayments and accrued income | 268,656 | 371,477 |
| Tax recoverable | 151,393 | 80,137 |
| | <u>511,283</u> | <u>459,254</u> |

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NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Trade creditors | 474,881 | 142,796 |
| Other taxation and social security | 101,105 | 89,832 |
| Other creditors | 119,857 | 104,068 |
| Accruals and deferred income | 355,112 | 284,739 |
| | 1,050,955 | 621,435 |
| | 2019 £ | 2018 £ |
| Deferred income at 1 September 2018 | 191,886 | 144,518 |
| Resources deferred during the year | 262,204 | 191,886 |
| Amounts released from previous periods | (191,886) | (144,518) |
| | 262,204 | 191,886 |

At the balance sheet date the academy trust was holding funds received in advance for school trips totalling £9,729, £177,936 for Universal Infant Free School Meals grants, £25,697 for Devolved Formula Capital grants and £48,842 for other grant income relating to 2019/20.

Included within other creditors is a Salix loan of £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

| | 2019 £ | 2018 £ |
|-------------|-----------|-----------|
| Other loans | 9,068 | 11,160 |

Included within other loans is a Salix loan of £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 2019

20. Statement of funds

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

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20. Statement of funds (continued)

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

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 £40,155.

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 2019.

ORWELL MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Handford Hall Primary School | 563,161 | 499,609 |
| Halifax Primary School | 458,061 | 432,423 |
| Springfield Infants School | 182,950 | 143,720 |
| The Willows Primary School | 432,513 | 358,816 |
| Brooklands Community Primary School | 160,780 | 116,625 |
| Grange Community Primary School | 93,437 | - |
| Central services | 192,539 | 165,903 |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 2,083,441 | 1,717,096 |
| Restricted fixed asset fund | 19,542,524 | 18,073,458 |
| Pension reserve | (2,109,000) | (988,000) |
| | <hr/> | <hr/> |
| Total | 19,516,965 | 18,802,554 |

The Trust is currently budgeting a 2019/20 deficit of £248,730 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 2019

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 2019 £ |
|--|---|--------------------------------------|------------------------------|---|--------------------|
| Handford Hall Primary School | 1,074,035 | 98,806 | 39,898 | 312,216 | 1,524,955 |
| Halifax Primary School | 1,418,162 | 97,130 | 55,330 | 368,340 | 1,938,962 |
| Springfield Infants School | 930,999 | 101,969 | 50,449 | 217,547 | 1,300,964 |
| The Willows Primary School | 1,167,794 | 173,416 | 123,326 | 286,770 | 1,751,306 |
| Brooklands Community Primary School | 493,527 | 38,849 | 75,728 | 178,643 | 786,747 |
| Grange Community Primary School | 525,107 | 83,310 | 21,148 | 113,440 | 743,005 |
| Central services | 277,305 | 119,399 | 19,317 | 128,598 | 544,619 |
| Academy trust | <u>5,886,929</u> | <u>712,879</u> | <u>385,196</u> | <u>1,605,554</u> | <u>8,590,558</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Statement of funds (continued)

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

| | <i>Balance at 1 September 2017</i> | <i>Income</i> | <i>As restated Expenditure</i> | <i>As restated Transfers in/out</i> | <i>Gains/ (Losses)</i> | <i>As restated Balance at 31 August 2018</i> |
|-------------------------------------|--|-------------------|------------------------------------|---|----------------------------|--|
| | £ | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | | |
| General Fund | 898,062 | 369,423 | (201,049) | (26,269) | - | 1,040,167 |
| Restricted general funds | | | | | | |
| General Annual Grant (GAG) | - | 5,499,955 | (4,844,037) | (211,376) | - | 444,542 |
| Start Up Grant | 63,097 | 95,000 | (79,925) | - | - | 78,172 |
| Pupil Premium | 142,628 | 509,388 | (605,007) | - | - | 47,009 |
| Other ESFA/DfE Grants | 37,939 | 354,797 | (330,027) | (21,290) | - | 41,419 |
| Teaching school | - | 60,000 | (500) | - | - | 59,500 |
| Other Restricted Funds | 97,192 | 516,117 | (386,412) | (220,610) | - | 6,287 |
| Pension reserve | (1,146,000) | (75,000) | (519,000) | 343,000 | 409,000 | (988,000) |
| | <u>(805,144)</u> | <u>6,960,257</u> | <u>(6,764,908)</u> | <u>(110,276)</u> | <u>409,000</u> | <u>(311,071)</u> |
| Restricted fixed asset funds | | | | | | |
| Transfer on Conversion | 15,342,540 | 3,073,867 | (565,296) | - | - | 17,851,111 |
| DfE/ESFA Capital Grants | 29,914 | 96,029 | - | - | - | 125,943 |
| Capital expenditure from GAG | 52,144 | - | (92,285) | 136,545 | - | 96,404 |
| | <u>15,424,598</u> | <u>3,169,896</u> | <u>(657,581)</u> | <u>136,545</u> | <u>-</u> | <u>18,073,458</u> |
| Total Restricted funds | <u>14,619,454</u> | <u>10,130,153</u> | <u>(7,422,489)</u> | <u>26,269</u> | <u>409,000</u> | <u>17,762,387</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. Statement of funds (continued)

| | | | <i>As restated</i> | <i>As restated</i> | | <i>Balance at 31 August 2018</i> |
|--------------------|-------------------|-------------------|--------------------|--------------------|----------------|--|
| | £ | £ | £ | £ | £ | £ |
| Total funds | <u>15,517,516</u> | <u>10,499,576</u> | <u>(7,623,538)</u> | <u>-</u> | <u>409,000</u> | <u>18,802,554</u> |

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Total funds 2019 £ |
|--|--|--|--|---------------------------------------|
| 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> |

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2018 £</i> | <i>Restricted funds 2018 £</i> | <i>Restricted fixed asset funds 2018 £</i> | <i>Total funds 2018 £</i> |
|--|--|--|--|---------------------------------------|
| Tangible fixed assets | - | - | 17,905,478 | 17,905,478 |
| Intangible fixed assets | - | - | 17,941 | 17,941 |
| Current assets | 1,013,435 | 1,287,098 | 199,197 | 2,499,730 |
| Creditors due within one year | 26,732 | (610,169) | (37,998) | (621,435) |
| Creditors due in more than one year | - | - | (11,160) | (11,160) |
| Provisions for liabilities and charges | - | (988,000) | - | (988,000) |
| Total | <u>1,040,167</u> | <u>(311,071)</u> | <u>18,073,458</u> | <u>18,802,554</u> |

ORWELL MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

21. Analysis of net assets between funds (continued)

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

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Net income for the year (as per Statement of financial activities) | 1,523,411 | 2,876,038 |
| Adjustments for: | | |
| Amortisation | 5,088 | 4,487 |
| Depreciation | 678,946 | 653,094 |
| Capital grants from DfE and other capital income | (114,414) | (96,029) |
| Interest receivable | (12,646) | (4,109) |
| Defined benefit pension scheme obligation inherited | 172,000 | 75,000 |
| Defined benefit pension scheme cost less contributions payable | 39,023 | 145,000 |
| Defined benefit pension scheme finance cost | 33,000 | 31,000 |
| (Increase)/decrease in stocks | (568) | 13,271 |
| Increase in debtors | (52,029) | (167,365) |
| Increase in creditors | 427,428 | 8,758 |
| Fixed assets transferred from Local Authorities | (1,984,230) | (3,073,867) |
| Cash transferred on conversion to an academy trust | (66,291) | - |
| Net cash provided by operating activities | 648,718 | 465,278 |

23. Cash flows from financing activities

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Repayments of borrowing | (2,092) | (2,093) |
| Net cash used in financing activities | (2,092) | (2,093) |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Cash flows from investing activities

| | 2019 | 2018 |
|--|-----------------|-----------------|
| | £ | £ |
| Dividends, interest and rents from investments | 12,646 | 4,109 |
| Purchase of intangible assets | - | (1,701) |
| Purchase of tangible fixed assets | (226,700) | (151,392) |
| Capital grants from DfE Group | 114,414 | 96,029 |
| Cash transferred on conversion to an academy trust | 66,291 | - |
| Net cash used in investing activities | (33,349) | (52,955) |

25. Analysis of cash and cash equivalents

| | 2019 | 2018 |
|--|------------------|------------------|
| | £ | £ |
| Cash in hand | 2,720,478 | 2,107,201 |
| Total cash and cash equivalents | 2,720,478 | 2,107,201 |

ORWELL MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

26. Conversion to an academy trust

On 1 November 2018 Grange Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Orwell Multi Academy Trust from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

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

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed asset funds £ | Total funds £ |
|--------------------------------------|----------------------------|--------------------------|---|---------------------|
| Tangible fixed assets | | | | |
| Freehold land and buildings | - | - | 1,945,212 | 1,945,212 |
| Other tangible fixed assets | - | - | 39,017 | 39,017 |
| Budget surplus/(deficit) on LA funds | 63,110 | - | 6,429 | 69,539 |
| LGPS pension surplus/(deficit) | - | (172,000) | - | (172,000) |
| Net assets/(liabilities) | 63,110 | (172,000) | 1,990,658 | 1,881,768 |

Upon conversion, the academy trust received transfer of property on a 125 year leasehold for £nil consideration. The property was measured and valued within the accounts at fair value.

The above net assets include £66,291 that was transferred as cash.

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Suffolk County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £115,752 were payable to the schemes at 31 August 2019 (2018 - £99,479) and are included within creditors.

Teachers' Pension Scheme

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

The previous actuarial valuation was carried out as at 31 March 2016 and determined the contributions for the period, which were paid at a rate of 16.48%. This rate has been paid since September 2015.

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £529,112 (2018 - £441,409).

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

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

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

27. Pension commitments (continued)

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 2019 was £514,000 (2018 - £417,597), of which employer's contributions totalled £429,000 (2018 - £346,597) and employees' contributions totalled £ 85,000 (2018 - £71,000). 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

| | 2019 | 2018 |
|--|------|------|
| | % | % |
| Rate of increase in salaries | 2.6 | 2.6 |
| Rate of increase for pensions in payment/inflation | 2.3 | 2.3 |
| Discount rate for scheme liabilities | 1.9 | 2.8 |

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

| | 2019 | 2018 |
|-----------------------------|-------|-------|
| | Years | Years |
| <i>Retiring today</i> | | |
| Males | 21.3 | 21.9 |
| Females | 23.5 | 24.4 |
| <i>Retiring in 20 years</i> | | |
| Males | 22.3 | 23.9 |
| Females | 24.9 | 26.4 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. Pension commitments (continued)

Sensitivity analysis

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Discount rate +0.1% | 153,400 | 91,000 |
| Discount rate -0.1% | (153,400) | (91,000) |
| Mortality assumption - 1 year increase | 84,360 | 39,250 |
| Mortality assumption - 1 year decrease | (84,360) | (39,250) |
| CPI rate +0.1% | 132,000 | 76,200 |
| CPI rate -0.1% | (132,000) | (76,200) |

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

| | At 31 August 2019 £ | At 31 August 2018 £ |
|-------------------------------------|------------------------------|---------------------------|
| Equities | 1,726,000 | 1,483,040 |
| Corporate bonds | 932,040 | 645,840 |
| Property | 759,440 | 239,200 |
| Cash and other liquid assets | 34,520 | 23,920 |
| Total market value of assets | 3,452,000 | 2,392,000 |

The actual return on scheme assets was £179,504 (2018 - £1,362).

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

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Current service cost | (514,000) | (488,000) |
| Past service cost | (22,000) | - |
| Interest income | 83,000 | 49,000 |
| Interest cost | (116,000) | (80,000) |
| Total amount recognised in the Statement of financial activities | (569,000) | (519,000) |

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

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

| | 2019 £ | 2018 £ |
|------------------------------|------------------|------------------|
| At 1 September | 3,380,000 | 2,848,000 |
| Conversion of academy trusts | 551,000 | 254,000 |
| Interest cost | 116,000 | 80,000 |
| Employee contributions | 85,000 | 71,000 |
| Actuarial losses/(gains) | 893,000 | (361,000) |
| Current service cost | 514,000 | 488,000 |
| Past service costs | 22,000 | - |
| | <u>5,561,000</u> | <u>3,380,000</u> |

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

| | 2019 £ | 2018 £ |
|------------------------------|------------------|------------------|
| At 1 September | 2,392,000 | 1,702,000 |
| Conversion of academy trusts | 379,000 | 179,000 |
| Interest income | 83,000 | 49,000 |
| Actuarial gains | 84,000 | 48,000 |
| Employer contributions | 429,000 | 343,000 |
| Employee contributions | 85,000 | 71,000 |
| | <u>3,452,000</u> | <u>2,392,000</u> |

28. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | Academy 2019 £ | Academy 2018 £ |
|--|----------------------|----------------------|
| Not later than 1 year | 16,676 | 11,254 |
| Later than 1 year and not later than 5 years | 15,137 | 15,062 |
| | <u>31,813</u> | <u>26,316</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

29. 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.

30. Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length following competitive tendering exercises and in accordance with the academy trust's financial regulations and normal procurement procedures. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

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 £8,535 (2018: £1,945) was received in the year in respect of mentoring grants and catering recharges, and expenditure of £24,817 (2018: £49,820) was made in relation to Teach First's standard services. £26,760 (2018: 16,920) 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 £6,647 (2018: £2,659) 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. (2018: £1,335) is included in debtors at the year end).

University of Suffolk: This is an organisation in which member V Gillepsie is a director. Expenditure of £2,550 (2018: £Nil) was made in relation to University of Suffolk's services. There is no balances owed at the year end or previous year end to University of Suffolk .

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 £23,475 (2018: £Nil) was received in respect of teaching services. 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 £48,183 (2018: £Nil) was made in relation to rates and waste collection. £15,515 is included in creditors at the year end (2018: £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

31. Teaching school trading account

| | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|---|---------------|-----------------|------------|---------------|
| Income | | | | |
| Teaching school income | 25,938 | | 60,000 | |
| Services provided | 26,820 | | - | |
| Total income | | 52,758 | | 60,000 |
| Expenditure | | | | |
| Other direct expenditure | 461 | | 500 | |
| Wages | 74,466 | | - | |
| Professional fees | 6,190 | | - | |
| IT support | 1,727 | | - | |
| Course Fees | 3,350 | | - | |
| Total direct expenditure | 86,194 | | 500 | |
| Total expenditure | | 86,194 | | 500 |
| (Deficit)/surplus from all sources | | (33,436) | | 59,500 |
| Teaching school balances at 1 September 2018 | | 59,500 | | - |
| Teaching school balances at 31 August 2019 | | 26,064 | | 59,500 |