
ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Alan Whittaker
Roderick Stanley-Bell
Jacqueline Frost
Maxwell Harnden
William Knowles
David Mason
Vivien Gillespie (appointed 14 June 2018)

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 (appointed 14 June 2018)

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)
Chief Finance Officer - Jennifer Hunwicke (appointed 01/01/2018)

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

Independent auditors

Larking Gowen LLP, 1 Claydon Business Park, Great Blakenham, Ipswich, IP6 0NL

Bankers

Lloyds Bank plc, 13 Cornhill, Ipswich, IP1 1DG

Solicitors

Stone King, 13 Queen Square, Bath, BA1 2HJ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the audited financial statements and auditor's report of the academy trust (academy) for the period 1st September 2017 to 31 August 2018. 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 5 state funded schools providing education for pupils aged 3 – 11. Its schools have a combined pupil capacity of 1623 and had a roll of 1530 in the school census on 5th October 2018

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed 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 purpose of company law.

The charitable company is known as Orwell Multi Academy Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

d. Method of recruitment and appointment or election of Trustees

The management of the academy trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. The Members may appoint by ordinary resolution up to 10 Trustees.

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

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 and procedures 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 two or three 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 of our Governors, Trustees and Members. Over the past year training opportunities have included:

- Safeguarding
- Interpreting and analysing data
- Governor role in exclusions

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, 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. Pay policy for 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

h. Trade Union Facilities 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
- 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 Bodies who report to the Trustees termly.

The Trust's growth strategy has been supported by the addition of Brooklands Primary School (Brantham) in June 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, has been enhanced through the awarding of Teaching School Status to Halifax Primary School, and the designation of the CEO as a National Leader of Education (NLE), with Halifax Primary as a National Support School (NSS) in May 2018.

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TRUSTEES' REPORT (continued)
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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.

Achievements and performance

Strategic report

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.

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.

b. Going concern

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

Financial review

a. Financial review of the year

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 tips) and from other third parties (for example from letting of our premises). Such other income may be restricted or unrestricted depending on whether it comes to us with conditions as to its use or whether it is available to spend at the discretion of the Trustees.

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

Spendable funds are categorised into restricted and unrestricted. Funds not available for spending include the book value of fixed assets such as land, buildings and resources. These have a value and are therefore included as assets in the accounts but clearly we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme (LGPS) deficit must also be reflected in

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

our accounts and as this 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 2018, total expenditure of £7,623,538 (2017 - £2,858,367) 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 £957,723 (2017 - £1,420,862).

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.

b. Reserves policy

Total funds held at 31 August 2018 amounted to £18,802,554 (2017 -£15,517,516).

At 31st August 2018 the net book value of fixed assets was £17,923,419 and movements in tangible fixed assets are shown within note 14 to the financial statements. Total fixed asset funds stood at £18,0073,458 (2017 - £15,424,598) and this includes unspent capital grants. 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 2018 and supporting notes to the accounts 24. The pension deficit at 31 August 2018 was £988,000 (2017 - £1,146,000).

The Trust currently has free reserves (being restricted general funds, less the pension reserve, plus unrestricted funds) of £1,717,096 (2017 - £1,238,918).

The Trustees have agreed a Reserves Policy and review it in 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. The policy requires schools to have the equivalent of 3% of GAG in ring fenced reserves, which would currently represent an amount of £165,000 (2017 - £67,654). The Trust plans to use the additional funds held at 31 August 2018 to cover expected shortfalls over the next few years.

c. Material investments 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

d. 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

e. Financial risk management objectives and policies

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

Fundraising

The Trust does not undertake material fundraising, but the low level fundraising that does take place within the Trust conforms to recognised fundraising standards.

The individual schools also raise small amounts of money for external charities.

Plans for future periods

a. Future developments

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 will join 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 secured Teaching School status and is working to formalise support and training provided to other schools, as well as engaging in Initial Teacher Training.

Funds held as custodian

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.

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 the Trust's policies in this respect are available from the academy trust's offices.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Larking Gowen LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on _____ and signed on its behalf by:

.....
Roger Fern
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Orwell Multi Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Orwell Multi Academy Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 9 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	9	9
Paul Carter, Vice Chair	6	9
Stella Day	5	9
Jason Addison	8	9
Jason Kirk	6	9
Darren Pearl	6	9
Sohail Faruqi	5	9
Anna Hennell James, CEO & Accounting Officer	9	9
Naomi Smith	1	1

Mr Darren Pearl resigned as a Trustee with effect of 31st August 2018. Naomi Smith was appointed as a Trustee and Vivien Gillespie appointed as a member on 14th June 2018. There were no other key changes to the Trustee membership.

The focus for the forthcoming year is to further strengthen the position of the Trust by consolidating existing functions, developing the work of the Teaching School, continuing with the growth plan and maximising opportunities both within the Trust and within the wider educational environment.

The Finance, Resources and Audit Committee (FRA) is a sub-committee of the main board of trustees. Its purpose is to:

Provide guidance to the trust board and CEO on all finance, staffing and premises related matters, and to advise the Trust Board and Accounting Officer on the adequacy and effectiveness of the Academy Trust's governance, risk management, internal control and value for money systems and frameworks.

During the year, Naomi Smith who is chair of Governors at Halifax Primary school joined the committee.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jason Kirk (chair)	3	3
Paul Addison	2	3
Stella Day	2	3
Darren Pearl	0	3
Naomi Smith	1	1
Anna Hennell James	3	3

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by reviewing catering contracts, and reviewing staffing structures within individual schools with a view to centralising some work streams.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2017 to 31 August 2018 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'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;

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GOVERNANCE STATEMENT (continued)

- 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:

Larking Gowen have been appointed to carry out internal audit on behalf of the Trust. There have been visits to the schools and the central team in the Spring and Summer terms of 2018..

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy'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

On a termly basis, the auditor 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 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 has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy 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 a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on

and signed on their behalf, by:

.....
Roger Fern
Chair of Trustees

.....
Anna Hennell James
Accounting Officer

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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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

.....
Anna Hennell James
Accounting Officer

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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 Annual Accounts Direction issued 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 2017 to 2018;
- 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

and signed on its behalf by:

.....
Roger Fern
Chair of Trustees

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**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') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2017 to 2018 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's affairs as at 31 August 2018 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 2017 to 2018 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 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's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The 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. 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,

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

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 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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'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 or to cease operations, or have no realistic alternative but to do so.

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

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'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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Yeates ACA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants

Statutory Auditors

1 Claydon Business Park

Great Blakenham

Ipswich

IP6 0NL

Date:

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' 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 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Orwell Multi Academy Trust and the 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' 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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

1 Claydon Business Park
Great Blakenham
Ipswich
IP6 0NL

Date:

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations & capital grants:						
Transfer from local authority on conversion	2	115,730	(75,000)	3,073,867	3,114,597	15,489,863
Other donations and capital grants	2	1,565	-	96,029	97,594	33,358
Charitable activities:						
Teaching school	3	-	60,000	-	60,000	-
Funding the academy trust's educational operations		130,310	6,975,257	-	7,105,567	2,916,090
Other trading activities	4	117,709	-	-	117,709	25,379
Investments	5	4,109	-	-	4,109	193
Total income		369,423	6,960,257	3,169,896	10,499,576	18,464,883
Expenditure on:						
Raising funds		867	-	-	867	1,862
Charitable activities:						
Teaching school		-	500	-	500	-
Academy trust educational operations		200,182	6,764,408	657,581	7,622,171	2,856,505
Total expenditure	6	201,049	6,764,908	657,581	7,623,538	2,858,367
Net income before transfers		168,374	195,349	2,512,315	2,876,038	15,606,516
Transfers between Funds	19	(26,269)	(110,276)	136,545	-	-
Net income before other recognised gains and losses		142,105	85,073	2,648,860	2,876,038	15,606,516
Actuarial gains/(losses) on defined benefit pension schemes	24	-	409,000	-	409,000	(89,000)
Net movement in funds		142,105	494,073	2,648,860	3,285,038	15,517,516
Reconciliation of funds:						
Total funds brought forward		898,062	(805,144)	15,424,598	15,517,516	-
Total funds carried forward		1,040,167	(311,071)	18,073,458	18,802,554	15,517,516

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	13		17,941		20,727
Tangible assets	14		17,905,478		15,333,313
			<u>17,923,419</u>		<u>15,354,040</u>
Current assets					
Stocks	15	3,344		16,615	
Debtors	16	459,254		221,889	
Cash at bank and in hand		2,037,132		1,696,971	
		<u>2,499,730</u>		<u>1,935,475</u>	
Creditors: amounts falling due within one year	17		<u>(621,435)</u>		<u>(612,746)</u>
Net current assets			<u>1,878,295</u>		<u>1,322,729</u>
Total assets less current liabilities			<u>19,801,714</u>		<u>16,676,769</u>
Creditors: amounts falling due after more than one year	18		<u>(11,160)</u>		<u>(13,253)</u>
Net assets excluding pension scheme liabilities			<u>19,790,554</u>		<u>16,663,516</u>
Defined benefit pension scheme liability	24		<u>(988,000)</u>		<u>(1,146,000)</u>
Net assets including pension scheme liabilities			<u>18,802,554</u>		<u>15,517,516</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	676,929		340,856	
Restricted fixed asset funds	19	18,073,458		15,424,598	
Restricted income funds excluding pension liability		18,750,387		15,765,454	
Pension reserve		<u>(988,000)</u>		<u>(1,146,000)</u>	
Total restricted income funds			<u>17,762,387</u>		<u>14,619,454</u>
Unrestricted income funds	19		<u>1,040,167</u>		<u>898,062</u>
Total funds			<u>18,802,554</u>		<u>15,517,516</u>

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 19 to 49 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:

.....
Roger Fern
Chair of Trustees

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	21	465,278	554,162
Cash flows from investing activities:			
Dividends, interest and rents from investments		4,109	193
Purchase of intangible fixed assets		(1,701)	(22,290)
Purchase of tangible fixed assets		(151,392)	(73,182)
Capital grants from DfE Group		96,029	31,104
Capital funding received from sponsors and others		-	80,799
Cash transferred on conversion to an academy trust		-	1,110,840
Net cash (used in)/provided by investing activities		(52,955)	1,127,464
Cash flows from financing activities:			
Repayments of borrowings		(2,093)	-
Cash inflows from new borrowing		-	15,345
Net cash (used in)/provided by financing activities		(2,093)	15,345
Change in cash and cash equivalents in the year		410,230	1,696,971
Cash and cash equivalents brought forward		1,696,971	-
Cash and cash equivalents carried forward	22	2,107,201	1,696,971

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Orwell Multi Academy Trust constitutes a public benefit entity as defined by 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 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 2018

1. Accounting policies (continued)

1.3 Income

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

Where assets are received by the 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 risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Intangible fixed assets and amortisation

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

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following straight line bases:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. 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 these assets, less their estimated residual value, over their expected useful lives on the following straight line bases:

Leasehold land	-	Over the life of the lease
Leasehold property	-	2% - 4%
Fixtures, fittings and equipment	-	20%
Plant and machinery	-	7.69% - 33%
Computer hardware	-	20%

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

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 incorporating income and expenditure account.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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.

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

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.

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

1.12 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis 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 16. 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 costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Taxation

The academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

1.14 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.15 Fund accounting

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

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

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

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

1.16 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.17 Change in accounting estimate

During the period the trustees assessed the useful economic lives of the buildings, their underlying components and the land on which the buildings sit. As a result of this review, the useful economic lives were reduced and the depreciation charge for the year is £320,167 higher in 2018 than it would have been had this change in accounting estimate not been made.

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Transfer from local authority on conversion	115,730	(75,000)	3,073,867	3,114,597	<i>15,489,863</i>
Donations	1,565	-	-	1,565	<i>2,254</i>
Capital Grants	-	-	96,029	96,029	<i>31,104</i>
Subtotal	1,565	-	96,029	97,594	<i>33,358</i>
	117,295	(75,000)	3,169,896	3,212,191	<i>15,523,221</i>
<i>Total 2017</i>	<i>1,013,525</i>	<i>(987,905)</i>	<i>15,497,601</i>	<i>15,523,221</i>	

ORWELL MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	5,499,955	5,499,955	2,255,130
Rates Relief	-	21,656	21,656	9,100
Pupil Premium	-	509,388	509,388	212,783
Start Up Grant	-	95,000	95,000	100,000
Teaching School Grant	-	60,000	60,000	-
UIFSM	-	258,741	258,741	101,475
PE & Sports Grant	-	74,400	74,400	15,459
	-	6,519,140	6,519,140	2,693,947
Other government grants				
SEN Funding	-	75,320	75,320	9,083
SCITT Funding	-	8,875	8,875	4,908
Early Years	-	231,335	231,335	95,119
Growth Funding	-	164,956	164,956	51,052
Syrian Resettlement Funding	-	6,000	6,000	12,000
Other Government Grants	-	29,631	29,631	10,222
	-	516,117	516,117	182,384
Other funding				
Trip Income	46,182	-	46,182	15,025
Catering Income	83,554	-	83,554	24,734
Receipts From Insurance Claims	574	-	574	-
	130,310	-	130,310	39,759
	130,310	7,035,257	7,165,567	2,916,090
<i>Total 2017</i>	39,759	2,876,331	2,916,090	

ORWELL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of Facilities	28,496	-	28,496	7,988
Income from other activities	79,173	-	79,173	11,038
Uniforms Income	10,040	-	10,040	5,173
Other Catering Income	-	-	-	1,180
	<u>117,709</u>	<u>-</u>	<u>117,709</u>	<u>25,379</u>
<i>Total 2017</i>	<u>25,379</u>	<u>-</u>	<u>25,379</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank Interest	4,109	-	4,109	193
	<u>4,109</u>	<u>-</u>	<u>4,109</u>	<u>193</u>
<i>Total 2017</i>	<u>193</u>	<u>-</u>	<u>193</u>	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
Direct costs	-	-	867	867	1,862
Support costs	-	-	-	-	-
Activities:					
Direct costs	4,884,365	653,094	825,447	6,362,906	2,118,367
Support costs	592,477	384,957	282,331	1,259,765	738,138
	<u>5,476,842</u>	<u>1,038,051</u>	<u>1,108,645</u>	<u>7,623,538</u>	<u>2,858,367</u>
<i>Total 2017</i>	<u>2,183,624</u>	<u>295,961</u>	<u>378,782</u>	<u>2,858,367</u>	

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7. Analysis of expenditure by activities

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Expenditure	<u>6,362,906</u>	<u>1,259,765</u>	<u>7,622,671</u>	<u>2,856,505</u>
<i>Total 2017</i>	<u>2,118,367</u>	<u>738,138</u>	<u>2,856,505</u>	

Analysis of support costs

	Activities £	Total 2018 £	Total 2017 £
Staff costs	249,477	249,477	265,298
Technology costs	58,069	58,069	42,624
Premises costs	384,957	384,957	168,830
Other support costs	542,119	542,119	246,759
Governance costs	25,143	25,143	14,627
	<u>1,259,765</u>	<u>1,259,765</u>	<u>738,138</u>
<i>At 31 August 2017</i>	<u>738,138</u>	<u>738,138</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - depreciation	653,094	125,568
Amortisation of intangible fixed assets	4,487	1,564
Auditors' remuneration - audit	12,220	10,750
Auditors' remuneration - other services	5,800	1,250
Operating lease rentals	<u>10,174</u>	<u>4,839</u>

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9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	4,165,783	1,682,334
Social security costs	342,182	137,748
Operating costs of defined benefit pension schemes	935,756	354,211
	5,443,721	2,174,293
Supply staff costs	24,137	5,046
Staff restructuring costs	3,000	2,000
Apprenticeship Levy	5,984	2,285
	5,476,842	2,183,624

Staff restructuring costs comprise:

	2018 £	2017 £
Severance payments	3,000	2,000
	3,000	2,000

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

Included in staff restructuring costs are non statutory/non contractual severance payments totalling £3,000 (2017: £2,000). Individually the payments were: £3,000 (2017: £2,000).

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	79	76
Administration and other support	161	146
Management	14	12
	254	234

d. Higher paid staff

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

	2018 No.	5 months 2017 No.
In the band £70,001 - £80,000	2	0

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9. Staff costs (continued)

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 £462,563 (2017: £158,332).

10. Central services

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

- Financial and administration services
- Management services (CEO, CFO and Project manager)
- HR and payroll services
- Legal and professional services
- Trust website
- Procurement Services

The academy charges for these services on the following basis:

The trust charges for these services by transferring 5% of the GAG received for each academy in the trust and recharging central staff costs on the basis of time spent.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Handford Hall Primary School	67,257	26,762
Halifax Primary School	82,282	33,918
Springfield Infants School	56,606	21,131
The Willows Primary School	77,696	28,762
Brooklands Community Primary School	9,198	-
Total	<u>293,039</u>	<u>110,573</u>

The trust holds the pension reserve for all of its academies and so pension service costs of £488,000 and pension finance income of £31,000 from the local government pension scheme are held centrally and not recharged to the academies within the trust.

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11. Trustees' remuneration and expenses

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

		2018 £	2017 £
A Hennell James (CEO and staff trustee)	Remuneration	75,000-80,000	<i>30,000-35,000</i>
	Pension contributions paid	10,000-15,000	<i>5,000-10,000</i>

During the year ended 31 August 2018, 1 Trustee received reimbursement of expenses totalling £541 (2017 - £NIL).

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy 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 2018 and 2017 was included within the general insurance premium.

13. Intangible fixed assets

	Computer Software £
Cost	
At 1 September 2017	22,290
Additions	1,701
At 31 August 2018	23,991
Amortisation	
At 1 September 2017	1,563
Charge for the year	4,487
At 31 August 2018	6,050
Carrying amount	
At 31 August 2018	17,941
<i>At 31 August 2017</i>	<i>20,727</i>

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NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Leasehold property £	Furniture and equipment £	Plant and machinery £	IT equipment £	Assets under construc- tion £	Total £
Cost						
At 1 September 2017	14,570,921	5,143	809,557	38,629	34,631	15,458,881
Additions	66,654	69,845	4,112	24,241	1,557	166,409
Transfer between classes	-	-	18,958	15,662	(34,620)	-
Transfer in on conversion	3,009,268	-	49,582	-	-	3,058,850
At 31 August 2018	<u>17,646,843</u>	<u>74,988</u>	<u>882,209</u>	<u>78,532</u>	<u>1,568</u>	<u>18,684,140</u>
Depreciation						
At 1 September 2017	93,150	381	29,086	2,951	-	125,568
Charge for the year	500,803	4,311	134,098	13,882	-	653,094
At 31 August 2018	<u>593,953</u>	<u>4,692</u>	<u>163,184</u>	<u>16,833</u>	<u>-</u>	<u>778,662</u>
Net book value						
At 31 August 2018	<u><u>17,052,890</u></u>	<u><u>70,296</u></u>	<u><u>719,025</u></u>	<u><u>61,699</u></u>	<u><u>1,568</u></u>	<u><u>17,905,478</u></u>
At 31 August 2017	<u><u>14,477,771</u></u>	<u><u>4,762</u></u>	<u><u>780,471</u></u>	<u><u>35,678</u></u>	<u><u>34,631</u></u>	<u><u>15,333,313</u></u>

Land with a value of £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.

15. Stocks

	2018 £	2017 £
Goods for resale	<u>3,344</u>	<u>16,615</u>

16. Debtors

	2018 £	2017 £
Trade debtors	5,977	3,946
Other debtors	1,663	3,367
Prepayments and accrued income	371,477	152,009
Tax recoverable	80,137	62,567
	<u>459,254</u>	<u>221,889</u>

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17. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	142,796	192,901
Other taxation and social security	89,832	74,085
Other creditors	104,068	88,348
Accruals and deferred income	284,739	257,412
	621,435	612,746
	621,435	612,746

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	144,518	-
Resources deferred during the year	191,886	144,518
Amounts released from previous years	(144,518)	-
	191,886	144,518
	191,886	144,518

At the balance sheet date the academy trust was holding funds received in advance for school trips totalling £13,583, £142,500 for Universal Infant Free School Meals grants, £11,041 Rates Relief grants, £18,175 for Devolved Formula Capital grants and £6,587 for other grant income relating to 2018/19.

Included within other creditors is a Salix loan of £2,093 relating to a purchase of lighting. The loan amount is due to Suffolk County Council.

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

	2018	2017
	£	£
Other loans	11,160	13,253
	11,160	13,253

Included within other creditors is a Salix loan of £11,160 relating to a 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 2018

19. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Fund	898,062	369,423	(201,049)	(26,269)	-	1,040,167
Restricted funds						
General Annual Grant (GAG)	-	5,499,955	(5,084,550)	(211,376)	-	204,029
Start Up Grant	63,097	95,000	(85,163)	-	-	72,934
Pupil Premium	142,628	509,388	(498,574)	-	-	153,442
Other ESFA/DfE Grants	37,939	354,797	(184,422)	(21,290)	-	187,024
Other Restricted Funds	97,192	516,117	(392,699)	(220,610)	-	-
Teaching School	-	60,000	(500)	-	-	59,500
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>
Total of funds	<u><u>15,517,516</u></u>	<u><u>10,499,576</u></u>	<u><u>(7,623,538)</u></u>	<u><u>-</u></u>	<u><u>409,000</u></u>	<u><u>18,802,554</u></u>

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

Restricted general 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

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19. Statement of funds (continued)

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 £18,174.

Unrestricted funds

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

Transfers in/(out)

Transfers of £49,330 have been made from GAG, £21,290 from other restricted funds and £65,925 from unrestricted funds to the restricted fixed asset fund following asset purchases out of these fund.

Transfers of £162,045 from GAG and £220,610 from other restricted funds have been made to the pension reserve.

The trust is carrying a net surplus excluding pension reserve of £676,929 on restricted general funds and £1,040,167 on unrestricted funds.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>Total 2017 £</i>
Handford Hall Primary School	499,609	427,143
Halifax Primary School	432,423	559,276
Springfield Infants School	143,720	104,855
The Willows Primary School	358,816	115,906
Brooklands Community Primary School	116,625	-
Central Services	165,903	31,738
Total before fixed asset fund and pension reserve	1,717,096	1,238,918
Restricted fixed asset fund	18,073,458	15,424,598
Pension reserve	(988,000)	(1,146,000)
Total	18,802,554	15,517,516

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19. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Handford Hall Primary School	1,109,667	103,724	35,971	261,630	1,510,992	620,074
Halifax Primary School	1,423,628	83,354	70,533	352,323	1,929,838	714,845
Springfield Infants School	895,845	114,045	43,218	212,285	1,265,393	540,728
The Willows Primary School	1,078,134	247,324	60,413	238,338	1,624,209	681,970
Brooklands Community Primary School	127,292	10,338	11,008	30,028	178,666	-
Central Services	101,799	209,693	9,641	135,726	456,859	173,619
	<u>4,736,365</u>	<u>768,478</u>	<u>230,784</u>	<u>1,230,330</u>	<u>6,965,957</u>	<u>2,731,236</u>

Statement of funds - prior year

	Balance at 3 March 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds	-	1,078,856	(73,979)	(106,815)	-	898,062
Restricted funds						
General Annual Grant (GAG)	-	2,255,130	(2,191,672)	(63,458)	-	-
Start Up Grant	-	100,000	(36,903)	-	-	63,097
Pupil Premium	-	212,783	(62,408)	(7,747)	-	142,628
Other ESFA/DfE Grants	-	126,034	(88,095)	-	-	37,939
Other Restricted Funds	-	193,479	(92,363)	(3,924)	-	97,192
Pension reserve	-	(999,000)	(185,816)	127,816	(89,000)	(1,146,000)
	<u>-</u>	<u>1,888,426</u>	<u>(2,657,257)</u>	<u>52,687</u>	<u>(89,000)</u>	<u>(805,144)</u>

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19. Statement of funds (continued)

Restricted fixed asset funds

Transfer on Conversion	-	15,466,497	(123,957)	-	-	15,342,540
DfE/ESFA Capital Grants	-	31,104	(1,190)	-	-	29,914
Capital expenditure from GAG	-	-	(1,868)	54,128	-	52,260
Other Capital Income	-	-	(116)	-	-	(116)
	-	15,497,601	(127,131)	54,128	-	15,424,598
Total restricted funds	-	17,386,027	(2,784,388)	106,815	(89,000)	14,619,454
Total of funds	-	18,464,883	(2,858,367)	-	(89,000)	15,517,516

20. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	17,941	17,941
Tangible fixed assets	-	-	17,905,478	17,905,478
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)
	1,040,167	(311,071)	18,073,458	18,802,554

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	20,727	20,727
Tangible fixed assets	-	-	15,333,313	15,333,313
Current assets	944,183	905,388	85,904	1,935,475
Creditors due within one year	(46,121)	(564,532)	(2,093)	(612,746)
Creditors due in more than one year	-	-	(13,253)	(13,253)
Provisions for liabilities and charges	-	(1,146,000)	-	(1,146,000)
	898,062	(805,144)	15,424,598	15,517,516

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	2,876,038	15,606,516
Adjustment for:		
Depreciation charges	653,094	125,568
Amortisation charges	4,487	1,563
Interest receivable	(4,109)	(193)
Decrease/(increase) in stocks	13,271	(16,615)
Increase in debtors	(167,365)	(221,889)
Increase in creditors	8,758	610,653
Capital grants from DfE and other capital income	(96,029)	(111,903)
Defined benefit pension scheme obligation inherited	75,000	999,000
Defined benefit pension scheme cost less contributions payable	145,000	46,000
Defined benefit pension scheme finance cost	31,000	12,000
Cash transferred on conversion to an academy trust	-	(1,110,840)
Fixed assets transferred from Local Authorities	(3,073,867)	(15,385,698)
Net cash provided by operating activities	465,278	554,162

22. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	2,107,201	1,696,971
Total	2,107,201	1,696,971

23. Conversion to an academy trust

On 1 June 2018 Brooklands 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 headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - 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 incorporating income and expenditure account.

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23. Conversion to an academy trust (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	3,009,268	3,009,268
- Other tangible fixed assets	-	-	49,582	49,582
Budget surplus/(deficit) on LA funds	115,730	-	15,017	130,747
LGPS pension surplus/(deficit)	-	(75,000)	-	(75,000)
Net assets/(liabilities)	<u>115,730</u>	<u>(75,000)</u>	<u>3,073,867</u>	<u>3,114,597</u>

If the £115,730 above, £15,180 relates to an additional payment from Suffolk County Council in respect of the Willows Primary School, which joined the trust on 1 April 2017.

The above net assets include £115,566 that were transferred as cash although this was a debtor at the year end.

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 cost.

24. Pension commitments

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

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

Contributions amounting to £99,479 were payable to the schemes at 31 August 2018 (2017 - £84,951) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme 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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24. 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 latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £441,409 (2017 - £199,395).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £417,597 (2017 - £154,816), of which employer's contributions totalled £346,597 (2017 - £127,816) and employees' contributions totalled £71,000 (2017 - £27,000). The agreed contribution rates for future years are 27% for employers and variable% 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.

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24. Pension commitments (continued)

Principal actuarial assumptions:

	2018	<i>2017</i>
Discount rate for scheme liabilities	2.80 %	<i>2.50 %</i>
Rate of increase in salaries	2.60 %	<i>2.70 %</i>
Rate of increase for pensions in payment / inflation	2.30 %	<i>2.40 %</i>
Commutation of pensions to lump sums	- %	<i>63.00 %</i>

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

	2018	<i>2017</i>
Retiring today		
Males	21.9	<i>21.9</i>
Females	24.4	<i>24.4</i>
Retiring in 20 years		
Males	23.9	<i>23.9</i>
Females	26.4	<i>26.4</i>

	At 31 August 2018	<i>At 31 August 2017</i>
	£	<i>£</i>
Sensitivity analysis		
Discount rate +0.1%	91,000	<i>71,600</i>
Discount rate -0.1%	(91,000)	<i>(71,600)</i>
Mortality assumption - 1 year increase	39,250	<i>45,840</i>
Mortality assumption - 1 year decrease	(39,250)	<i>(45,840)</i>
CPI rate +0.1%	76,200	<i>57,000</i>
CPI rate -0.1%	(76,200)	<i>(57,000)</i>

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

	Fair value at 31 August 2018	<i>Fair value at 31 August 2017</i>
	£	<i>£</i>
Equities	1,483,040	<i>1,157,360</i>
Corporate bonds	645,840	<i>357,420</i>
Property	239,200	<i>170,200</i>
Cash and other liquid assets	23,920	<i>17,020</i>
Total market value of assets	<u>2,392,000</u>	<i><u>1,702,000</u></i>

The actual return on scheme assets was £1,362 (2017 - £26,000).

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24. Pension commitments (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(488,000)	(175,000)
Interest income	49,000	17,000
Interest cost	(80,000)	(17,000)
	<u> </u>	<u> </u>
Total	<u><u>(519,000)</u></u>	<u><u>(175,000)</u></u>

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

	2018 £	2017 £
Opening defined benefit obligation	2,848,000	-
Upon conversion	254,000	2,485,000
Current service cost	488,000	175,000
Interest cost	80,000	29,000
Employee contributions	71,000	27,000
Actuarial (gains)/losses	(361,000)	132,000
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u><u>3,380,000</u></u>	<u><u>2,848,000</u></u>

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

	2018 £	2017 £
Opening fair value of scheme assets	1,702,000	-
Upon conversion	179,000	1,486,000
Interest income	49,000	17,000
Actuarial losses	48,000	43,000
Employer contributions	343,000	129,000
Employee contributions	71,000	27,000
	<u> </u>	<u> </u>
Closing fair value of scheme assets	<u><u>2,392,000</u></u>	<u><u>1,702,000</u></u>

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25. Operating lease commitments

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	11,254	10,185
Between 1 and 5 years	15,062	10,141
Total	<u>26,316</u>	<u>20,326</u>

26. 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.

27. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the period of account:

Inces Ltd: A uniform supplier in which the husband of V Kingsley (Headteacher) is a Director. During the year there were transactions totalling £150 (2017: £5,655) for uniforms purchase. No amounts were outstanding at the year end.

Suffolk New College: This is an organisation in which trustee R Fern is Chair of Corporation. During the year expenditure of £200 was made for hospitality for a training event. No amounts were outstanding at the year end.

Team Ipswich Swimming: This is an organisation in which trustee S Day is Club Secretary. Income of £2,659 was received in the year for use of a school swimming pool. £1,335 is included in debtors at the year end.

Teach First: This is an organisation in which trustee S Faruqi is an employee. Income of £1,945 was received in the year in respect of mentoring grants and catering recharges and expenditure of £49,820 was made in relation to Teach First's standard services. £16,920 is included in creditors at the year end.

The trust made all of the above transactions at arms' length following competitive tendering exercises where required and in accordance with its financial regulations, which the related parties neither participated in, nor influenced. In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

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NOTES TO THE FINANCIAL STATEMENTS
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28. Post balance sheet events

On 1 November 2018 the Grange Community Primary School joined the Orwell Multi Academy Trust.

29. Teaching school trading account

	2018 £	2018 £	2017 £	2017 £
Income				
Direct income				
Teaching school grant income	60,000		-	
Total income		60,000		-
Expenditure				
Direct expenditure				
Other direct expenditure	500		-	
Total expenditure		500		-
Surplus from all sources		<u>59,500</u>		<u>-</u>
Teaching school balances at 1 September 2017		-		-
Teaching school balances at 31 August 2018		<u><u>59,500</u></u>		<u><u>-</u></u>