

Orwell Multi Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Period ended 31 August 2017

Company Registration Number:
10650092 (England and Wales)

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Orwell Multi Academy Trust 10650092

Reference and Administrative Details

Members	Alan Whittaker Roderick Stanley–Bell Jacqueline Frost Maxwell Harnden William Knowles (from 19/06/2017) David Mason (from 19/06/2017)
Directors	Roger Fern (Chair) - appointed 03/03/2017 Paul Carter (Vice Chair) - appointed 03/03/2017 Stella Day - appointed 03/03/2017 Jason Addison - appointed 03/03/2017 Jason Kirk - appointed 03/03/2017 Darren Pearl - appointed 03/03/2017 Sohail Faruqi - appointed 03/03/2017 Maxwell Harnden - appointed 03/03/2017 Anna Hennell James (CEO & Accounting Officer) – appointed 01/04/2017
Senior Managers: Chief Executive Officer/Accounting Officer Chair of Trustees Vice Chair of Trustees Headteacher Headteacher Headteacher Headteacher	Anna Hennell James Roger Fern Paul Carter Kasha Blake Kelly Head Vanessa Kingsley Anita Krishna
Company Name	Orwell Multi Academy Trust
Principal and Registered Office	Halifax Primary School Prince of Wales Drive Ipswich Suffolk IP2 8PY
Company Registration Number	10650092
Independent Auditor	Larking Gowen King Street House 15 Upper King Street Norwich NR3 1RB
Bankers	Lloyds Bank plc 13 Cornhill Ipswich IP1 1DG
Solicitors	Stone King 13 Queen Square Bath BA1 2HJ

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 3rd March 2017 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 4 primary academies in Ipswich. Its academies have a combined pupil capacity of 1,531 and had a roll of 1,428 in the school census on 5th October 2017.

The Trust was incorporated on 3rd March 2017.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Orwell Multi Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Orwell Multi Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustee's 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.

Method of Recruitment and Appointment or Election of Trustees

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

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

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

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

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.

Policies & 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 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. As there is 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.

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 who are responsible for the day to day running of the schools. 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. An Executive Leadership Team (ELT) consisting of the Chief Executive 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 students. The appointment of staff, through short listing and interviews for posts in the Senior Leadership Team always contain a safe recruitment trained individual.

Trustees' Report (continued)

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The arrangements for setting the pay and remuneration of all management personnel are detailed in the trust scheme of delegation. Management personnel, including the Chief Executive Officer, are paid in line with the pay scales set out in the national pay and conditions documents. Pay ranges are agreed with the Trust, which is 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.

Related Parties and other Connected Charities and Organisation

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

Objectives and Activities

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.

Objectives, Strategies and Activities

The principle 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.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties.

They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

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

Strategic Report

Achievements and Performance

Key Performance Indicators

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.

Key objectives on the Trust Development Plan include:

- Development of a clear strategy for sharing best practice and building on existing successes across the Trust
- Establishing a clearly focused programme of Peer Review across the Trust
- Developing a clear workforce strategy to enable us to recruit, retain and develop staff at all levels, promoting from within where possible and enabling us to deploy staff where the need is greatest
- Recruiting additional schools to the Trust in line with our growth plan.

Trustees' Report (continued)

Going Concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial Review

Most of the academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the Education and Skills Funding Agency (ESFA) during the year ended 31st August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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 2017, total expenditure of £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 fund) was £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.

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

At 31st August 2017 the net book value of fixed assets was £15,354,040 and movements are shown for intangible fixed assets within note 12 and for tangible fixed assets within note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

In accordance with FRS102, the academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31st August 2017 and supporting notes to the accounts 26.

Reserves Policy

The Trustees have agreed a Reserves Policy and will 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 pupil 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.

Investment Policy

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

Principal Risks and Uncertainties

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. The Trust Board is advised in this role by the School Business Managers.

Risk Management

The Trust has a risk management process to assess business risks and to implement risk management strategies. This process involved identifying the types of risk the Trust faces, prioritising risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. Areas of risk assessed include; control of finance, staffing, premises, Health & Safety, educational outcomes, safeguarding.

Plan For Future Periods

The Trust will endeavour to take on further schools, including through sponsorship, as part of the growth plan. Centralised roles will be developed and school based office roles reviewed in the light of appointments made. The Trust will endeavour to secure Teaching School status in order to formalise support and training provided to other schools.

Funds Held as Custodian Trustee on Behalf of Others

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

Trustees' Report (continued)

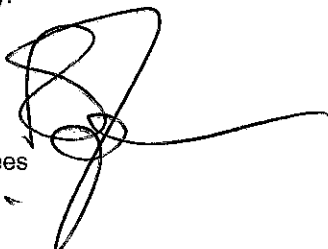
Auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

This report was approved by order of the board of Trustees as the company directors, on 14 December 2017 and signed on its behalf by:

Roger Fern
Chair of Trustees

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

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 Trustee's Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times from 1st April to 31st August 2017. Attendance during this period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Roger Fern	6	6
Paul Carter	6	6
Jason Kirk	6	6
Jason Addison	6	6
Stella Day	5	6
Max Harnden	2	6
Sohail Faruqi	3	6
Darren Pearl	3	6
Anna Hennell James	6	6

The Finance, Resources and Audit committee 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.

All trustees were appointed to the shadow Trust Board and became Trustees with effect from 1st April. The shadow Trust Board deliberately sought Trustees who would bring certain skills and experience to the Trust Board. Trustees have a range of professional backgrounds including accountancy, law, business, HR and educational leadership.

The Trustees worked as a Shadow Trust board to agree a governance structure, including the decision to maintain Local Governing Bodies. They have developed and approved a Scheme of Delegation, LGB Terms of reference and committee terms of reference. The Trustees have elected a Chair and Vice Chair of the Trust, and Chairs for both of the committees (Finance, Resources & Audit, and Education & Learning).

The Trust Board have appointed a CEO and Project Manager to lead development of the Trust.

The Trustees have procured and recommended auditors to the Members for appointment.

The Trust Board have provided additional governors to support a LGB where the existing governors were inexperienced. This has strengthened governance at LGB level.

The Trust Board have challenged all LGBs around the setting of their budgets. Where there were concerns around the viability of any budgetary plans further investigation was sought in order to satisfy the Trust Board that the budget was realistic and attainable.

The Trust Board are confident that they have acted in a robust and informed manner, providing challenge when necessary.

The Trust Board have bought in the services of Schools' Choice to manage the Trust finances together with the school based bursars throughout the conversion and in the first few months and beyond.

To ensure robust financial performance in accordance with the Trusts articles of association, funding agreement and the Academies Financial Handbook, the Trust Board will challenge Schools' Choice and the Trust Finance team on the procedures and controls in place. As part of their responsibilities, the Trust Board challenged Schools' Choice on a timely and consistent approach to the service delivery and a single point of contact within Schools' Choice was identified to offer assurance in this area.

Governance Statement (continued)

School based finance staff provide financial data and information to the Trust Board. Schools' Choice aid with this work by completing monthly checks on the finance system including control account reconciliations, VAT reconciliations and closing the period. Schools' Choice provide a report of their findings each month to the individual schools' finance staff.

Progress and attainment data is provided to the Trust board by school leaders, and comes direct from DfE.

As the Trust is in its first year, a formal review has not yet been carried out. The Trust intends to carry out a Self Assessment Review in the Spring term 2018.

Helena Renfrew-Knight (Education Adviser with the Regional Schools Commissioner) attended a Trust Board meeting on 8th November 2017. She provided positive verbal feedback on the procedures, knowledge and challenge from the Trust Board.

During the period 3rd March 2017 – 31st August 2017 all finance, premises, staffing and audit matters were considered by the entire Trust Board and so the Finance, Resources and Audit committee did not meet.

Review of Value for Money

As accounting officer the chief executive officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by 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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Orwell Multi Academy Trust for the period 1st April 2017 to 31 August 2017 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 April 2017 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided:

Larking Gowen have been appointed to carry out internal audit on behalf of the Trust. The first internal audit will be carried out following completion of the audit of accounts.

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

On a quarterly basis, the internal auditor will report to the board of trustees through the Finance, Resources and Admin committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Governance Statement (continued)

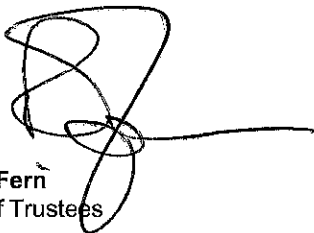
Review of Effectiveness

As accounting officer the chief executive officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- engaging Schools' Choice Financial Services to help develop, implement and test a new financial system
- the work of the Finance, Resources and Audit Committee
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of the review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the member of the board of trustees on 14 December 2017 and signed on its behalf by:



Roger Fern
Chair of Trustees



Anna Hennell James
Accounting Officer

Orwell Multi Academy Trust 10650092

Statement of 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 and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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

Statement of Trustees' Responsibilities

The trustees (who act as governors of Orwell Multi Academy Trust and 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 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare the 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 in the Charities SORP 2015 and the Academy Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

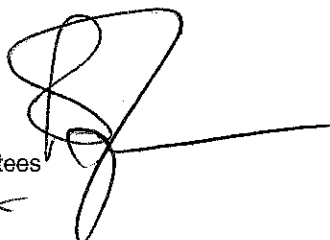
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 the order of the members of the board of trustees on 14 December 2017 and signed on its behalf by:

Roger Fern
Chair of Trustees

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a horizontal line extending to the right.

Independent Auditor's Report to the Members of Orwell Multi Academy Trust

Opinion

We have audited the financial statements of Orwell Multi Academy Trust (the 'academy trust') for the period ended 31 August 2017 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 and 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 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' annual report, other than the financial statements and our auditor's 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, 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.

Independent Auditor's Report to the Members of Orwell Multi Academy Trust (continued)

Opinions 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

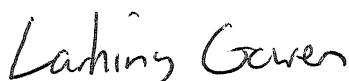
As explained more fully in the directors' responsibilities statement set out on page 12, the directors (who are also the trustees of the academy trust for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.



Christopher Yeates ACA DChA (Senior statutory auditor)

For and on behalf of

Larking Gowen

Chartered Accountants
Statutory Auditors

Norwich

18 December 2017

Independent Reporting Accountant's Assurance Report on Regularity to Orwell Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 23 June 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 period 1 April 2017 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Orwell Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Orwell Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Orwell Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Orwell Multi Academy Trust's funding agreement with the Secretary of State for Education dated 24 March 2017 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 period 1 April 2017 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

In planning and conducting our work we had due regard to professional guidance and the Academies Accounts Direction 2016 to 2017. The work undertaken to draw our conclusions, included, but was not limited to:

- Enquire of senior management and the academy's Directors
- Inspection and review of accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.

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 period 1 April 2017 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Larking Gowen

Larking Gowen

Chartered Accountants
Statutory Auditors

Norwich

18 December 2017

Statement of Financial Activities for the period ended 31 August 2017
(including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:					
Donations and capital grants	2	1,892	362	31,104	33,358
Transfer from local authority on conversion	28	1,011,633	(988,267)	15,466,497	15,489,863
<i>Charitable activities:</i>					
Funding for the academy trust's educational operations	3	39,759	2,876,331	-	2,916,090
Other trading activities	4	25,379	-	-	25,379
Investments	5	193	-	-	193
Total income and endowments		1,078,856	1,888,426	15,497,601	18,464,883
Expenditure on:					
Raising Funds	6	1,622	240	-	1,862
<i>Charitable activities:</i>					
Academy trust educational operations	7	72,357	2,657,017	127,131	2,856,505
Total expenditure		73,979	2,657,257	127,131	2,858,367
Net income / (expenditure)		1,004,877	(768,831)	15,370,470	15,606,516
Transfers between funds	18	(106,815)	52,687	54,128	-
Other recognised gains / (losses):					
Actuarial (losses) / gains on defined benefit pension schemes	18, 26	-	(89,000)	-	(89,000)
Net movement in funds		898,062	(805,144)	15,424,598	15,517,516
Reconciliation of funds					
Total funds brought forward at 3 March 2017	18	-	-	-	-
Funds carried forward at 31 August 2017		898,062	(805,144)	15,424,598	15,517,516

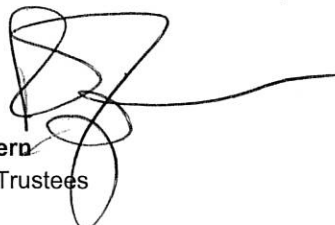
All of the trust's activities derive from acquisitions (new converters) during the current financial period.

Orwell Multi Academy Trust 10650092

Balance Sheet as at 31 August 2017

	Notes	2017 £
Fixed Assets		
Intangible assets	12	20,727
Tangible assets	13	<u>15,333,313</u>
		<u>15,354,040</u>
Current assets		
Stock	14	16,615
Debtors	15	221,889
Cash at bank and in hand		<u>1,696,971</u>
		<u>1,935,475</u>
Liabilities		
Creditors: Amounts falling due within one year	16	<u>(612,746)</u>
Net current assets		<u>1,322,729</u>
Total assets less current liabilities		<u>16,676,769</u>
Creditors: amounts falling due after more than one year	17	(13,253)
Net assets excluding pension liability		<u>16,663,516</u>
Defined benefit pension scheme liability	26	<u>(1,146,000)</u>
Total net assets		<u>15,517,516</u>
Funds of the academy trust:		
Restricted funds		
- Fixed asset fund	18	15,424,598
- Restricted income fund	18	340,856
- Pension reserve	18	<u>(1,146,000)</u>
Total restricted funds		<u>14,619,454</u>
Unrestricted income funds	18	898,062
Total unrestricted funds		<u>898,062</u>
Total funds		<u>15,517,516</u>

The financial statements on pages 16 to 37 were approved by the trustees, and authorised for issue on 14 December 2017 and are signed on their behalf by:



Roger Fern
Chair of Trustees

Orwell Multi Academy Trust 10650092

Statement of Cash Flows for the period ended 31 August 2017

	Notes	2017 £
Cash flows from operating activities		
Net cash provided by (used in) operating activities	21	554,162
Cash transferred on conversion to an academy trust		1,110,840
Cash flows from investing activities		
	23	16,624
Cash flows from financing activities		
	22	15,345
Change in cash and cash equivalents in the reporting period		1,696,971
Reconciliation of net cash flow to movement in net funds		
Cash and cash equivalents at 3 March 2017	24	-
Cash and cash equivalents at 31 August 2017		1,696,971

All of the cashflows are derived from acquisitions in the current financial period.

Orwell Multi Academy Trust 10650092

Notes to the Financial Statements for the Period Ended 31 August 2017

1. Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

These financial statements have been prepared for the period 3 March 2017 to 31 August 2017 which is a period of less than twelve months. This is because academy trusts are required by ESFA to report annually to 31 August.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**1. Statement of Accounting Policies (continued)**

- **Transfer on conversion**

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

- **Donated fixed assets**

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

The conversion from a state maintained school to an academy trust involved the transfer of identifiable net assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Handford Hall Primary School, Halifax Primary School, Springfield Infants School and The Willows Primary School to an academy trust have been valued at their fair. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Voluntary income – transfer from local authority on conversion (where a net gain) / Other resources expended – transfer from local authority on conversion (where a net loss) in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Upon transfer, the academy trust received a transfer of property on a 125 year leasehold for nil consideration. The property was measured and valued within the accounts at fair value. The value was £14,554,036. Other fixed assets were valued at £831,663. The pension deficit inherited upon transfer was £999,000, further details of the transactions are set out in note 28.

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 are 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**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Purchased computer software	20%
-----------------------------	-----

Tangible Fixed Assets

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

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

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**1. Statement of Accounting Policies (continued)**

Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

- Long Leasehold Buildings 2% - 3.33%
- Fixtures, fittings & equipment 20%
- Computer hardware 20%
- Plant & Machinery 7.69% - 20%
- Motor Vehicles 10%

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.

Liabilities

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

Provisions

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

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

Leased Assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measure at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold clothing and book bags are valued at the lower of cost or net realisable value.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**1. Statement of Accounting Policies (continued)**

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 26, the TPS is a multi-employer scheme and there is insufficient information available to use the 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 asset/liability is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on scheme assets and the actual return on scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions includes the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact the carrying amount of the pension liability.

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**2 Donations and Capital Grants**

	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Capital grants			
Devolved Formula Capital	-	31,104	31,104
Other donations			
Swimming Contributions	-	362	362
Playground Markings	1,892	-	1,892
	<u>1,892</u>	<u>31,466</u>	<u>33,358</u>

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2017 £
DfE/ESFA Revenue Grants			
General Annual Grant	-	2,255,130	2,255,130
Start Up Grant	-	100,000	100,000
Rates Relief	-	9,100	9,100
Pupil Premium	-	212,783	212,783
UIFSM	-	101,475	101,475
PE & Sports Grant	-	15,459	15,459
	-	<u>2,693,947</u>	<u>2,693,947</u>
Other Government Grants			
SCITT Funding	-	4,908	4,908
Early Years	-	95,119	95,119
High Tariff Needs	-	2,751	2,751
Growth Funding	-	51,052	51,052
Syrian Resettlement Funding	-	12,000	12,000
SEN Funding	-	9,083	9,083
Other Govt Grants & Other Income	-	7,471	7,471
	-	182,384	182,384
Other income from the academy trust's educational operations			
Catering Income	24,734	-	24,734
Trip Income	15,025	-	15,025
	<u>39,759</u>	<u>2,876,331</u>	<u>2,916,090</u>

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)

4 Other Trading Activities

	Unrestricted Funds	Restricted Funds	Total 2017
	£	£	£
Hire of Facilities	7,988	-	7,988
Items Sold	5,173	-	5,173
Other Catering Income	1,180	-	1,180
Fundraising	1,023	-	1,023
Income from Services Provided	1,406	-	1,406
Clubs	8,009	-	8,009
Primary SCITT	600	-	600
	<u>25,379</u>	<u>-</u>	<u>25,379</u>

5 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2017
	£	£	£
Bank Interest	193	-	193
	<u>193</u>	<u>-</u>	<u>193</u>

6 Expenditure

	Non Pay Expenditure			Total 2017
	Staff Costs	Premises	Other	£
	£	£	£	
Expenditure on raising funds	-	-	1,862	1,862
Academy's educational operations				
• Direct Costs	1,918,326	127,131	72,910	2,118,367
• Allocated Support Costs	265,298	168,830	304,010	738,138
	<u>2,183,624</u>	<u>295,961</u>	<u>378,782</u>	<u>2,858,367</u>

Net Income/(expenditure) for the period includes:

	2017
	£
Operating lease rentals	4,839
Depreciation	125,568
Amortisation of intangible fixed assets	1,564
Fees payable to auditor for:	
- audit	10,750
- other services	1,250

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)

7 Charitable Activities

	Total 2017 £
Direct costs - educational operations	2,118,367
Support costs - educational operations	<u>738,138</u>
	<u>2,856,505</u>

	Educational Operations £	Total 2017 £
Analysis of support costs		
Support staff costs	265,298	265,298
Technology costs	42,624	42,624
Premises costs	168,830	168,830
Other support costs	246,759	246,759
Governance costs	14,627	14,627
Total support costs	<u>738,138</u>	<u>738,138</u>

8 Staff

	Total 2017 £
a. Staff costs	
Staff costs during the period were:	
Wages and salaries	1,682,334
Social security costs	137,748
Operating costs of defined benefit pension schemes	354,211
Apprenticeship Levy	2,285
	<u>2,176,578</u>
Supply staff costs	5,046
Staff restructuring costs	2,000
	<u>2,183,624</u>

Staff restructuring costs comprise:

Severance payments	<u>2,000</u>
	<u>2,000</u>

b. Non statutory/non-contractual staff severance payments

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

c. Staff numbers

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

	2017 No.
Teachers	76
Teaching Assistants	82
Administration and other support	64
Management	12
	<u>234</u>

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**8 Staff Costs (continued)****d. Higher paid staff**

There was no employee with emoluments above £60,000 during the period 1 April 2017 to 31 August 2017.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £158,332.

The Academy Trust has provided the following central services to its academies during the period:

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

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:

	2017
	£
Handford Hall Primary School	26,762
Halifax Primary School	33,918
Springfield Infants School	21,131
The Willows Primary School	<u>28,762</u>

The trust holds the pension reserve for all of its academies and so pension service costs of £46,000 and pension finance costs of £12,000 from the local government pension scheme are held centrally and not recharged to the academies within the trust.

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The chief executive only received remuneration in respect of services they provide undertaking the role of chief executive under their contract of employment.

The value of trustees' remuneration was as follows:

A Hennell James (CEO and staff trustee)
 Remuneration £30,000 - £35,000
 Employers pension contributions £5,000 - £10,000

Other related party transactions involving the trustees are set out in note 27.

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

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**12 Intangible Fixed Assets**

	Computer Software £	Total £
Cost		
At 3 March 2017	-	-
Additions	22,290	22,290
At 31 August 2017	<u>22,290</u>	<u>22,290</u>
Amortisation		
At 3 March 2017	-	-
Charged in year	1,563	1,563
At 31 August 2017	<u>1,563</u>	<u>1,563</u>
Carrying Amount		
At 3 March 2017	-	-
At 31 August 2017	<u>20,727</u>	<u>20,727</u>

13 Tangible Fixed Assets

	Leasehold Land and Buildings £	Furniture and Equipment £	IT Equipment £	Plant and Machinery £	Assets Under Construction £	Total £
Cost						
At 3 March 2017	-	-	-	-	-	-
Transferred from LA	14,554,036	1,737	20,369	809,557	-	15,385,699
Additions	16,885	3,406	18,260	-	34,631	73,182
At 31 August 2017	<u>14,570,921</u>	<u>5,143</u>	<u>38,629</u>	<u>809,557</u>	<u>34,631</u>	<u>15,458,881</u>
Depreciation						
At 3 March 2017	-	-	-	-	-	-
Charged in year	93,150	381	2,951	29,086	-	125,568
At 31 August 2017	<u>93,150</u>	<u>381</u>	<u>2,951</u>	<u>29,086</u>	<u>-</u>	<u>125,568</u>
Net Book Values						
At 3 March 2017	-	-	-	-	-	-
At 31 August 2017	<u>14,477,771</u>	<u>4,762</u>	<u>35,678</u>	<u>780,471</u>	<u>34,631</u>	<u>15,333,313</u>

The trust's transactions relating to land and buildings included:

- the taking up of a leasehold on land and buildings with estimated fair value of £14,554,036, for a peppercorn rent, over a term of 125 years.

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**14 Stock**

	2017
	£
Uniform	14,992
PE Kits	827
Swimming Hats	130
Book Bags	666
	<u>16,615</u>

15 Debtors

	2017
	£
Trade debtors	3,946
VAT recoverable	62,567
Other debtors	3,367
Prepayments and accrued income	152,009
	<u>221,889</u>

16 Creditors: amounts falling due within one year

	2017
	£
Trade creditors	192,901
Taxation and social security	74,085
Other creditors	88,348
Accruals and deferred income	257,412
	<u>612,746</u>

Deferred Income

	2017
	£
Deferred Income at 3 March 2017	-
Resources deferred in the year	144,518
Deferred Income at 31 August 2017	<u>144,518</u>

At the balance sheet date the academy trust was holding funds received in advance for school trips totalling £4,916 and £139,602 for Universal Infant Free School Meals grants and Early Years Deprivation grants relating to 2017/18.

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.

17 Creditors: amounts falling due in greater than one year

	2017
	£
Other Creditors	13,253
	<u>13,253</u>

Included within other creditors is a Salix loan of £13,253 relating to a purchase of lighting. The loan amount is due to Suffolk County Council.

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)

18 Funds

	Balance at 3 March 2017 £	Income £	Expenditure £	transfers £	Gains / (Losses) £	Balance at 31 August 2017 £
Restricted general 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)
	-	1,888,426	(2,657,257)	52,687	(89,000)	(805,144)
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
Unrestricted funds						
Unrestricted funds	-	1,078,856	(73,979)	(106,815)	-	898,062
Total unrestricted funds	-	1,078,856	(73,979)	(106,815)	-	898,062
Total funds	-	18,464,883	(2,858,367)	-	(89,000)	15,517,516

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 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. Each academy received £25,000 which has been recognised at the Central MAT location.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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 £31,104.

Unrestricted funds

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

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**18 Statement of Funds (cont)****Transfers in/(out)**

Transfers of £54,128 have been made from GAG to the restricted fixed asset fund following asset purchases out of this fund.

Transfers of £116,145 from GAG and £11,671 from other restricted funds have been made to the pension reserve. Transfers totalling £106,815 have been made from unrestricted funds to GAG to cover a deficit in this fund.

The trust is carrying a net surplus excluding pension reserve of £340,856 on restricted general funds and £898,062 on unrestricted funds.

Analysis of academies by fund balance

Fund balances as at 31 August 2017 were allocated as follows:

	Total £
Handford Hall Primary School	427,143
Halifax Primary School	559,276
Springfield Infants School	104,855
The Willows Primary School	115,906
Central services	31,738
Total before fixed assets and pension reserve	<u>1,238,918</u>
Restricted fixed asset fund	15,424,598
Pension Reserve	(1,146,000)
Total	<u>15,517,516</u>

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total £
Handford Hall Primary School	451,479	57,544	11,924	99,127	620,074
Halifax Primary School	550,679	38,330	18,195	107,641	714,845
Springfield Infants School	377,508	57,170	16,676	89,374	540,728
The Willows Primary School	487,614	112,254	12,567	69,535	681,970
Central services	46,000	-	177	127,442	173,619
Academy Trust	<u>1,913,280</u>	<u>265,298</u>	<u>59,539</u>	<u>493,119</u>	<u>2,731,236</u>

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**19 Analysis of Net Assets between Funds**

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	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
Current liabilities	(46,121)	(564,532)	(2,093)	(612,746)
Non current liabilities	-	-	(13,253)	(13,253)
Pension scheme liability	-	(1,146,000)	-	(1,146,000)
Total net assets	898,062	(805,144)	15,424,598	15,517,516

20 Commitments under Operating Leases**Operating Leases**

At 31 August 2017 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £
Amounts due within one year	10,185
Amounts due between one and five years	10,141
Amounts due after five years	-
	<u>20,326</u>

21 Reconciliation of Net Income/(Expenditure) to Net Cash flow from operating activities

	2017 £
Net income/(expenditure) for the period (as per the statement of financial activities)	15,606,516
Adjusted for:	
Amortisation (note 12)	1,563
Depreciation (note 13)	125,568
Capital grants from DfE and other capital income	(111,903)
Interest receivable (note 4)	(193)
Cash transferred on conversion to an academy trust (note 28)	(1,110,840)
Fixed assets transferred from Local Authorities (note 28)	(15,385,698)
Defined benefit pension scheme obligation inherited (note 26)	999,000
Defined benefit pension scheme cost less contributions payable (note 26)	46,000
Defined benefit pension scheme finance cost (note 26)	12,000
(Increase)/decrease in stocks	(16,615)
(Increase)/decrease in debtors	(221,889)
Increase/(decrease) in creditors	610,653
Net cash provided by / (used in) Operating Activities	554,162
Cash transferred on conversion to an academy trust (note 28)	1,110,840
Cash transferred on conversion to an academy trust	1,110,840

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**22 Cash Flows from Financing Activities**

	2017 £
Cash inflows from new borrowing	15,345
Net cash provided by / (used in) financing activities	15,345

23 Cash Flows from Investing Activities

	2017 £
Dividends, interest and rents from investments	193
Purchase of tangible fixed assets	(73,182)
Purchase of intangible fixed assets	(22,290)
Capital grants from DfE / ESFA	31,104
Capital funding received from sponsors and others	80,799
Net cash provided by / (used in) investing activities	16,624

24 Analysis of Cash and Cash Equivalents

	At 3 March 2017 £	Cash flows £
Cash in hand and at bank	-	1,696,971
Total cash and cash equivalents	-	1,696,971

25 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.

26 Pension and Similar Obligations

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

As described in note 1 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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 £55,213 for TP and £29,738 for LGPS were payable to the schemes at 31 August 2017 and are included within creditors.

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**26 Pension and Similar Obligations (continued)****Teachers' Pension Scheme****Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**26 Pension and Similar Obligations (continued)**

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2017 was £154,816, of which employer's contributions totalled £127,816 and employees' contributions totalled £27,000. The agreed contribution rates for future years are 27% for employers and a variable % for employees dependant on the salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - £13,700	5.50%
£13,701- £21,400	5.80%
£21,401 - £34,700	6.50%
£34,701 - £43,900	6.80%
£43,901 - £61,300	8.50%
£61,301 - £86,800	9.90%
£86,801 - £101,200	10.50%

26 Pension and Similar Obligations (continued)

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

Principal Actuarial Assumptions

	At 31 August 2017 p.a.
Rate of increase in salaries	2.70%
Rate of increase for pensions in payment/inflation	2.40%
Discount rate for scheme liabilities	2.50%
Commutation of pensions to lump sums (pre-April 2008)	25.00%
Commutation of pensions to lump sums (post-April 2008)	63.00%

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

	At 31 August 2017
<i>Retiring today</i>	
Males	21.9
Females	24.4
<i>Retiring in 20 years</i>	
Males	23.9
Females	26.4

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**26 Pension and Similar Obligations (continued)**

	At 31 August 2017
Sensitivity analysis	
Discount rate -0.5%	13.00%
Salary rate + 0.5%	2.00%
Pension rate + 0.5%	10.00%

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

	Fair value at 31 August 2017 £
Equities	1,157,360
Corporate bonds	357,420
Property	170,200
Cash and other liquid assets	17,020
Total market value of assets	<u>1,702,000</u>

The actual return on scheme assets was £26,000

Amounts recognised in the statement of financial activities

	2017 £
Current service cost	(175,000)
Interest income	17,000
Interest cost	(29,000)
Total amount recognised in the SOFA	<u>(187,000)</u>

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

	2017 £
Conversion of academy trusts	2,485,000
Current service cost	175,000
Interest cost	29,000
Employee contributions	27,000
Actuarial (gain)/loss	132,000
At 31 August	<u>2,848,000</u>

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

	2017 £
Conversion of academy trusts	1,486,000
Interest income	17,000
Actuarial gain/(loss)	43,000
Employer contributions	129,000
Employee contributions	27,000
At 31 August	<u>1,702,000</u>

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)**27 Related Party Transactions**

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

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) has an interest.

During the period there were transactions totalling £5,655 for uniforms purchase. The trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Ms Kingsley neither participated in, nor influenced.

In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

28 Conversion to Academy Trust

On 1 April Handford Hall Primary School, Halifax Primary School, Springfield Infants School and The Willows 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 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 SOFA.

	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Funds	Total
	£	£	£	£
Handford Hall Primary School (including central)				
Tangible fixed assets				
-Leasehold land and buildings	-	-	3,886,386	3,886,386
-Other Tangible fixed assets	-	-	176,614	176,614
Budget surplus / (deficit) on LA funds	389,641	9,000	25,632	424,273
LGPS pension surplus / (deficit)	-	(999,000)	-	(999,000)
Other identified assets and liabilities	1,223	-	-	1,223
Net Assets/(Liabilities)	<u>390,864</u>	<u>(990,000)</u>	<u>4,088,632</u>	<u>3,489,496</u>

The Local Government Pension Scheme deficit inherited on conversion for all four schools was £999,000. An accurate split between schools is not known, so for the purposes of this note only, the whole deficit has been allocated to the Handford Hall Primary School note above.

	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Funds	Total
	£	£	£	£
Halifax Primary School				
Tangible fixed assets:				
-Leasehold land and buildings	-	-	5,190,763	5,190,763
-Other tangible fixed assets	-	-	369,237	369,237
-Budget surplus on LA funds	516,210	-	40,819	557,029
-Other identified assets and liabilities	(19,085)	-	-	(19,085)
Net Assets/(Liabilities)	<u>497,125</u>	<u>-</u>	<u>5,600,819</u>	<u>6,097,944</u>

Notes to the Financial Statements for the Period Ended 31 August 2017 (continued)

28 Conversion to an Academy Trust (continued)

Springfield Infants Schools	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets:				
-Leasehold land and buildings	-	-	1,903,997	1,903,997
-Other tangible fixed assets	-	-	34,701	34,701
-Budget surplus / (deficit) on LA funds	100,270	(3,720)	14,348	110,898
-Other identified assets and liabilities	<u>(1,183)</u>	<u>3,720</u>	<u>-</u>	<u>2,537</u>
Net Assets/(Liabilities)	<u>99,087</u>	<u>-</u>	<u>1,953,046</u>	<u>2,052,133</u>

The Willows Primary School	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets:				
-Leasehold land and buildings	-	-	3,572,890	3,572,890
-Other tangible fixed assets	-	-	251,110	251,110
-Budget surplus / (deficit) on LA funds	18,640	-	-	18,640
-Other identified assets and liabilities	<u>5,917</u>	<u>1,733</u>	<u>-</u>	<u>7,650</u>
Net Assets/(Liabilities)	<u>24,557</u>	<u>1,733</u>	<u>3,824,000</u>	<u>3,850,290</u>

The above net assets/liabilities include £1,110,840 which was transferred as cash.

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 deemed cost.