

**The Ormiston Trust**  
**Annual Report comprising**  
**Trustees' Report and Financial Statements**  
**For the year ended 31 August 2020**

Company No. 09648958  
Charity Registration No. 1164358

## **CONTENTS**

	<b>PAGE</b>
Trustees' Report	2 – 15
Strategic Report, included within Trustees' Report	
Financial review	5
Achievements and performance	6 - 9
Reserves policy and investment policy	10
Risk Management	11 - 12
Plans for the Future	12 - 13
Carbon reporting and s172 statement	13 -14
Statement of trustees responsibilities	15
Independent Auditor's Report	16 - 17
Consolidated Statement of Financial Activities	18
Parent Charity Balance Sheet	19
Consolidated Balance Sheet	20
Consolidated Statement of Cash Flows	21
Notes to the financial statements	22 – 49

**The Ormiston Trust  
Trustees' Report  
for the year ended 31 August 2020**

---

The Board presents its report together with financial statements for the period from 1 September 2019 to 31 August 2020.

**Reference and administrative information**

The name of the charity is The Ormiston Trust.

The charity is registered with the Charity Commission under number 1164358 and is a company limited by guarantee with registered number 09648958.

The principal address and registered office address of the trust is 11-13 Stone Street, Cranbrook, England, TN17 3HF.

The trust is a general charitable trust, income or capital may be distributed at the trustees' discretion.

The trust's main activities are the sponsorship of academies and provision of grants to other Ormiston organisations that support children and families.

These accounts consolidate Ormiston Trust and other charities under its control which are its sponsored academies.

The charity trustees who served during the year were:-

Peter Murray OBE, Chairman  
Duncan Murray  
Diana Murray  
Steve MacLeod  
Ian Brookman

Chief Executive: James Murray

***Auditors***

RSM UK Audit LLP  
St Phillips Point  
Temple Row  
Birmingham  
B2 5AF

***Bankers***

Barclays Bank PLC  
35 Market Hill  
Sudbury  
Suffolk  
CO10 2EP

***Investment Portfolio Manager***

Barclays Wealth and Investment Management  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

***Property Portfolio Manager***

Kemsley LLP  
113 New London Road  
Chelmsford  
Essex  
CM2 0QT

***Solicitors***

Ashton KCJ  
Waterfront House  
Wherry Quay  
Ipswich  
Suffolk  
IP4 1AS

**Structure, Governance and Management**

***Constitution***

The trust is a private company limited by guarantee and a registered charity. The charitable company's articles of association are the primary governing documents of the trust.

The trustees act as the directors of the charitable company for the purposes of company law, as well as fulfilling their obligations as trustees for the charitable activities of Ormiston Trust. The charitable company is known as The Ormiston Trust.

The trust has majority membership control and the power to appoint the majority of directors of the subsidiaries that it sponsors: The Gateway Learning Community, Birmingham Ormiston Academy, and Ormiston Academies Trust.

Each of the subsidiaries has a board of directors, who set the strategy, strategic aims and objectives and hold the organisation's executive to account for achieving these goals. Their executive teams run the trusts on a day to day basis.

Details of the charity's trustees who served during the year are included in the reference and administrative details page of the Trustees' Report.

Trustees are responsible and accountable for creating and setting the organisation's strategy, key objectives, holding the chief executive to account for delivery of the charity's goals. In addition, the trustees, with the advice of the chief executive and external professionals make key decisions regarding property and equity investments, and grants to beneficiaries over £5,000. The chief executive is responsible for all other day to day operations of the trust.

***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.

***Trustees' indemnities***

There are no qualifying third party indemnity provisions in respect of trustees, other than trustees' and officers' insurance which is in place.

***Method of recruitment and appointment or election of trustees***

Potential new trustees are identified by the Board, ensuring that the skills and experience of new trustees are complementary to those of existing board members.

## **Structure, Governance and Management (*continued*)**

### ***Policies and procedures adopted for the induction and training of trustees***

The training and induction provided for new trustees will depend on their existing experience. Where necessary the induction process will provide training on charity, educational, legal and financial matters. All new trustees are welcome to visit supported organisations, academies and funded projects, and to meet with staff, students and other beneficiaries. All trustees are provided with copies of procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. Appropriate on-going training is available as necessary, delivered or co-ordinated mainly through the operational team.

### **Organisation**

The charity's trustees meet at regular intervals throughout the year to oversee governance, strategy, performance and risk management.

### **Arrangements for setting pay and remuneration of key management personnel**

Pay and remuneration of key management personnel in the sponsored academies is determined by the respective academy trustees, taking into account a variety of contributory factors such as: role and responsibilities, guidance from the Education and Skills Funding Agency (ESFA), market factors, and result of annual performance review processes. The pay and remuneration of the charity's chief executive officer is determined by the trustees using similar criteria.

### **Objectives and Activities**

The principal object of Ormiston Trust is the support of children and their families by way of grants to Ormiston organisations and the sponsorship of Multi Academy Trusts. Four core values underpin the Ormiston Trust work.

#### **Value 1: Empower each other**

- We work with, not for people
- We value parity, not charity
- We support people to become more confident, self-reliant, and engaged in decision-making

#### **Value 2: Deliver results**

- We strive for continuous improvement of services in the organisations we support
- We make the best use of resources
- We are not afraid to fund and develop innovative projects that reflect our vision, mission, and values

#### **Value 3: Care for people**

- We develop caring and supportive relationships that foster wellbeing
- We listen to and respond to the views of our stakeholders

#### **Values 4: Sustain success**

- We monitor our impacts as well as our outcomes and embed lessons learnt
- We want to live our values so we can sustain success

Ormiston Trust is run by a small team of dedicated staff and trustees who work with various Ormiston organisations to develop, refine, support and evaluate funded projects that aim to make a significant positive difference to the lives of young people and families. Ormiston Trust funded projects are assessed according to their fit with specific outcomes and project impact principles, which focus typically on the extent of impact on beneficiaries, and the quality of project plans and evaluation processes.

### **Objectives and Activities (*continued*)**

In addition to providing grants and capacity, staff and trustees also fulfil the role of sponsor for its academy subsidiaries including Ormiston Academies Trust, The Gateway Learning Community, and Birmingham Ormiston Academy, by attending these organisations' boards and subcommittees, annual general meetings and reviewing reports about performance. As the parent company Ormiston Trust has a degree of control exercised over subsidiaries through its majority membership and ability to appoint subsidiary Directors. Ormiston Trust benefits from its subsidiaries as they deliver the Ormiston Trust's strategic aim to make a significant positive impact on the life chances of young people within educational settings.

### **Public benefit**

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the trust's objectives and aims and in planning future activities for the year. The trustees consider that the trust's aims are demonstrably to the public benefit.

### **Strategic Report**

#### **Financial Review**

##### ***Consolidation***

The trustees have prepared consolidated accounts for the year to include the operations, assets and liabilities of academies sponsored by Ormiston Trust as the operation of Multi Academy Trusts is a major part of the trust's objectives.

However, Ormiston Trust itself is primarily a grant making charity. It does not own its subsidiary entities, although it has the power to appoint their boards. The academies supported by Ormiston Trust are separate bodies, financed mainly by public funding, to which The Ormiston Trust does not have access.

##### ***Charity – Ormiston Trust***

The trust funds its grant making activities from the income it generates from investments, primarily rental income. Ormiston Trust paid out grants of £1.0 million (2019: £2.7 million) during the year, the majority of which had been committed in previous years. After making further grant commitments of £0.3 million (2019: £1.1 million) during the year, Ormiston Trust recorded an unrestricted surplus before investment gains of £1,433k (2019: £277k). The unrestricted surplus after investment gains of £1,653k (2019: £895k) has been added to the trust's unrestricted fund to create a surplus carried forward of £6.2 million (2019: £5.0 million) as at 31 August 2020.

The trust has a significant endowment fund of £24 million (2019: £23 million) which is invested in investment properties and generated investment gains of £1,023k (2019: £38k gain) in the year.

##### ***Group***

The group's total income was £275 million (2019: £235 million) mainly from public sector funding for its subsidiaries activity of educating and developing young people. The trustees consider the overall financial performance for the year to be satisfactory.

The group results reflect the performance of the Trust and its sponsored academies. This accounts show a surplus for the year of £12 million (2019: deficit of £33 million) which is after accounting for net assets acquired on the conversion of schools into the academy trusts of £24 million (2019: £11 million), capital funding and donations of £24 million (2019: £15 million) and after adjusting for the impact of the remeasurement of the group's participation in local government pension schemes, £12 million loss (2019: £30 million loss). These large movements relate to capital assets and pension liabilities which are accounted for in separate restricted funds, the movement on unrestricted income funds for the year was a deficit of £1 million (2019: deficit of £1 million).

The group has net current assets of £20 million (2019: £17.2 million) which is represented mainly by unrestricted funds and restricted general funds balances. This provides sufficient working capital for the group's operations. The deficit on the Pension Reserve is expected, given the deficits on the Local Government Staff Pension Schemes and these are kept under review with triennial valuations being used to inform future contribution rates.

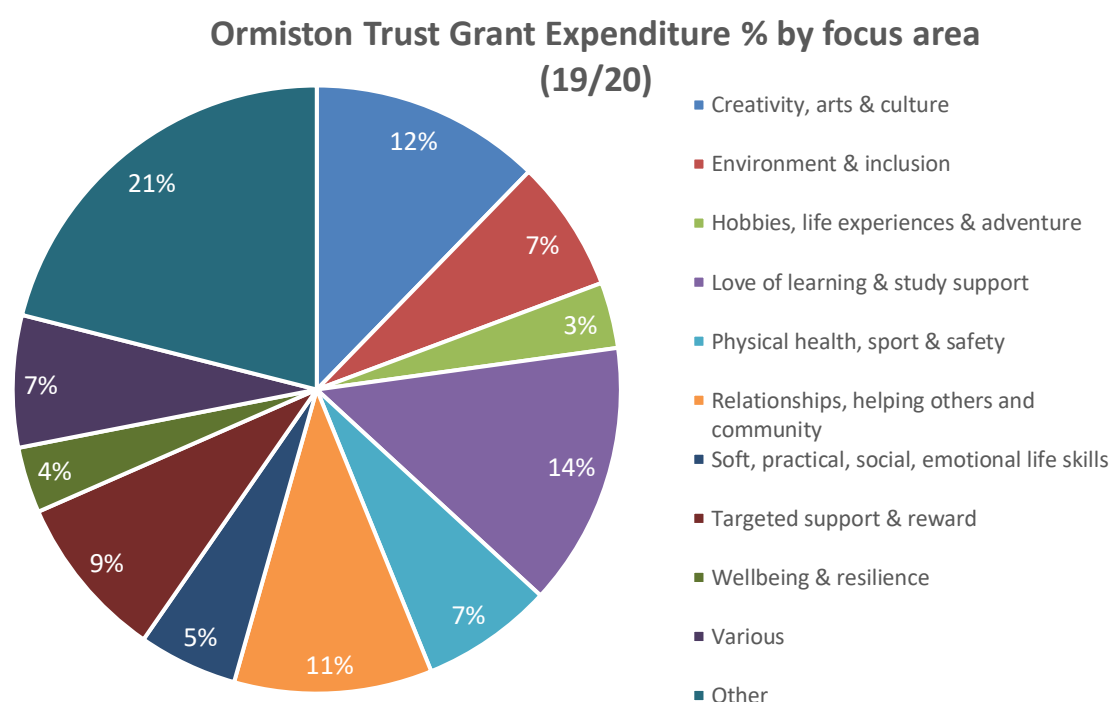
## **Achievements and performance**

### ***The Ormiston Trust***

The Ormiston Trust has further strengthened its strategic and operational approach over the last year. In particular it has:

- Updated the Trust's values and vision statements
- Improved still further the role it undertakes engaging with subsidiaries about governance performance and risks.
- Set up both a youth council to engage more closely with young people, and a young intern programme to add key capacity.
- Invested further in specific key focus areas including practical, life, social and emotional skills; Oracy; PSHE; and Career's advice for young people.
- Increased engagement with external partners and other funders to increase the scale and impact of funded projects.

Ormiston Trust is increasingly focused on funding fewer projects but at greater scale and impact. During this period the trust has funded 33 individual projects that have supported more than 7,500 young people and families. Various funded projects and grant programmes were delayed or adapted due to the impact of Covid-19. Our grant funding was still able to make a significant impact in a range of different areas, as set out in the chart below.



### ***Grant funding impact - Academy network***

Even with the significant disruption caused by Covid-19, the academies were still able to use Ormiston Trust funding to run specific activities for students, their families, and surrounding communities. For example, Ormiston Trust funded:

- An academy dedicated 'Calm Zone' where students can access mental health support at lunch and breaktimes. Student anti-stigma champions, who received specialist training, are on hand to offer support and can refer any serious issues to staff members.

- A public speaking competition – Make Yourself Heard – teaching students how to use words effectively, listen and adapt communication styles.
- A project to open an Academy's current library to the wider community and provide a wider range of reading texts.
- A project aimed at developing coding skills for Academy students, local feeder schools, other Academies in the area and local community members.
- A Combined Cadet Force so that students can develop leadership and other skills as well as key attributes (i.e. responsibility, self-reliance, resourcefulness, endurance, and perseverance).
- University student experiences, which involved Economic taster sessions in a seminar setting, along with a question and answer workshop with staff and ambassadors from the university.
- A project aimed to improve environmental sustainability in a school's local community by raising awareness of environmental issues, specifically the need to reduce single-use plastics.
- A project to promote inclusive technology enabling students with physical disability to access learning more easily. They used skilled staff, specialised equipment and individualised learning and therapy programmes, to ensure that all pupils reach their full potential both socially and academically.
- A social action project which saw more than 60 essential food and drink hampers created for members of both the school and local community.
- A project aimed at building student resilience & engagement with the community through Quest Awards - a bespoke set of awards for Yr.7 & 8 students to develop skills.
- Tree planting to encourage students to take ownership of and to improve their environment.
- A project aimed to develop a community hub/shop that engages the elderly community of Shelfield.
- A project aimed at developing a community sensory garden, that can host a café on site and include adults from the local community.
- A project to improve access to music for pupils in an academy and the wider community, by establishing several different choirs, offering high-quality music tuition and running performances.

A key project that the Trust continues to fund as part of the wider #iwill campaign is a programme focused on engaging 1,000's of young people in youth social action driven from within school settings.

#### ***Grant funding impact - Ormiston Families***

Even with the significant disruption caused by Covid-19, Ormiston Families have used Ormiston Trust funding to continue to deliver and embed projects started in 2018-19. Notable projects are included below.

- 'Small Steps Together' support women at risk of developing or who have low to moderate perinatal mental health and wellbeing needs during pregnancy and up to a year after birth. The service helps women to develop their understanding of healthy relationships and positive decision making. The team are supported by volunteers who offer befriending, supportive groups and signposting.
- 'YouCanBe' works with extremely vulnerable young women who are facing multiple life challenges by giving them the tools and confidence they need to help them take control of their lives. Support is given through 1:1 sessions, accessing appropriate contraception, building self-esteem and resilience and the capacity to make measured decisions themselves.

Ormiston Families have also used Ormiston Trust core funding to help them to maintain a high quality central management team and infrastructure.



### ***Sponsored academies***

Ormiston Trust is involved in reviewing sponsored academy performance by attendance at boards, committees and other networks and forums and conducting visits of academies and head office functions. The sections below provide a high level overview of sponsored academies performance. Individual subsidiary accounts, available from Companies House, contain significantly more detailed information.

### ***Ormiston Academies Trust***

Ormiston Academies Trust ("OAT") is an educational charity and one of the largest not-for-profit multi academy trusts in England. They are one of the longest established trusts and have been sponsoring academies since 2009. Their mission is to become the trust that makes the biggest difference, both inside and outside the classroom.

They educate 30,000 pupils across six English regions, in 32 secondary schools, seven primary schools and one special school.

OAT have the following four key strategic aims:

- **Teach:** They will teach all their pupils the knowledge and skills they are entitled to, and how to apply this in how they think and work.
- **Develop:** They will develop all their pupils socially and emotionally so that they can make good choices about education and life.
- **Change:** They will aim to understand what is needed for pupils to excel, so that they can create schools where no one is disadvantaged.
- **Support:** They will support this work by being efficient and by investing in getting the best from their people, resources, estate and technology.

Overall, their performance this year compares favourably to many other multi-academy trusts nationwide. To achieve this, they have:

- Concentrated efforts on ensuring that all pupils receive their full curriculum entitlement.
- Created a comprehensive series of curriculum design training sessions drawn from research and practice, providing explicit guidance on how to undertake quality curriculum design.
- Introduced exemplar curriculum maps which identify appropriate sequencing, knowledge organisers and schemes of learning, including lesson plans with teaching notes.
- Launched national subject leaders (NSLs) covering ten subject areas.
- Increased the number of lead practitioners (LP). The team provides specialist and responsible "on the ground" school support where it is needed most.
- Launched a new leadership programme and new school based CPD (Early Career Leaders), and regional CPD opportunities (Aspiring Leaders).

Their ambitious strategy will set them on a trajectory to put them among the top performing trusts nationally.

### ***Birmingham Ormiston Academy***

Birmingham Ormiston Academy ("BOA"), sponsored by Ormiston Trust and Birmingham City University, is a 14 to 19 academy specialising in Creative, Digital and Performing Arts. The academy trust aims to be at the forefront of the development of the arts and the creative industries. BOA's strategy is to enable each student to achieve at the highest level possible, in an orderly, caring, friendly community, committed to promoting high standards for all.

The main objectives of the academy trust during the year ended 31 August 2020 were:

- To ensure that the process of education is a partnership between the learner, the school and the parents, together with the Trustees, employers and the community.
- To keep the student at the centre of this process.
- To strive to equalise the opportunities for each student to develop their talents to the fullest extent.

- To make the curriculum equally accessible to all students, raising their own expectations and society's expectations of them.
- To provide students with individual, personalised learning plans through a specialist curriculum focused on the creative, digital and performing arts.
- To provide each student with the experience of challenging learning styles that value not only individual thinking, but also the collaborative skills of investigating, discussing and communicating.
- To engender in each student, a thirst for knowledge that will be enjoyed throughout her or his life.

The academy trust is one hundred percent selective based on aptitude within the specialism (rather than academic ability) and, as a result, is unique in its admissions. Students attend the academy trust to primarily study BTEC Level 2 and Level 3 vocational courses. Students in Year 10 and 11 study an additional eight GCSEs (including English, Maths and Science), whilst some of the students in both Years 12 and 13 opt to study one or two additional A level subjects.

### ***Birmingham Ormiston Academy***

In 2018/19, BOA was in the top 10% of schools nationally for its Academic attainment and top 5% of Birmingham schools. In 2019 – 20 English and Maths GCSE results 4-9 were 100% (2018/19: 93%), 90% (2018/19: 83%) respectively. Average grades Post-16 were A\*A\*A\*. In April 2017, the academy trust was inspected by Ofsted, which declared the school continues to provide a 'good' quality of education.

The board has high expectations and ambition for the academy and its students. The Academy Trust continues to attract high numbers of applications for places on the specialist pathways, at both KS4 and Post-16, and the academy has an excellent reputation across the region. In addition, an impressive number of creative partners and industry links continue to give the academy trust students unrivalled access into various key related industries.

Their pastoral system is also a strength, providing students with personalised support and guidance that ensures they develop broader education and social skills.

### ***The Gateway Learning Community***

The Gateway Learning Community ("GLC") opened as a Multi Academy Trust ("MAT") academy in April 2012. The MAT currently includes one secondary school and four primary schools with the aim to provide a high quality, broad and balanced education for pupils of all abilities in the area.

The GLC's mission is to develop confident, aspirational, resilient, high achieving, healthy, caring and fulfilled members of a diverse, truly fair and equal community. Key strategic aims include:

- The development of positive relationships to prepare students for learning and life.
- Outstanding teaching, achievement, and progress.
- An inspiring and meaningful curriculum.
- The development of effective external partnerships for the benefit and wellbeing of their community.
- A commitment to the wellbeing of their staff.

The Gateway Academy results have improved over the last few years. In 2019 – 20 English and Maths GCSE results 4-9 were 70% and 66% respectively, with a P8 score of -0.25.

Common to each GLC academy is that Ofsted judged pupils' personal development, behaviour and welfare to be consistently good. Governance also continues to be a strength of the GLC recognised both by Ofsted and the Regional Commissioner.

In 2019 the GLC academies were graded by Ofsted as follows: The Gateway Academy Good; Herringham Primary Academy Requires Improvement; Gateway Primary Free School Good; Lansdowne Primary Academy Good; and Tilbury Pioneer Academy Good.

### **Reserves Policy – Ormiston Trust**

At 31 August 2020, the Trust had total funds of £30.2 million (2019: £27.9 million) of which £24 million (2019: £23.0 million) related to endowment funds. The endowment funds are not available for the general purposes of the Trust.

The trustees periodically review the level of reserves retained in unrestricted funds. The trustees retain these reserves to the extent considered necessary to ensure that adequate funds are available to cover future expenditure items, both of a capital and revenue nature, which may not otherwise be covered by incoming resources. The level of these reserves should not, other than in exceptional circumstances, drop below £800,000, which would be regarded as a contingency reserve.

The trustees are mindful that investment income, which is the trust's main source of income, is susceptible to variation through market changes. Trustees therefore consider it appropriate to hold free reserves, unrestricted reserves not held in tangible fixed assets, to meet both the trust's commitment to provide future grants and match funding for projects, which can be in excess of £1million at any one time and to cover its obligations to support connected charities who support the aims and objectives of the charity. In addition, trustees hold free funds in anticipation of significant special projects to support young people and families.

The free reserves of the Trust at 31 August 2020 amounted to £6 million (2019: £4.7 million), which the trustees believe is sufficient given the trust's foreseeable commitments.

At 31 August 2020, the Group had total funds of £433.7 million (2019: £421.2 million) of which £398.9 million (2019: £386.6 million) related to restricted funds and £24 million (2019: £23.0 million) related to endowment funds. The restricted funds and endowment funds are not available for the general purposes of the Group.

At 31 August 2020 the group held free reserves of £10.5 million (2019: £11.3 million) which the trustees believe is sufficient to support the group's charitable objectives and foreseeable commitments. The level of actual reserves varies from one academy to another from time to time.

The restricted fixed asset fund includes £524m that can only be realised by the disposal of tangible fixed assets. Similar to other trusts, the support staff of the Trust and its academies are members of various local government pension schemes (LGPSs), in which there are significant funding deficits. Details of these obligations and the actuarial assumptions applied in the valuation of the liability are included in the notes to the financial statements.

Arrangements vary between the different LGPSs however the deficits on each scheme are being funded through additional contributions. The Trustees are satisfied that the funding of the pension schemes does not represent a going concern risk for the Group.

The academy trusts hold restricted funds funded from public funding, these are shown in note 24 in line with guidance provided by the Education & Skills Funding Agency.

### **Investment Policy – Ormiston Trust**

The charity's long term investment aims: -

- To achieve a stable long term income for the trust to enable a consistent stream of income to support young and families.
- To protect, as far as possible, both the income and the underlying assets, against the effects of inflation.

The Charity invests available cash resources in short term liquid deposits and stocks and shares, and property using Barclays Wealth Investment Management and Kemsley LLP respectively to maximise return on these resources. The OT trustees consider the income return on investments of 5% during the year to be reasonable when measured against the various published indices used to monitor performance and the prevailing market conditions. The fair value of the Charity's investments at 31 August 2020 amounted to £39.4m (2019: £37.3m).

## **Risk management**

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to Covid-19, generating sufficient income to cover its grant commitments, pensions, academic performance, provision of facilities, finance and other operational areas of the group, and its finances. The trustees have adopted procedures to mitigate these risks for the executive team to implement and report on.

Where financial risk still remains, they have ensured they have insurance cover. The trust has an effective system of internal financial controls. The principal operational risks and uncertainties relating to the group are:

<b>Risk</b>	<b>Mitigation</b>
Covid-19 impact on the education and safety of students	Academies are regularly monitored at a board and operational levels about the range of mitigating actions put in place to ensure the safety of young people and actions to maintain educational outcomes.
Covid-19 impact on the wellbeing of school staff	Academies are regularly monitored at a board and operational levels about the range of mitigating actions put in place to ensure the wellbeing of staff.
The impact of grants on young people and families is limited and / or not sustained	Key underlying impact and sustainability grant giving principles guide the decisions of trustees in review of all applications for funding.
The possibility of a medium and or long-term decline in asset values reduces the amount available for operational expenditure in the trust	Sufficient headroom is maintained in respect of asset values and grants committed to mitigate this risk.
Safeguarding policies and procedures are deemed to be inadequate or a serious safeguarding incident occurs which puts a child at risk	Safeguarding audits are carried out across all academies on a regular basis. There are regular safeguarding reports prepared for trustees.
Incident which could damage the reputation of the group	Great care is taken at all times to maintain high standards of performance and care across the group and be watchful for possible incidents and issues. Marketing staff are equipped to provide reactive support to provide an accurate account regarding an issue.
Lack of clarity regarding governance and sponsorship roles of the sponsored academies and Ormiston Trust respectively	Schemes of delegation are clearly explained, key AGM and performance reporting activities are conducted according to good practice guidelines.
Exam results and/or Ofsted judgements are significantly below expectations within an academy or more generally	Projected results are closely monitored by school improvement committees and head office school improvement staff engage regularly with academies.
Unexpected changes in funding of academies reduces academy income	All academies produce annual budgets and longer term plans which are recommended by their local governing body and governors for approval by the academy trustee board. Academies are challenged if budgetary projections are not realistic and robust.

<p>Group overall is unable to produce a balanced budget</p>	<p>All academies produce annual budgets and longer term plans which are recommended by their local governing body for approval by the academy trustee board. Academies are challenged if budgetary projections are not realistic and robust. Restructuring plans can be put into place to reduce costs, if necessary, and more is being done to share back office facilities between academies.</p>
---	---

## **Fundraising**

Fundraising has been undertaken through salaried members of the group. No professional fundraisers or commercial participators have been engaged.

The group abides by the code of fundraising practice. Fundraising activities in this financial year consisted of applications to grant making trusts and National Lottery funded organisations. No appeals to members of the public have been made by the charity.

The fundraising function of the group is monitored through regular line management, the review of grant applications and the monitoring and evaluation of grants received.

## **Funds held as custodian trustee on behalf of others**

The trust does not act as custodian trustee on behalf of any others.

## **Plans for the future**

### ***The Ormiston Trust***

The Ormiston Trust aims to make further progress implementing its strategic plan to: improve still further its central governance oversight function, provide outstanding support for its subsidiaries and supported organisations, provide more grants over longer periods, increase the emphasis on evaluating 'what works', and invest prudently in targeted assets classes to continue to generate income to pursue the trust's goals.

The Trust is expecting to build on existing activity in the next two years and invest in projects to enable young people to engage in social action, to build their skills sets and help others in their local community.

### ***Ormiston Academies Trust***

OAT are committed to ensuring the best possible education for children and young people, all with the aim of improving their life chances and equipping them with the skills they need to do as well as they can in life. There will be a significant focus on supporting students that have fallen behind due to the disruption caused by Covid-19.

They expect the Trust to continue to grow sustainably, where this aligns with their values and is in accordance with their strategic direction. When taking on new schools they will be mindful of the balance of primary, secondary, and special schools within the Trust, being open to including a wide profile of schools, and the role that geography plays in how they work together.

They are also working to enhance monitoring controls across the Trust to support the achievement of their mission to become the Trust that makes the biggest difference, both inside and outside the classroom.

### ***Birmingham Ormiston Academy***

The DfE has given consent to the Academy Trust to open two new 'sister' schools as part of the newly established BOA group (BOA is currently a single academy trust and will convert from a Single Academy Trust to a Multi Academy Trust). The first new academy is called BOA Digital and will be an 11-18 academy specialising in digital technologies by September 2022 located in the centre of Birmingham. BOA Stage and Screen is due to open in a refurbished building in September 2021.

As a result of the COVID-19 pandemic, the Academy Trust contracted to hire an external venue for use for additional teaching spaces from September 2020 to minimise disruption to education at the Academy due to social distancing requirements. The Academy Trust has taken steps in minimising the impact for future periods with the preparation of financial modelling in the interim to ensure costs are being minimised. There will also be a significant focus on supporting students that have fallen behind due to the disruption caused by Covid-19.

#### ***The Gateway Learning Community***

The GLC aims to secure the GLC as a successful, sustainable and respected organisation, characterised by an integrated culture of professional generosity, collaboration, challenge and support, all within an institutionally positive ethos. Specifically the GLC aims to: support pupils and staff post Covid-19 lockdown to re-establish full-time provision for all pupils and address deficits in learning; to lessen any anxieties; and to regain the ethos and character of each school and the GLC as a whole; ensure effective leadership at all levels; improve maths outcomes for each primary year group, and of lower-attaining students in years 7 and 8; engender pupils' love of reading and improve reading outcomes; and to develop effective partnerships between the GLC and external agencies, particularly social care, health and the 3rd sector, to better support vulnerable children and their families.

#### **Employee consultation and disabled employees**

The group encourages the involvement of its employees in its management through regular meetings of the worker/trustee councils which have responsibility for the dissemination of information of particular concern to employees (including financial and economic factors affecting the performance of the trust) and for receiving their views on important matters of policy.

The group will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the group.

During employment the trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

#### **Streamlined energy and carbon reporting**

From April 2019, Streamlined Energy and Carbon Reporting came into effect and is a new mandatory energy and carbon reporting scheme for larger companies within the United Kingdom. Ormiston Trust meets the definition of a 'large' consolidated group and therefore should apply the new guidelines. However, as a stand-alone company Ormiston Trust does not meet the relevant criteria as it falls below the 40,000kWh threshold and only one of the UK subsidiaries singularly meet the criteria. As one of the UK entities qualify at an individual level, the Group has disclosed the information for Ormiston Academies Trust only, as below:

As part of OAT's commitment to improve its energy efficiency and decrease its carbon footprint a number of initiatives have been implemented across the Trust. These are namely:

- Smart meters have been installed across all sites to improve their understanding of energy consumption.
- LED lighting across the Trust estate with the aim of reducing energy consumption by over 20%.
- Installed PV panels on the roof of the Trusts' academies with the aim of reducing energy consumption by over 20%.
- Introduction of a five-year plan to upgrade all boilers, saving over 15% on gas bills.

## UK greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

Energy consumption used to calculate emissions (kWh)		17,520,293.15	Quantification and reporting methodology	We have followed the 2019 UK government's environmental reporting guidelines. We have also used the GHG reporting protocol – corporate standard, and the 2020 UK government's conversion factors for company reporting.	
Energy consumption break down (kWh) for electricity, gas and transport fuel					
Scope	Energy source	Emissions Tonnes (CO <sup>2</sup> e)	Three key measures taken to improve energy efficiency		Action
1	Gas	3,122.92		1	We plan to carry out energy audits in our academies, in order to further understand the actions we need to take to reduce our carbon footprint.
	Oil	–			
	Academy vehicles	64.55			
2	Electricity   Standard	–		2	We procure all our electricity from EDF on their Green Tariff.
	Electricity   Renewables/nuclear	–			
3	Staff mileage in year on academy business	68.10		3	We are working with Salix to secure funding from the Public Sector Decarbonisation Scheme to look at ways to reduce our carbon footprint.
Total emissions		3,255.57			
Intensity ratio		0.10	Intensity measurement	The chosen intensity measurement ratio is total gross emissions in metric tonnes CO <sup>2</sup> e per pupil, the recommended ratio for the sector.	

### Section 172 statement

In accordance with Section 172 of the Companies Act 2006, the directors (who form the Board of Trustees) complied with their duty to promote the success of the Group through their approval of the strategic plan and on-going review of performance against this. All decisions are made in line with the Group's strategic plan, with the long-term interests of the charity and its stakeholders in mind.

Culture, and employee welfare and engagement are important to Trustees. This is evidenced by the creation of employee groups which has been established to focus on these areas. Our academies trusts support flexible working practices, have improved communication with staff in recent years and place emphasis on staff wellbeing.

Trustees understand the importance of maintaining productive relationships within stakeholders, underlined by a strong sense of purpose. We proactively collaborate with a variety of stakeholders within the sector to share knowledge and learnings as appropriate.

Trustees are mindful of the Group's impact on the community and environment. Our communities, social action and enrichment sit at the heart of everything we do, and this is reflected in our academies curriculum. We are committed to making the biggest difference to our pupils, inside and outside the classroom, regardless of their background.

As a charity, we are committed to making the biggest difference to our beneficiaries regardless of their background. The Group's reputation and business conduct are paramount to its future success and ability to deliver value to its various stakeholders. The Group has an experienced Trustee Board who are responsible for ensuring corporate governance best practice is followed.

### **Statement of Trustees' Responsibilities**

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Report (including the incorporated Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charitable company and group will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditor**

A resolution proposing re-appointment of RSM UK Audit LLP will be put to the members.

### **Statement as to disclosure of information to auditor**

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Report which also includes the Directors Report required by company law is approved on behalf of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on \_\_\_\_\_ and signed on its behalf by:



**P G Murray  
Chair of Trustees**



**I C Brookman  
Trustee**



## **Opinion**

We have audited the financial statements of The Ormiston Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **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 group and parent charitable company 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 were:

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

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the 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.

## **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, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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 provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Oxtoby (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
West Midlands  
B2 5AF


**The Ormiston Trust**  
**Consolidated statement of financial activities (incorporating income and expenditure account)**  
**for the year ended 31 August 2020**

	Note	Unrestricted funds £'000	Endowment funds £'000	Restricted funds £'000	2020 Total £'000	2019 Total £'000
<b>Income and endowments from:</b>						
Donations and grants	2	210	-	23,809	24,019	14,869
Donations – transfer into the group	35	-	-	24,197	24,197	10,631
Other trading activities	3	2,289	-	1,123	3,412	4,309
Investments	4	2,614	-	-	2,614	2,247
Charitable activities:						
Funding for the Academies educational operations	5	2,169	-	219,069	221,238	202,488
<b>Total income</b>		<b>7,282</b>	<b>-</b>	<b>268,198</b>	<b>275,480</b>	<b>234,544</b>
<b>Expenditure on:</b>						
Raising funds	7	927	-	-	927	968
Charitable activities						
Academy educational operations		3,684	-	246,582	250,266	235,853
Grant making	8	273	-	-	273	1,187
<b>Total expenditure</b>	<b>6</b>	<b>4,884</b>	<b>-</b>	<b>246,582</b>	<b>251,466</b>	<b>238,008</b>
Net gains/(losses) on Investments	16	(90)	1,023	-	933	656
<b>Net income/(expenditure)</b>		<b>2,308</b>	<b>1,023</b>	<b>21,616</b>	<b>24,947</b>	<b>(2,808)</b>
Gross transfers between funds	24/25	(3,183)	-	3,183	-	-
<b>Net income/(expenditure) before other recognised gains and losses</b>		<b>(875)</b>	<b>1,023</b>	<b>24,799</b>	<b>24,947</b>	<b>(2,808)</b>
<b>Other recognised gains and losses:</b>						
Actuarial loss on remeasurement of defined benefit pension schemes	29	-	-	(12,452)	(12,452)	(30,158)
<b>Net movement in funds</b>		<b>(875)</b>	<b>1,023</b>	<b>12,347</b>	<b>12,495</b>	<b>(32,966)</b>
<b>Total funds brought forward</b>		<b>11,573</b>	<b>22,992</b>	<b>386,597</b>	<b>421,162</b>	<b>454,128</b>
<b>Funds carried forward at 31 August 2020</b>		<b>10,698</b>	<b>24,015</b>	<b>398,944</b>	<b>433,657</b>	<b>421,162</b>

	Notes	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	15	225	225
Investments	16	39,432	37,277
		<hr/>	<hr/>
		39,657	37,502
<b>Current assets</b>			
Debtors	18	687	300
Cash at bank and in hand		1,466	2,428
		<hr/>	<hr/>
		2,153	2,728
<b>Creditors:</b> Amounts falling due within one year	19	(965)	(1,295)
		<hr/>	<hr/>
Net current assets		1,188	1,433
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		40,845	38,935
<b>Creditors:</b> Amounts falling due after more than one year	20	(10,608)	(11,064)
		<hr/>	<hr/>
<b>Net assets</b>		30,237	27,871
		<hr/> <hr/>	<hr/> <hr/>
<b>Funds</b>			
Endowment funds	23	24,015	22,992
Unrestricted funds	25	6,222	4,879
		<hr/>	<hr/>
		30,237	27,871
		<hr/> <hr/>	<hr/> <hr/>

As permitted by s408 Companies Act 2006, the trust has not presented its own Statement of Financial Activities and related notes as it prepared group accounts. The trust's surplus for the year was £2,366k (2019: £895k).

The financial statements were approved by the board of trustees and authorised for issue on \_\_\_\_\_ and are signed on their behalf by:

  
 \_\_\_\_\_  
 P G Murray  
 Chair of Trustees


*I C Brookman*  
 \_\_\_\_\_  
 I C Brookman  
 Trustee

**The Ormiston Trust  
Consolidated Balance Sheet  
as at 31 August 2020**

**Company Number: 09648958**

	Notes	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	15	517,683	482,645
Intangible assets	14	16	16
Investments	16	39,432	37,277
		<u>557,131</u>	<u>519,938</u>
<b>Current assets</b>			
Stock	17	402	407
Debtors	18	8,787	7,560
Cash at bank and in hand		28,843	27,572
		<u>38,032</u>	<u>35,539</u>
<b>Creditors:</b> Amounts falling due within one year	19	(18,182)	(18,307)
Net current assets		<u>19,850</u>	<u>17,232</u>
<b>Total assets less current liabilities</b>		<u>576,981</u>	<u>537,170</u>
Creditors: Amounts falling due after one year	20	(12,501)	(12,747)
Provisions for liabilities	21	(579)	-
		<u>563,901</u>	<u>524,423</u>
<b>Net assets excluding pension liability</b>			
Pension scheme liability	29	(130,244)	(103,261)
<b>Net assets including pension liability</b>		<u>433,657</u>	<u>421,162</u>
<b>Funds</b>			
Endowment funds	23	24,015	22,992
<b>Restricted funds</b>			
Restricted fixed asset fund	24	523,896	487,932
Restricted general fund	24	5,292	1,926
Restricted pension reserve	24	(130,244)	(103,261)
<b>Total restricted funds</b>		<u>398,944</u>	<u>386,597</u>
<b>Unrestricted funds</b>			
General funds	25	10,698	11,573
<b>Total unrestricted funds</b>		<u>10,698</u>	<u>11,573</u>
		<u>433,657</u>	<u>421,162</u>

The financial statements were approved by the board of trustees and authorised for issue on \_\_\_\_\_ and are signed on their behalf by:

  
\_\_\_\_\_  
P G Murray  
Chair of Trustees

*I C Brookman*  
\_\_\_\_\_  
I C Brookman  
Trustee

**The Ormiston Trust**  
**Consolidated Statement of Cash Flows**  
**for the year ended 31 August 2020**

	Notes	2020 £'000	2019 £'000
<b>Cashflows from operating activities</b>			
<b>Net cash (used in)/provided by operating activities</b>	33	(2,115)	423
<b>Cashflows from investing activities</b>			
Rental income, interest and dividends from investments		2,614	2,247
Capital grants DFE and ESFA		7,545	8,970
Purchase of intangible assets		(5)	(9)
Purchase of tangible fixed assets		(5,171)	(10,205)
Purchase of investments		(8,913)	(3,323)
Proceeds from sale of investments		7,691	1,336
Cash transferred on school joining academy trust		87	468
<b>Net cash provided by/(used in) investing activities</b>		3,848	(516)
<b>Cashflows from financing activities</b>			
Interest paid		(274)	(255)
New bank loan		-	2,200
Education and Skills Funding Agency loans		(30)	230
Salix loan		(158)	(158)
<b>Net cash (used in)/provided by financial activities</b>		(462)	2,017
Change in cash and cash equivalents in the reporting period		1,271	1,924
Cash and cash equivalents at the beginning of the reporting period		27,572	25,648
Cash and cash equivalents at the end of the reporting period	34	28,843	27,572

## **1. Accounting Policies**

Ormiston Trust ("the trust or charity") is a charitable company, private and limited by guarantee, and incorporated in England. The address of its registered office and principal place of business is given on page 2 and the nature of its operations are set out in the Trustees' Report.

### **Basis of accounting**

The financial statements of the trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention, as modified by the measurement of investments and the non-educational building in tangible fixed assets at fair value, in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

The financial statements are presented in sterling which is also the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated. In accordance with FRS 102, the trust has taken advantage of the exemption from preparing its own cashflow statement. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### **Going concern**

The Trustees have reviewed in detail the Charity's and Group's position and the appropriate basis on which to prepare the financial statements, including considering the economic risks which could see a potential drop in the value of investments, cuts in some areas of income and an increase in pension scheme liabilities caused by a fall of investment values within the schemes. Whilst the Trustees recognise that the next year will continue to be a challenging one and that it may be necessary to draw on some of the reserves, some of which have been specifically established to provide financial resilience, they have concluded that it remains appropriate to prepare the financial statements on the going concern basis.

### **Trust statement of financial activities**

As permitted by s408 of Companies Act 2006, the Trust has not presented its own statement of financial activities as it prepares group accounts and the Trust's individual balance sheet shows the Trust's surplus or deficit the financial year.

### **Basis of consolidation**

The Consolidated Statement of Financial Activities and Consolidated Balance Sheet consolidate on a line-by-line basis the financial statements of the charity and those of its direct and indirect subsidiaries being Ormiston Academies Trust, The Gateway Learning Community, Birmingham Ormiston Academy, Birmingham Ormiston Academy Theatre Limited (a subsidiary of Birmingham Ormiston Academies Trust) and Ormiston Bolingbroke Academy Trust (which was a subsidiary of Ormiston Academies Trust). The charity has the ability to control these subsidiaries by having the right to appoint/remove a majority of their trustees. Both the charity and its subsidiaries have the objectives of enhancing education.

### **Transfer of existing academies into the trust**

The conversion from a state maintained school to a Trust and the transfer of academies into the group involves the transfer of identifiable assets and liabilities and the operation of the academies for £nil compensation. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred from the academies to the group have been valued at their fair value. 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 Donations – transfer into the trust in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 35.

## **1. Accounting Policies (continued)**

### **Income**

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

#### **Grants receivable**

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected on the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is an entitlement and are not deferred over the life of the assets on which they are expended.

#### **Sponsorship Income**

Sponsorship income provided to the group 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 receipt is probable and it can be measured reliably.

#### **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where receipt is probable, and the amount can be reliably measured. Donated assets are recognised at fair value, when risks and rewards of ownership of the asset pass to the group.

#### **Donated services and gifts in kind**

Donated services and gifts in kind provided to the group are recognised at their open market value in the period in which they are receivable as income, where the benefits to the group can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the group's policies.

#### **Interest receivable**

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

#### **Rent receivable**

Rental income arising from operating leases is recognised on a straight-line basis over the lease term on ongoing leases stated after deducting property disbursements.

### **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 recognised in the period in which it is incurred and where appropriate, include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

#### **Allocation of costs**

In accordance with the Charities SORP, expenditure has been analysed between raising funds and the group's charitable activities. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Support staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the assets' use which is utilised by each activity.



**1. Accounting Policies (continued)**

**Grants payable**

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the group. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the group has agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the group.

**Governance costs**

Governance costs include the costs attributable to the group's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

**Fund accounting**

The group has an endowment fund, created by a gift from the Murray family. The income of the fund is unrestricted. The capital can be spent if the trustees so determine.

General funds represent those resources which may be used towards meeting the objects of the discretion of the trustees of the individual charities.

Restricted funds comprise grants from the Department of Education and other donors which are to be used for specific purposes as explained in note 24.

**Stock**

Stocks are valued at the lower of cost and net realisable value.

**Investments**

Listed Investments, Leasehold Investment Properties and Freehold Investment Properties are stated at their fair value at the Balance Sheet date. The listed investment fair value is determined by the bid price of the investments and the fair value of the leasehold and freehold investment properties is determined by valuation using the expertise of the founding member, Mr P G Murray, a qualified chartered surveyor.

Any gain or loss on revaluation and disposals is taken to the Statement of Financial Activities.

**Tangible fixed assets and depreciation**

Tangible fixed assets acquired since the group was established are included in the accounts at cost with the exception of one non-educational building which is included at valuation.

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 life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating income and expenditure account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund. Where tangible fixed assets (excluding property) are gifted to the group, these are initially recorded at valuation which is treated as deemed cost. Assets costing less than £1,000 (Ormiston Academies Trust - £10,000) are written off in the year of acquisition. All other assets are capitalised.

## **1. Accounting Policies (continued)**

### **Tangible fixed assets and depreciation (continued)**

Depreciation is provided on a straight-line basis on the cost and valuation of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Land is not depreciated. The principal annual rates used on other assets are:

Freehold and long leasehold property	2%-3.3%
Short leasehold buildings	20%
Furniture and equipment	10%- 15%
Computer equipment and software	20%-50%
Motor vehicles	15%-33%

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

The fixed assets transferred to the group on conversion to an academy have been initially recognised at their fair value being a reasonable estimate of the current market value that would be expected to be paid in an open market for an equivalent item.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicated 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. Impairments losses are recognised in the Statement of Financial Activities.

With respect to the buildings from which three of the academies operate which are subject to a PFI agreement, these are legally owned by the Stoke on Trent Local Authority and Sandwell Local Authority and the relevant academies are able to use the buildings under the terms of a licence to occupy. The licence to occupy gives the right to use these buildings and the substance of the licence is that this will be on an ongoing basis reflecting the historic arrangements in place therefore substantially all the risks and rewards of ownership have not been transferred to the academies and the assets have not been recognised within tangible fixed assets.

### **Intangible assets – software**

Intangible assets acquired separately are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost of each asset to its residual value over its expected useful life as follows:

IT Software	20% straight line
-------------	-------------------

### **Leased assets**

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

The group occupies a number of school buildings under short term arrangements whilst construction of new buildings is ongoing. No rental is being charged for these buildings. Due to the specialist nature of these properties, the trustees do not consider that this benefit is reasonably quantifiable and measurable and have therefore not recognised a notional market rent charge and equivalent donation for these amounts.

### **Liabilities and other provisions**

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 group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods and services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation.

## **1. Accounting Policies (continued)**

### **Short term employment and termination benefits**

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the Trust. The cost of any unused holiday entitlement the trust expects to pay in future periods is recognised in the period the employees' services are rendered.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Trust is demonstrably committed to terminating the employment of an employee or to provide termination benefits.

### **Financial instruments**

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

#### Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Concessionary loans are initially measured at the amount received. In subsequent years, the carrying amount of concessionary loans is adjusted to reflect any interest payable, where relevant.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### **Pensions**

#### **Defined Contribution Schemes**

The charity operates a defined contribution pension scheme for the benefit of its employees. Contributions are recognised in the year they are payable. The pensions contributions are charged to the funds and activities in line with the relevant employees.

Retirement benefits to employees of the group's sponsored academies are provided by the Teachers' Pension Scheme ("TPS") and the various Local Government Pension Schemes ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings Relating Pension Scheme ("SERPS"), and in the case of LGPSs the assets are held separately from those of the group.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with 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 projected unit method.

**1. Accounting Policies (continued)**

**Pensions (continued)**

**Defined Contribution Schemes (continued)**

The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPSs are funded schemes and for each the assets are held separately from those of the group 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 high quality corporate bonds of

equivalent terms and currency liabilities. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income 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 liabilities/assets is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**Taxation**

All entities in the group are considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the group is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Agency arrangements**

The group acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the group does not have control over charitable application of the funds. The group can use up to 5% of the allocation towards its own administration costs and this would be recognised in the Statement of Financial Activities, however the group does not retain this 5%.

**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.

The group 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 shown in note 29 depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liabilities. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuaries in valuing the pensions liabilities at 31 August 2020. Any differences between the

## 1. Accounting Policies (continued)

### Critical accounting estimates and areas of judgement (continued)

figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of pension liabilities.

The trust values its investment properties at fair value, based on an open market value for existing use of the properties. The valuations are made by a qualified Chartered Surveyor, using a variety of assumptions to determine the valuation of the investment's properties. Any changes in these assumptions would impact on the carrying value of these investment properties

### Critical areas of judgement

At three of its academies, the group occupies buildings under PFI agreements with the local authority and has applied judgement in determining that these buildings should not be capitalised on the Balance Sheet.

The Trust has included an enhanced pension provision in the financial statements in the current year. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the Statement of Financial Activities in the year that the provision is created. In subsequent years, a charge is made to the provision in the balance sheet. The provision is determined using a variety of assumptions. Any changes in these assumptions would impact on the carrying value of this provision.

The group does not believe that there are any other additional critical areas where judgement is used.

## 2. Donations and grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Donations	210	16,180	16,390	5,793
Capital grants	-	7,545	7,545	8,970
Private sponsorship	-	84	84	106
	<u>210</u>	<u>23,809</u>	<u>24,019</u>	<u>14,869</u>

The income from donations and capital grants was £24,019k (2019: £14,869k) of which £210k unrestricted (2019: £193k), and £23,809k was restricted (2019: £14,676k).

## 3. Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Academies' income relating to hire of facilities, academy trips, catering and other activities	2,289	1,123	3,412	4,309
	<u>2,289</u>	<u>1,123</u>	<u>3,412</u>	<u>4,309</u>

The income from other trading activities was £3,412k (2019: £4,309k) of which £2,289k was unrestricted (2019: £3,820k) and £1,123k was restricted (2019: £489k).

**4. Investment income**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Rental income	2,426	2,095
Bank interest	71	38
Dividends	117	114
	<u>2,614</u>	<u>2,247</u>

In 2020 and 2019, the total investment income was in respect of unrestricted funds.

**5. Funding for the group's educational operations – Group**

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2020 £'000</b>	<b>Total 2019 £'000</b>
<b>DFE/ESFA grants</b>				
General Annual Grants (GAG)	-	182,043	182,043	172,202
Start-up grants	-	18	18	97
Capital grants	-	25	25	87
Other DFE/ESFA grants	-	24,932	24,932	16,625
Teaching school	-	2,120	2,120	1,881
	<u>-</u>	<u>209,138</u>	<u>209,138</u>	<u>190,892</u>
Local authority grants	-	5,114	5,114	4,716
Other government grants	-	2,402	2,402	1,755
	<u>-</u>	<u>7,516</u>	<u>7,516</u>	<u>6,471</u>
Other Coronavirus funding	194	-	194	-
Other income resources	1,975	2,415	4,390	5,125
<b>Total income</b>	<u>2,169</u>	<u>219,069</u>	<u>221,238</u>	<u>202,488</u>

The income for educational operations was £221,238k (2019: £202,488k) of which £219,069k (2019: £199,732k) was restricted and £2,169k (2019: £2,756k) was unrestricted.

The group has been awarded capital funding by the Education & Skills Funding Agency to undertake significant capital projects across the Ormiston Academy network. Grant income has been recognised in full in respect of projects approved at the balance sheet date on the basis that the group bears the risk and reward of these contracts. Expenditure is capitalised within fixed assets in the course of construction. Grant income is recorded within the restricted fixed asset fund.

The charity has received no funding for educational operations in both the current and previous period.

**6. Expenditure**

	<b>Staff costs £'000</b>	<b>Premises costs £'000</b>	<b>Other £'000</b>	<b>2020 Total £'000</b>	<b>2019 Total £'000</b>
Expenditure on raising funds costs	25	97	805	927	968
Grants payable including allocated support costs	124	43	106	273	1,187
Educational operations					
Direct costs	149,475	72	21,840	171,387	160,139
Allocated support costs	37,068	29,980	11,831	78,879	75,714
	<u>186,692</u>	<u>30,192</u>	<u>34,582</u>	<u>251,466</u>	<u>238,008</u>

The method used for the apportionment of support costs is disclosed in the accounting policies.

The expenditure was £251,466k (2019: £238,008k) of which £4,906k was unrestricted (2019: £9,622k) and £246,560k was restricted (2019: £228,386k).

**7. Raising funds**

	<b>2020 £'000</b>	<b>2019 £'000</b>
Academies' expenses in relation to letting catering and other activities	292	329
Property/investment Management Fees	116	96
Legal and Professional fees	169	145
Property Repairs	32	90
Loan interest and bank charges	264	255
Wages and salaries	19	18
Share of office costs including depreciation	35	35
	<u>927</u>	<u>968</u>

The expenditure on raising funds was £927k (2019: £968k) of which £927k was unrestricted (2019: £968k) and £nil was restricted (2019: £nil).

## 8. Analysis of Grants

	2020 Group £'000	2020 Charity £'000	2019 Group £'000	2019 Charity £'000
<b>Recipients of Institutional grants</b>				
<b>Ormiston Families</b>				
Core funding	47	47	943	943
<b>Educational</b>				
Ormiston Academies Trust	-	240	-	127
Others	3	3	13	13
Grants payable	50	290	956	1,083
Support costs	223	223	231	231
	<u>273</u>	<u>513</u>	<u>1,187</u>	<u>1,314</u>

During the year, the charity paid out £1,024k (2019: £2,661k) of grants, of which the majority had already been committed. Grants of £290k (2019: £1,083) were committed in the year.

Support costs consist of operational costs such as professional fees and salaries in connection with subsidiary governance and grants. Ormiston Trust staff are actively involved with the recipients of grants in developing the grant ideas, proposals and applications and the subsequent in year and end of year monitoring of the projects.

## 9. Charitable activities

	2020 £'000	2019 £'000
<b>Allocated support costs</b>		
Support staff costs	37,068	31,049
Depreciation, amortisation and impairment of assets	13,209	15,434
Premises costs	19,049	19,789
Technology costs	2,252	1,829
Other support costs	7,050	6,879
Governance	251	734
	<u>78,879</u>	<u>75,714</u>



**10. Net Income/(expenditure) for the period includes:**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Operating leases	1,224	953
Depreciation	13,276	13,077
Amortisation	5	4
Impairment	-	2,507
Bank and other loans	274	266
Net interest on defined pension liability	2,009	1,755
	<hr/>	<hr/>

**Fees payable to the Statutory Auditor and its associates in respect of both audit and non-audit services are as follows:**

Audit services – statutory audit of parent charitable company and consolidated accounts	19	15
Other services:		
Audit – statutory audit of the subsidiary companies	72	70
Other assurance	27	14
All other non-audit services	22	15
	<hr/>	<hr/>
	140	114
	<hr/>	<hr/>

**11. Trustees' remuneration and expenses**

No trustee received any remuneration for their duties as a trustee, however the group did pay for services arising from the normal operations of the group in which a trustee has an interest as detailed in note 32. During the year ended 31 August 2020, travel and subsistence expenses totalling £805 (2019: £3,595) were reimbursed to 1 (2019: 1) trustee. During the year the group purchased trustees' liability insurance at a cost of £1,055 (2019: £1,055).

## 12. Staff costs

The average number of persons (including senior management team) employed during the period was as follows:

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
Teachers	2,206	-	1,992	-
Administration and support	2,673	2	2,534	2
Management	317	1	315	1
	<u>5,196</u>	<u>3</u>	<u>4,841</u>	<u>3</u>
	<u><u>5,196</u></u>	<u><u>3</u></u>	<u><u>4,841</u></u>	<u><u>3</u></u>

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Staff costs comprise</b>				
Wages and salaries	133,141	116	126,000	108
Social security costs	12,722	6	11,938	10
Other pension costs	37,046	2	24,972	4
	<u>182,909</u>	<u>124</u>	<u>162,910</u>	<u>122</u>
Supply teacher costs	3,491	-	3,497	-
Staff restructuring costs	292	-	678	-
	<u>186,692</u>	<u>124</u>	<u>167,085</u>	<u>122</u>
	<u><u>186,692</u></u>	<u><u>124</u></u>	<u><u>167,085</u></u>	<u><u>122</u></u>

158 (2019: 131) employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the period ended 31 August 2020. The total emoluments of these employees were in the following ranges:

	<b>2020</b>	<b>2019</b>
	<b>No</b>	<b>No</b>
£60,001 - £70,000	83	63
£70,001 - £80,000	24	23
£80,001 - £90,000	18	11
£90,001 - £100,000	6	10
£100,001 - £110,000	9	7
£110,001 - £120,000	8	9
£120,001 - £130,000	6	3
£130,001 - £140,000	1	1
£140,001 - £150,000	2	1
£150,001 - £160,000	-	2
£200,001 - £210,000	1	1
	<u><u>1</u></u>	<u><u>1</u></u>

Key management personnel remuneration during the year which includes senior management of subsidiary undertakings amounted to £2,889k (2019: £3,500k) for the group and £66k (2019: £56k) for the charity.

### 13. Subsidiary undertakings

As detailed in note 1 the charity has a number of subsidiaries. Full details of the results of those undertakings are available by contacting the charity at the business address on page 2 of the Annual Report. A summary of the financial statements for the period incorporated with the consolidated accounts is shown below.

Company Nos	Gateway Learning Community (05853746) £'000	Ormiston Bolingbroke Academy Trust (07349394) £'000	Birmingham Ormiston Academy (06832416) £'000	Ormiston Academies Trust (06982127) £'000	Birmingham Ormiston Academy Theatre Limited (09160896) £'000
Income	19,437	3,336	6,062	257,702	497
Expenditure	(20,270)	(14,918)	(6,548)	(219,755)	(497)
Net (expenditure)/Income	(833)	(11,582)	(486)	37,947	-
Actuarial (losses)	(2,587)	(378)	(379)	(9,108)	-
Net movement in funds for the period	(3,420)	(11,960)	(865)	28,839	-
Assets	49,525	-	19,257	487,699	116
Liabilities (excluding pension scheme liability)	(1,223)	-	(401)	(18,625)	(102)
Provisions	-	-	-	(579)	-
Pension scheme liability	(15,530)	-	(2,214)	(112,500)	-
Funds as at 31 August 2020	32,772	-	16,642	355,995	14

Ormiston Bolingbroke Academy Trust prepared statutory accounts until 29 February 2020 and was dormant at the year end. On 1 February 2020, Ormiston Bolingbroke Academy Trust was transferred into Ormiston Academies Trust.

Registered offices of the subsidiary undertakings are as follows:

Gateway Learning Community – Marshfoot Road, Grays, Essex, RM16 4LU.

Ormiston Bolingbroke Academy Trust – Barnfield Avenue, Cheshire, WA7 6EP.

Birmingham Ormiston Academy and Birmingham Ormiston Academy Theatre Limited - 1 Grosvenor Street, Birmingham, B4 7QD.

Ormiston Academies Trust – 1 Victoria Square, Birmingham, B1 1BD.

#### 14. Intangible Fixed Assets – Group

	Computer Software £'000
Cost	
At 1 September 2019	74
Additions	5
<b>At 31 August 2020</b>	<b>79</b>
Amortisation	
At 1 September 2019	58
Charge for the period	5
<b>At 31 August 2020</b>	<b>63</b>
<b>Net book value</b>	
<b>At 31 August 2020</b>	<b>16</b>
At 31 August 2019	16

The amortisation of computer software assets is included within charitable activities expenditure.

#### 15. Tangible fixed assets

Group	Land and buildings £'000	Assets in the course of con- struction £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation						
At 1 September 2019	537,082	1,494	9,024	10,709	383	558,692
Additions	19,682	62	657	941	-	21,342
Disposals	-	-	(1,759)	(1,407)	(13)	(3,179)
Transfers on schools joining	26,968	-	4	-	-	26,972
Transfers	1,494	(1,494)	-	-	-	-
<b>At 31 August 2020</b>	<b>585,226</b>	<b>62</b>	<b>7,926</b>	<b>10,243</b>	<b>370</b>	<b>603,827</b>
Depreciation						
At 1 September 2019	60,875	-	6,487	8,391	294	76,047
Charge for the year	11,329	-	681	1,222	44	13,276
Disposals	-	-	(1,759)	(1,407)	(13)	(3,179)
<b>At 31 August 2020</b>	<b>72,204</b>	<b>-</b>	<b>5,409</b>	<b>8,206</b>	<b>325</b>	<b>86,144</b>
<b>Net book value</b>						
<b>At 31 August 2020</b>	<b>513,022</b>	<b>62</b>	<b>2,517</b>	<b>2,037</b>	<b>45</b>	<b>517,683</b>
<b>At 31 August 2019</b>	<b>476,207</b>	<b>1,494</b>	<b>2,537</b>	<b>2,318</b>	<b>89</b>	<b>482,645</b>

**15. Tangible fixed assets (continued)**

Included in the land and buildings above is freehold land and buildings with a net book value at 31 August 2020 of £88,975k (2019: £46,614k) and long leasehold land and buildings with a net book value at 31 August 2020 of £424,047k(2019: £429,593k).

The long leasehold properties are leased from the local councils of the individual academies, relating to the land and buildings of the trust and are leased from periods of up to 125 years for peppercorn rent. No such charges have been made in the current year (2019: £nil)

Included in the additions to land and buildings is a new building donated to Ormiston Endeavour Academy by the ESFA at a fair value of £15,776k.

At the year end there were capital commitments contracted for, but not provided within the accounts of £47k (2019: £305k).

<b>Charity</b>	<b>Leasehold buildings £'000</b>	<b>Furniture and equipment £'000</b>	<b>Computer equipment £'000</b>	<b>Total £'000</b>
Cost or valuation				
At 1 September 2019	225	1	11	237
Disposal	-	-	(2)	(2)
<b>At 31 August 2020</b>	<b>225</b>	<b>1</b>	<b>9</b>	<b>235</b>
Depreciation				
At 1 September 2019	-	1	11	12
Disposal	-	-	(2)	(2)
<b>At 31 August 2020</b>	<b>-</b>	<b>1</b>	<b>9</b>	<b>10</b>
<b>Net book value</b>				
<b>At 31 August 2020</b>	<b>225</b>	<b>-</b>	<b>-</b>	<b>225</b>
<b>At 31 August 2019</b>	<b>225</b>	<b>-</b>	<b>-</b>	<b>225</b>

The charity's leasehold property was revalued by Mr P Murray of James Duncan and Co, Chartered Surveyors as at 31 August 2020, on the basis of the open market value for existing use of the properties. Mr P Murray is a trustee of the charity. The original cost of the property was £208,000.

**16. Fixed assets investments – Group and Charity**

<b>Valuation</b>	<b>Cash £'000</b>	<b>Quoted investments £'000</b>	<b>Leasehold properties £'000</b>	<b>Freehold properties £'000</b>	<b>Total £'000</b>
At 1 September 2019	3,309	5,303	300	28,365	37,277
Additions	-	6,518	-	3,487	10,005
Disposals	(223)	(1,468)	-	(6,000)	(7,691)
Fair value adjustment	-	555	50	328	933
Movement in cash	(1,092)	-	-	-	(1,092)
<b>At 31 August 2020</b>	<b>1,994</b>	<b>10,908</b>	<b>350</b>	<b>26,180</b>	<b>39,432</b>

The investment properties in Ormiston Trust were revalued by Mr P Murray of James Duncan and Co, Chartered Surveyors as at 31 August 2020, on the basis of the open market value for existing use of the properties. Mr P Murray is a trustee of the charity. The quoted investments value was determined by market value of the investments.

**16. Fixed assets investments – Group and Charity (continued)**

There were no investments within quoted investments (or linked to quoted investments) held at 31 August 2020 which are over 5% of portfolio by value.

**17. Stocks**

	2020 Group £'000	2020 Charity £'000	2019 Group £'000	2019 Charity £'000
Goods for resale and supplies	402	-	407	-

**18. Debtors**

	2020 Group £'000	2020 Charity £'000	2019 Group £'000	2019 Charity £'000
Trade debtors	682	424	786	37
Other debtors	56	-	124	-
Prepayments and accrued income	6,583	263	5,126	263
Recoverable VAT	1,466	-	1,524	-
	<u>8,787</u>	<u>687</u>	<u>7,560</u>	<u>300</u>

**19. Creditors: amounts falling due within one year**

	2020 Group £'000	2020 Charity £'000	2019 Group £'000	2019 Charity £'000
Trade creditors	3,263	3	3,540	4
Taxation and social security	3,304	38	3,102	109
Other creditors	3,068	-	2,383	-
Accruals and deferred income	7,931	267	8,461	247
Grants payable	-	657	263	935
Loan from ESFA	458	-	400	-
Salix loan	158	-	158	-
	<u>18,182</u>	<u>965</u>	<u>18,307</u>	<u>1,295</u>

Deferred income	2020 Group £'000	2020 Charity £'000	2019 Group £'000	2019 Charity £'000
Deferred income at 1 September 2019	2,501	160	1,420	114
Resources released from previous years	(2,501)	(160)	(1,420)	(114)
Resources deferred in the year	2,067	165	2,501	160
Deferred income at 31 August 2020	<u>2,067</u>	<u>165</u>	<u>2,501</u>	<u>160</u>

Deferred income relates to performance related grants and trip income received in advance specifically for future periods.

**20. Creditors: amounts falling due after one year**

	<b>2020 Group £'000</b>	<b>2020 Charity £'000</b>	<b>2019 Group £'000</b>	<b>2019 Charity £'000</b>
Bank loans	10,000	10,000	10,000	10,000
Loan from ESFA	1,713	-	1,801	-
Salix loan	788	-	946	-
Grants payable	-	608	-	1,064
	<u>12,501</u>	<u>10,608</u>	<u>12,747</u>	<u>11,064</u>

**Group**

At the year end the group has a Salix loan amounting to £946k (2019: £1,104k). The loan terms are for 9 years at an interest rate of 0%.

At the year end, the group owed the ESFA £320k (2019: £320k) with agreed payment terms of 4 years at interest rates of 0%. With respect to a further loan the group had with the ESFA, at the year end the group owed £1,400k (2019: £1,400k) with agreed payment terms of 9 years at interest rate of 0%. Also a loan with the ESFA, at year end the group owed £451k (2019: £481k) with agreed payment terms of 9 years at interest rate of 1.83%, this was following a further draw down of £42k in the year.

**Group and Charity**

At the year end, the group has bank loans which entirely relate to the charity of £10,000k (2019: £10,000k) of which £5,000k is due for repayment at the end of the 5-year loan term and the other £5,000k is repayable by instalment over a 20-year term starting in April 2023. Interest on the bank loans is at a rate of 2% and 2.3% above base rate which is payable quarterly. The loan is secured against investment properties held by the charity.

	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Loan maturity</b>		
Debt due in one year or less	616	558
Due in more than one year but not more than two years	513	296
Due in more than two years but not more than five years	7,079	6,866
Due in more than five years	4,909	5,585
	<u>13,117</u>	<u>13,305</u>

**21. Provisions for liabilities**

The provision at 31 August 2020 amounting to £579k (2019: £nil), related to an enhanced pension provision relating to the cost of staff who have already left the Group's employment. The provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumption for this calculation is using a discount rate of 3.5%.

**22. Grant commitments**

	<b>2020 Group £'000</b>	<b>2020 Charity £'000</b>	<b>2019 Group £'000</b>	<b>2019 Charity £'000</b>
Grant commitments at 31 August 2019	263	1,999	286	3,577
New commitments charged to the SOFA (see note 8)	50	290	956	1,083
Grants paid during the year	(313)	(1,024)	(979)	(2,661)
	<u>-</u>	<u>1,265</u>	<u>263</u>	<u>1,999</u>

During the period, the Charity paid out £1,024k (2019: £2,661k) of grants, of which the majority had already been committed. A further £290k (2019: £1,083k) of grants were committed in the period.

**23. Endowment Funds – Group and Charity**

	<b>Balance at 2019 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains, losses and transfers £'000</b>	<b>Balance at 2020 £'000</b>
Expendable endowment	22,992	-	-	1,023	24,015

Expendable endowment funds are invested to produce income for the group, the trustees have the power to convert all or part of this fund to income which can then be spent.

**24. Restricted funds – Group**

	<b>At 1 September 2019 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains, losses and transfers £'000</b>	<b>2020 £'000</b>
Restricted general funds					
General Annual Grant (GAG)	55	181,961	(178,833)	(616)	2,567
Start-up grants	-	18	(18)	-	-
Other government / private sector grants	1,579	32,417	(32,917)	-	1,079
Other restricted funds	292	5,718	(6,587)	2,223	1,646
Restricted pension reserve	(103,261)	(2,661)	(11,870)	(12,452)	(130,244)
Restricted fixed asset funds	487,932	50,745	(16,357)	1,576	523,896
	<u>386,597</u>	<u>268,198</u>	<u>(246,582)</u>	<u>(9,269)</u>	<u>398,944</u>

**Restricted general funds**

These grants relate to educational activities of the group.

**Restricted pension reserve**

The pension reserve relates to the group's share of various Local Government Pension Scheme funds.

**Restricted fixed asset funds**

These grants relate to funding received from the DFE, ESFA and private sponsors to carry out works of a capital nature. This fund also includes inherited assets.



**24. Restricted funds – Group (continued)**

**Gains, losses and transfers**

The £12,452k pension actuarial loss is the only restricted gain/losses during the year.

Transfers are made from revenue funds (either unrestricted funds or restricted general funds) into restricted fixed asset funds where fixed assets are purchased using revenue funds.

**25. Unrestricted funds**

Group	At 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2020 £'000
General funds	11,573	7,282	(4,884)	(3,273)	10,698
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Charity	At 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	At 31 August 2020 £'000
General funds	4,879	2,581	(1,148)	(90)	6,222
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Unrestricted funds include a revaluation reserve of £20,000 which arose on the revaluation of the trust's freehold property.

## 26. Analysis of net assets between funds

### Group

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £'000	Endowment fund £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
Investments	15,417	24,015	-	-	39,432
Intangible fixed assets	-	-	-	16	16
Tangible fixed assets	225	-	-	517,458	517,683
Current assets	5,364	-	26,246	6,422	38,032
Current liabilities	(308)	-	(17,874)	-	(18,182)
Long term liabilities	(10,000)	-	(2,501)	-	(12,501)
Provisions	-	-	(579)	-	(579)
Pension reserve	-	-	(130,244)	-	(130,244)
	<u>10,698</u>	<u>24,015</u>	<u>(124,952)</u>	<u>523,896</u>	<u>433,657</u>

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £'000	Endowment fund £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total £'000
Investments	16,982	20,295	-	-	37,277
Intangible fixed assets	-	-	-	16	16
Tangible fixed assets	225	-	-	482,420	482,645
Current assets	4,951	2,697	22,395	5,496	35,539
Current liabilities	(585)	-	(17,722)	-	(18,307)
Long term liabilities	(10,000)	-	(2,747)	-	(12,747)
Pension reserve	-	-	(103,261)	-	(103,261)
	<u>11,573</u>	<u>22,992</u>	<u>(101,335)</u>	<u>487,932</u>	<u>421,162</u>

### Charity

Fund balances at 31 August 2020 are represented by:

	Endowment funds £'000	Unrestricted fund £'000	Total £'000
Investments	24,015	15,417	39,432
Tangible fixed assets	-	225	225
Current assets	-	2,153	2,153
Current liabilities	-	(965)	(965)
Long term liabilities	-	(10,608)	(10,608)
	<u>24,015</u>	<u>6,222</u>	<u>30,237</u>

## 26. Analysis of net assets between funds (continued)

### Charity (continued)

Fund balances at 31 August 2019 are represented by:

	Endowment funds £'000	Unrestricted fund £'000	Total £'000
Investments	20,295	16,982	37,277
Tangible fixed assets	-	225	225
Current assets	2,697	31	2,728
Current liabilities	-	(1,295)	(1,295)
Long term liabilities	-	(11,064)	(11,064)
	<u>22,992</u>	<u>4,879</u>	<u>27,871</u>

## 27. Contingent liabilities

There were no contingent liabilities at 31 August 2020 or 31 August 2019.

## 28. Operating leases

At 31 August 2020 the total of the group's future lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
<b>Group</b>		
Operating leases which will expire:		
Amounts due within one year	990	876
Amounts due between one to five years	1,453	1,365
Amounts due after five years	964	1,119
	<u>3,407</u>	<u>3,360</u>

The group is also party to a facilities management contract under a PFI scheme. Total commitments under the contract are £1,596k (2019: £1,534k) within one year, £6,387k (2019: £6,134k) between one and five years and £11,721k (2019: £12,826k) in greater than five years.

## 29. Pension commitments

### Defined Contribution

The group operates a defined contribution scheme on behalf of the charity. The assets of the scheme are held separately from those of the group and charity in an independently administered fund. The charge to the Statement of Financial Activities for the year was £2k (2019: £4k).

### Defined Benefit

The group operates two principal defined benefit pension schemes in connection with its academy subsidiaries, the Teacher's Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which are managed by the relevant local authorities. Each Local Authority runs a separate pension fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation for the TPS related to the period ended 31 March 2016, and of the LGPS 31 March 2019.

Contributions amounting to £2,948k (2019: £2,213k) were payable to the Schemes at 31 August 2020 and included within creditors.

## **29. Pension commitments (*continued*)**

### **Teachers' Pension Scheme**

#### **Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teacher's Pensions 2014.

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.

#### **Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published by the Department for Education on 5 March 2019. The key results of the valuation and subsequent consultation are:

- total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- notional past service deficit of £22 billion
- discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2019/20.)

The employer's pension costs paid to TPS in the period amounted to £20,007k (2019: £13,297k).

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

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

#### **Local Government Pension**

The group is a member of the Cambridgeshire, Cheshire, Norfolk, Isle of Wight Council, Suffolk, West Midlands, Staffordshire, Derbyshire, East Riding, Essex, West Sussex County Council and Worcestershire Local Government Pension Schemes.

The LGPS is a funded defined benefit scheme, with assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2020 was £10,840k (2019: £10,305k), of which employer's contributions totalled £8,495k (2019: £8,109k) and employees' contributions totalled £2,345k (2019: £2,196k). The agreed contribution rates for future years are 12.2% – 27.3% for employers and 5.5 – 12.5% for employees.

The LGPS obligation relates to the employees of the group who were employees transferred as part of the conversion from the maintained school and transfer from another academy trust (as described in note 35) together with new employees who joined 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 group at the balance sheet date.

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.

## 29. Pension commitments (*continued*)

### Local Government Pension (*continued*)

#### Principal actuarial assumptions:

The following information is based upon a full actuarial valuation of the funds at 31 March 2019 updated to 31 August 2020 by a qualified independent actuary

	Discount rate for scheme liabilities		Rate of increase in salaries		Rate of increase for pensions in payment / inflation	
	2020	2019	2020	2019	2020	2019
	%	%	%	%	%	%
Cambridge Local Government Pension Scheme	1.7	1.9	2.7	2.6	2.2	2.3
Cheshire Local Government Pension Scheme	1.7	1.9	2.9	2.6	2.2	2.3
Norfolk Local Government Pension Scheme	1.7	1.9	2.9	2.6	2.2	2.3
Isle of Wight Local Government Pension Scheme	1.7	1.9	3.0	2.7	2.2	2.3
Suffolk Local Government Pension Scheme	1.7	1.8	2.9	2.6	2.2	2.3
West Midlands Local Government Pension Scheme	1.6	1.9	3.3	3.7	2.3	2.2
Staffordshire Local Government Pension Scheme	1.7	1.9	2.6	2.7	2.2	2.3
Derbyshire Local Government Pension Scheme	1.7	1.8	2.9	2.8	2.2	2.3
East Riding Local Government Pension Scheme	1.7	1.9	3.1	2.5	2.2	2.3
Essex Local Government Pension Scheme	1.6	1.9	3.3	3.7	2.3	2.2
West Sussex Local Government Pension Scheme	1.7	1.9	2.7	3.0	2.2	2.3
Worcestershire Local Government Pension Scheme	1.7	1.8	3.9	3.8	2.5	2.4

#### Mortality

The assumed life expectations are:

	Males		Females	
	Retiring today	Retiring in 20 years	Retiring today	Retiring in 20 years
	2020	2020	2020	2020
Cambridge Local Government Pension Scheme	22.0	22.7	24.0	25.5
Cheshire Local Government Pension Scheme	21.2	21.9	23.6	25.0
Norfolk Local Government Pension Scheme	21.7	22.8	23.9	25.5
Isle of Wight Local Government Pension Scheme	21.7	22.4	23.8	25.2
Suffolk Local Government Pension Scheme	21.9	22.7	24.1	25.6
West Midlands Local Government Pension Scheme	21.9	23.8	24.1	26.0
Staffordshire Local Government Pension Scheme	21.2	22.1	23.6	25.0
Derbyshire Local Government Pension Scheme	21.6	22.6	23.7	25.1
East Riding Local Government Pension Scheme	20.9	21.8	23.3	24.8
Essex Local Government Pension Scheme	21.8	23.2	23.8	25.2
West Sussex Local Government Pension Scheme	22.2	23.3	24.2	25.9
Worcestershire Local Government Pension Scheme	22.6	24.2	25.0	27.0

29. Pension commitments (*continued*)

Local Government Pension (*continued*)

Amounts recognised in the balance sheet

	2020 £'000	2019 £'000
Present value of funded obligations	(264,325)	(224,022)
Fair value of scheme assets	134,081	120,761
<b>Net liability</b>	<b>(130,244)</b>	<b>(103,261)</b>

Amounts recognised in the statement of financial activities

	2020 £'000	2019 £'000
Current service cost	17,268	12,899
Past service cost	1,079	303
Net interest cost	2,009	1,755
Admin costs	9	5
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	279
<b>Total</b>	<b>20,365</b>	<b>15,241</b>

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

	2020 £'000	2019 £'000
Liabilities brought forward	224,022	168,798
Obligations acquired on conversion/transfer	4,099	2,696
Current service cost	17,268	12,899
Past service cost	1,079	316
Interest cost	4,313	4,750
Contributions by employees	2,345	2,196
Employer payment to reduce liability	-	854
Actuarial losses	14,387	32,890
Plan introductions, benefit changes, curtailments and settlements	-	266
Benefits paid	(3,188)	(1,643)
<b>Liabilities carried forward</b>	<b>264,325</b>	<b>224,022</b>

**29. Pension commitments (*continued*)**

**Local Government Pension (*continued*)**

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

	2020 £'000	2019 £'000
Fair value of scheme assets brought forward	120,761	104,626
Assets acquired on conversion/transfer	1,438	1,751
Interest income	2,304	2,995
Return on plan assets	1,935	2,732
Contributions by employer	8,495	8,109
Contributions by employees	2,345	2,196
Admin expenses	(9)	(5)
Benefits paid	(3,188)	(1,643)
<b>Fair value of scheme assets carried forward</b>	<b>134,081</b>	<b>120,761</b>

The major categories of scheme assets are as follows:

	2020 £'000	2019 £'000
Equities	77,899	70,815
Bonds	28,214	26,406
Property	12,093	12,866
Cash and other	15,875	10,674
<b>Total fair value of assets</b>	<b>134,081</b>	<b>120,761</b>

The actual return on scheme assets was £5,153,000 (2019: £5,977,000).

**30. Financial instruments**

The following financial instruments measured at fair value through statement of financial activities at 31 August:

	2020 Group £'000	2020 Charity £'000	2019 Group £'000	2019 Charity £'000
<b>Carrying amount of financial assets</b>				
Financial assets measured at fair value through statement of financial activities	39,432	39,432	37,277	37,277

**31. Agency arrangements**

The Group distributes 16 - 19 bursary funds to students as agent for the ESFA. In the accounting period ending 31 August 2020, the Group received £346k (2019: £383k) and disbursed £309k (2019: £335k) from the fund. At the year, the balance not yet disbursed was £39k (2019: £65k).

### 32. Related party transactions

#### Group

During the year the group carried out transactions with the following related parties:-

Name of related party	Relationship	Services provided	Amount in the period £'000
2020			
James Murray	P Murray's Son	Employed by the charity	57
James Duncan and Co	Controlled by P Murray	Professional fees	10
Ormiston Families	P Murray a trustee	Grants given	68
2019			
James Murray	P Murray's Son	Employed by the charity	48
James Duncan and Co	Controlled by P Murray	Professional fees	7
Ormiston Families	P Murray a trustee	Grants given	943

At the year end, the group still owed £16k (2019: £240k) to Ormiston Families.

#### Charity

During the year, the trust made grants commitments to subsidiary undertakings of £346k (2019: £127k) and paid commitments of £712k (2019: £1,681k). Amounts due to the subsidiary undertakings in respect of grant commitments by the trust at 31 August 2020 was £1,371k (2019: £1,737k).

### 33. Reconciliation of income/(expenditure) to net cash flow from operating activities

	2020 £'000	2019 £'000
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	24,947	(2,808)
<b>Adjusted for:</b>		
Net surplus on conversion/transfer to Academy	(24,197)	(10,631)
Capital grants DFE and ESFA	(7,545)	(8,970)
Donated fixed assets	(16,171)	-
Net gains on investments	(933)	(656)
Rent income, interest and dividends from investments	(2,614)	(2,247)
Interest payable	274	255
Depreciation and amortisation	13,281	15,588
Defined benefit pension scheme adjustment	11,870	7,986
Increase in provisions	579	-
Decrease/(increase) in stocks	5	(3)
(Increase)/decrease in debtors	(1,227)	259
(Decrease)/increase in creditors	(183)	1,650
Stocks, debtors and creditors transferred on transfer to Academy	(201)	-
<b>Net cash (used in)/provided by operating activities</b>	<b>(2,115)</b>	<b>423</b>



**34. Analysis of changes in net funds**

	1 September 2019 £'000	Cash Flows £'000	31 August 2020 £'000
Cash	27,572	1,271	28,843
Loans falling due within one year	(558)	(58)	(616)
Loans falling due after more than one year	(12,747)	246	(12,501)
	<u>14,267</u>	<u>1,459</u>	<u>15,726</u>

**35. New academies during the year**

**Conversion to an academy**

On 1 April 2020 Brownhills School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ormiston Academies Trust from the Walsall Metropolitan Borough Council Local Authority 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 values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/loss 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 Statement of Financial Activities.

Academy	Location	Date of conversion		
Brownhills School	Walsall	1 April 2020		
	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2020 £'000
<b>Net assets transferred:</b>				
Leasehold land and buildings	-	-	9,543	9,543
Pension scheme deficit	-	(2,135)	-	(2,135)
	<u>-</u>	<u>(2,135)</u>	<u>9,543</u>	<u>7,408</u>

The total income and net income of the Group comprises income of £2,046k and net income of £286k contributed by Brownhills School between the date of transfer and 31 August 2020.

**Transfers of existing academies into the Trust**

On 1 December 2019, Sandymoor Free School transferred into Ormiston Academies Trust. All the operations and assets and liabilities were transferred into the Trust at that date.

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 values 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 into the Trust. The transfers were for £nil consideration.

**35. New academies during the year (*continued*)**

**Transfers of existing academies into the Trust (*continued*)**

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

	Value reported by transferring trust £'000	Fair value adjustments £'000	Transfer in recognised £'000	
<b>Net assets acquired:</b>				
Freehold land and buildings	11,552	5,873	17,425	
Other tangible fixed assets	9	(5)	4	
Stocks	6	-	6	
Debtors	136	3	139	
Creditors	(346)	-	(346)	
Defined benefit pension liability	(526)	-	(526)	
Cash and cash equivalents	87	-	87	
	<u>10,918</u>	<u>5,868</u>	<u>16,789</u>	
	<u><u>10,918</u></u>	<u><u>5,868</u></u>	<u><u>16,789</u></u>	
	<b>Unrestricted Funds £'000</b>	<b>Restricted funds: General £'000</b>	<b>Fixed asset £'000</b>	<b>Total 2020 £'000</b>
<b>Funds surplus/(deficit) transferred:</b>				
Fixed asset funds	-	-	17,461	17,461
Defined benefit pension liability	-	(526)	-	(526)
Cash and cash equivalents	-	(146)	-	(146)
	<u>-</u>	<u>(672)</u>	<u>17,461</u>	<u>16,789</u>
	-	(672)	17,461	16,789

The total income and net income of the Group comprises income of £2,132k and net expenditure of £34k contributed by Sandymoor Free School between the date of transfer and 31 August 2020.

<b>TITLE</b>	Ormiston Trust Accounts
<b>FILE NAME</b>	Ormiston Trust Consolidated Accounts.pdf
<b>DOCUMENT ID</b>	51ca08e8535bc66828e2a0966225af12adad2064
<b>AUDIT TRAIL DATE FORMAT</b>	MM / DD / YYYY
<b>STATUS</b>	● Completed

## Document history



SENT

**05 / 28 / 2021**

10:48:45 UTC

Sent for signature to Peter Murray (jmurray@ormistontrust.co.uk) and Ian Brookman (ianbrookman2@gmail.com) from karlene@organisedyou.com  
IP: 217.35.70.106



VIEWED

**05 / 28 / 2021**

11:09:57 UTC

Viewed by Peter Murray (jmurray@ormistontrust.co.uk)  
IP: 213.205.200.47



SIGNED

**05 / 28 / 2021**

11:19:58 UTC

Signed by Peter Murray (jmurray@ormistontrust.co.uk)  
IP: 213.205.200.47



VIEWED

**05 / 28 / 2021**

11:20:48 UTC

Viewed by Ian Brookman (ianbrookman2@gmail.com)  
IP: 81.136.26.30



SIGNED

**05 / 28 / 2021**

11:23:16 UTC

Signed by Ian Brookman (ianbrookman2@gmail.com)  
IP: 81.136.26.30



COMPLETED

**05 / 28 / 2021**

11:23:16 UTC

The document has been completed.