

Company Registration No. 07349394 (England and Wales)

ORMISTON BOLINGBROKE ACADEMY TRUST

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

ORMISTON BOLINGBROKE ACADEMY TRUST

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ORMISTON BOLINGBROKE ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

Members

M Cunliffe, Chair of Governors (removed 13/08/19)
Ormiston Academies Trust ["OAT"]
R Pritchard, Chair of Governors (appointed 13/8/19)
N Hudson, Chief Executive Officer, Ormiston Academies Trust

The Trustees

R Pritchard, Chair (from 24 September 2019) OAT Nominated Trustee
*M Cunliffe, Chair (removed 13 August 2019)
S Crane, Staff Trustee (removed 13 August 2019, re-elected 24 September 2019)
K Farrow Co-opted Trustee (appointed 13 December 2018, removed 13 August 2019)
L Farrar, Parent Trustee (appointed 24 September 2019)
L Handley, OAT Co-opted Trustee (appointed 24 September 2019)
*P Healey, Parent Trustee (removed 13 August 2019)
*C Heffernan, Parent Trustee (removed 13 August 2019, re-elected 24 September 2019)
*F Hulse Co-opted Trustee (appointed 6 March 2019, removed 13 August 2019)
M Lloyd-Jones (term of office ended 14 September 2018)
P Loftus, OAT Co-opted Trustee (appointed 24 September 2019)
*J Miller, OAT Nominated Trustee
*J Mooney, OAT Co-opted Trustee (appointed 24 September 2019)
*A Rawdin, Interim Principal and Accounting Officer (appointed 14 October 2019)
*K Reid, Staff Trustee (removed 13 August 2019, re-elected 24 September 2019)
*E Wright, Principal and Accounting Officer (resigned 31 October 2019)

* members of the Finance and General Purpose committee

Company registered number
07349394 (England and Wales)

Principal and registered office
Barnfield Avenue
Cheshire
WA7 6EP

Senior management team
A Rawdin Interim Principal (appointed 14th October 2019)
E Wright, Principal (Resigned 31st October 2019)
S Easton, Vice Principal
P Finnigan, Assistant Principal (Resigned 30 June 2019)
C Fitzgerald, Assistant Principal
S Hughes, Director of Finance
M Maloszyk, Vice Principal
S Oulton, Assistant Principal
S Snagg, Director of Transition
M Wallace, Assistant Principal
J Wynne, Assistant Principal

Independent auditor

RSM UK Audit LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS

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West Midlands
B2 5AF

Internal Auditor

Mazars LLP
Chartered Accountants
45 Church Street
Birmingham
B3 2RT

Bankers

Santander
Bridle Road
Bootle
Merseyside
L30 4GB

Lloyds Bank Plc
5 St Paul's Square
Old Hall Street
Liverpool
L3 9SJ

Solicitors

Stone King LLP
16 St John's Lane
London
EC1M 4BS

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

ORMISTON BOLINGBROKE ACADEMY TRUST

TRUSTEES' REPORT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the audited financial statements and auditor's report of Ormiston Bolingbroke Academy Trust ('the Academy or the Charitable Company') for the year ended 31 August 2019. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in Cheshire. It has a pupil capacity of 1,250 and had a roll of 1,188 in the school census at Autumn 2019.

Structure, governance and management

a. Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles are the primary governing documents of the Academy. The trustees of Ormiston Bolingbroke Academy Trust are also the directors of the Charitable Company for the purposes of company law.

The charitable company is known as Ormiston Bolingbroke Academy ('the Academy').

Details of the trustees who served throughout the year are included in the Reference and Administrative Details page of the financial statements.

b. Members' liability

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

c. Trustees' indemnities

The Academy has put in place policies which indemnify the Trustees when acting in that capacity on behalf of the Academy.

Insurance cover is provided by Zurich Municipal under policy number KSC-242039-9893.

d. Method of recruitment and appointment or election of Trustees

The Sponsors shall appoint the Sponsor Trustees. The Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time of election. The Staff Trustees shall be elected by the staff members at the Academy. One of the Staff Trustees shall be elected from among the teaching staff of the Academy and the other Staff Trustee from among the non-teaching staff. A Staff Trustee must be a member of staff at the time when he is elected. The Trustees may appoint up to 3 co-opted Trustees.

Trustees are elected for a term of four years but are eligible for re-election at the meeting at which they retire.

The Trustees who served throughout the year-ended 31 August 2019 and who were appointed subsequently are listed in the Reference and Administrative Details page of the financial statements.

ORMISTON BOLINGBROKE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

e. Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Trustees are welcome to visit the Academy and to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two to three new Trustees a year, induction will be done informally and is tailored specifically to the individual.

f. Organisational structure

A unified management structure is in place which consists of three levels: the Trustees, the Senior Management and the Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Principal is the Accounting Officer of the Academy.

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

On appointment, the Principal will be appointed on a salary in accordance with OAT's pay policy for Principals. This salary will be reviewed annually in line with OAT's policy. The governing body will determine a 5 point pay scales for all other leadership posts from within the leadership range contained in the School Teacher's Pay and Conditions Document (STPCD).

h. Connected organisations

The Ormiston Academies Trust is the sponsor and a member of the Academy.

i. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	0
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£0
Provide the total pay bill	£5,551,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0.00%

ORMISTON BOLINGBROKE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

j. Risk management

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Trustees have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and discipline) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. staff conduct policies) and internal financial controls in order to minimise risk.

Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of financial controls and this is explained in more detail in the following statement.

Objectives and Activities

a. Objects and aims

In accordance with the articles of association the Charitable Company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on English and Applied Learning.

b. Objectives, strategies and activities

The Academy is implementing an approach to deliver its transformational agenda in a challenging and deprived community by:

- personalised learning experiences integrated with the new technologies;
- admissions based on the concept of a community Academy serving all the children of its community;
- strengthening the links with primary schools to ensure effective transition;
- development of a learning community model that brings together agencies, voluntary sector and academy resources to meet the needs of the whole community, offering innovative and far reaching practices;
- providing value for money for the funds expended;
- providing a programme of sporting and after school activities for all students;
- providing a broad and diverse curriculum and staffing provision to meet the needs of all students.

c. Public benefit

The Academy is an exempt charity with the charitable purpose of advancement of education to pupils between the ages of 11 to 19 within the borough of Halton.

The Academy's Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

A fruitful partnership with the neighbouring community sports centre has seen the Academy hosting a 'Smoking Cessation' course and wellbeing sessions for the local community, as well as Lifeguard training courses for our students.

Achievements and performance

a. Key financial performance indicators

96% of total income in the year (excluding restricted fixed asset funds) was received from the ESFA or DFE (2018: 96%).

ORMISTON BOLINGBROKE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

Salary expenditure for the year ended 31 August 2019 represented 75% (2018: 75%) of total spend excluding fixed asset expenditure, and 77% (2018: 76%) of total income, excluding restricted fixed asset funds. Teacher to pupil ratio for the year was 13, an increase from 12 in 2018/19.

b. Achievements and performance

Ormiston Bolingbroke Academy (OBA) opened as an 11-19, mixed-gender Academy in September 2010. The school serves the community of Runcorn new town and is situated in Murdishaw, East Runcorn, within the Halton Local Authority. The Academy has grown rapidly, from 530 in 2010 to 1,188 (205 Sixth Form) students in 2019 and remains popular; the Academy was oversubscribed in each of the last three years. Parent View and other internal questionnaire responses indicate that all stakeholders feel extremely positive about the Academy.

The school serves an area of high socio-economic need. Compared to all schools nationally, the Academy is in the highest quintile for Ever-6 FSM pupils (60% versus 28% nationally) and School Deprivation Indicator (0.4 v 0.2 nationally). Just 5% of pupils are from minority ethnic groups and there are no pupils with English not/believed not to be first language. This is an important consideration in judging outcomes at OBA. There are smaller than national numbers of SEN supported students (4th Quintile – 6.8% v 10.7% nationally). There are a small number of students with EHC plans.

The Academy remains part of the OAT family of schools.

On entry, year groups are typically below the national average in all measures. Students gain relevant qualifications so that they can and do progress to the next stage of their education (many into the Sixth Form where retention rates are high). OBA has been on a sustained journey of improvement since its inception. For the 4 years to 2016, the number of students achieving 5 or more GCSEs at grades A* - C including English and maths was well above national average.

The Academy is on a positive journey with regard to overall progress. In 2015 the P8 score was -0.42, in 2016 - 0.21, in 2017 and 2018 + 0.1 and provisional for 2019 +0.1. This is a good achievement for a school in our context, especially as 2017's P8 included ECDL, the removal of which nationally is deemed to cause a 0.2 reduction in P8. In 2018, this makes OBA the highest ranked school in Runcorn, and third in the Halton LA, third only to two schools graded outstanding by Ofsted. P8 outcomes are also well ahead of LA figure of -0.32. It is also better than national -0.02.

Disadvantaged pupils make very good progress overall. Over 3 years, the p8 score is on an upward trajectory and the in-school gap is small. Both the in school gap in P8 and disadvantaged P8 are significantly better than national.

This stronger performance in 2018 and 2019 is however mostly driven by outstanding performance in the open bucket of qualifications. The Academy traditionally did well at gaining C pass grades in Maths and English and equipping students with a range of complimentary qualifications, mostly of a vocational, BTEC nature. However there is a disconnect between this and the progress that students make in the new era of performance measures and new specifications. The need to move to a more academic curriculum, with new 9-1 graded exam only specifications has been challenging but the Academy is making progress in this. The Academy sees this transition as its greatest challenge. There is new leadership in many of the areas that contribute to EBacc and Progress 8. Embedding and developing this leadership, and ensuring that teaching, learning and assessment meets the needs of the new GCSEs in these subjects so that our P8 scores are consistent across all elements is a key priority for the Academy.

In each of the last three year's outcomes at A level have been at least good – in 2019 the average A level grade was C. In 2017, our A level progress score was 'Average' and second only in the LA to the large, local specialist HE provider. Our Applied General progress was above average, with an average grade of 'Dist+'. 'Dist+' was also the overall grade for our technical level qualifications, both of which are better than national. With regards vocational qualifications, in 2019 OBA does not feature in the performance tables for these qualifications as an historic curriculum decision means the academy runs the 2010 qualifications. There is a clear rationale for the benefit of students for doing so.

ORMISTON BOLINGBROKE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

The school was graded as Requires Improvement overall in November 2017. All categories were grade 3, except for Personal Development, Behaviour and Wellbeing as a grade 2. We have made some progress since the last inspection with improvements in the effectiveness of the 16-19 programme. Outcomes in EBacc subjects mean that the academy still requires improvement.

Going concern

Ormiston Bolingbroke Academy Trust is no longer a going concern. The academy will be transferring to Ormiston Academies Trust following the year end and the trust will then dissolve as soon as practically possible. Whilst these financial statements are, therefore, prepared on the basis that the Trust is not a going concern, this has had no significant impact on the financial statements.

Financial review

a. Principal funding

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015) such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

b. Financial review

During the year ended 31 August 2019, revenue expenditure was £7,457,000 compared to income of £7,156,000 by recurrent grant funding from the DfE and other incoming resources. Income for the year (excluding restricted fixed asset funds) was lower than expenditure by £301,000, £155,000 of which is due to notional LGPS charge.

At 31 August 2019 the net book value of tangible fixed assets was £12,993,000 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Expenditure in the Academy is budgeted in conjunction with the Academy's development plan to ensure that all expenditure is aligned with the key objectives of the Academy.

c. Reserves policy

The Academy held fund balances at 31 August 2019 of £11,960,000 comprising £11,645,000 of restricted funds and £315,000 of unrestricted funds. £13,001,000 relates to donations of land and buildings and grant funded improvement works. These reserves will be reduced in accordance with the depreciation policy for the assets transferred. The pension deficit is 1,356,000 at 31 August 2019.

The Trustees have reviewed the reserves of the Academy. This review encompassed the nature of income and expenditure streams, the need to match them with commitments and the nature of reserves. The academy trust aims to retain reserves at a minimum level of 3% of income. The level of reserves will be kept under review by the Trustees.

d. Principal risks and uncertainties

The Trustees have a comprehensive risk management policy to identify, evaluate and manage risk. Risks are categorised into strategic risks and operational risks. Strategic risks include political, economic, social,

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TRUSTEES' REPORT (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

technological, legal, environmental, competitive and customer. Managing these risks is a core responsibility of the senior leadership team in liaison with Trustees. Operational risks include professional, financial, legal, physical, contractual and technological. Risks are assessed in terms of impact and likelihood and risk control measures are identified and assigned to an appropriate member of staff. Principal risks identified are those involving fire risk assessments, recruitment procedures, financial planning and procedures, the school development plan, loss of IT equipment and systems and exam results.

e. Fundraising

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

f. Investment policy

Investments will only be made that are consistent with the Academy's charitable status and in line with policies that have been approved by the governing body. During the year cash investments were held in interest bearing deposit accounts with Santander UK Plc.

g. Financial and Risk Management Objectives and Policies

The defined benefit pension scheme liability is £1,356,000 at 31 August 2019 (2018: £400,000).

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.

The Academy uses a variety of financial instruments, including cash and items such as trade debtors and trade creditors that arise directly from day to day activities. The main purpose of these financial instruments is to ensure liquidity for the Academy's operations.

Plans for the future

a. Plans for future periods

The Academy will continue to strive to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher education or training once they leave. The Academy will also increase its recruitment up to the maximum capacity, accepting transfers from other schools and colleges where possible.

Post year end, the decision was taken that the academy would be transferring to Ormiston Academies Trust.

AUDITOR

ORMISTON BOLINGBROKE ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditors

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 is approved by order 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 10 December 2019 and signed on its behalf by:



R Pritchard
Chair of Trustees

ORMISTON BOLINGBROKE ACADEMY TRUST

GOVERNANCE STATEMENT

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ormiston Bolingbroke Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' responsibilities statement. The trustees met formally 3 times during the year. Attendance during the year at meetings of the trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Cunliffe, Chair	3	3
S Crane	3	3
K Farrow	2	3
P Healey	3	3
C Heffernan	2	3
F Hulse	2	2
M Lloyd-Jones	0	0
J Miller	2	3
R Pritchard	2	3
K Reid, Staff Trustee	0	3
E Wright, Principal	3	3

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to consider the Academy's budget and funding for the year, to monitor and review expenditure, to review financial procedures and to instruct and receive internal audit reports on a regular basis.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Cunliffe	3	3
P Healey	1	2
F Hulse	1	1
J Miller	2	3
E Wright	3	3

ORMISTON BOLINGBROKE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Improving educational outcomes

The exam results for the 18/19 academic year once again showed some increase but the Basics of English and Maths need to improve.

The academy has reviewed its staffing structure and has directed resource to areas of the curriculum requiring additional support. The differing needs of pupils are constantly reviewed, and one to one support is provided to pupils when required.

The academy runs an award-winning Saturday Academy that provides opportunities for primary students to attend a variety of workshops and induction activities. Many of the local primary schools spend taster days at the academy and have taken part in English, Maths, Spanish, Enterprise, ICT. These days have been a massive success and the academy will continue to provide this high quality transition programme. The academy also ran a successful summer school during 2019.

There is a vast and diverse after-school Enrichment programme for all students in place which features a plethora of sporting, academic, vocational and leisure activities. The Academy's staff lead these sessions, with external providers also contributing.

Financial governance and oversight

Monthly reports of spend compared to budget are reviewed and action is taken if any issues are identified. The outlook for the year is also revisited on a monthly basis and monitored against budget. Trustees receive income and expenditure with commentary, an update to the forecast, balance sheet and cash flow forecast at least six times during the year.

The Finance and General Purpose Committee review termly financial reports and monitor spend against budget and forecast outcomes for the year. Trustees approve the annual budget and longer term plans and are mindful of the need to balance expenditure against income. The trustees meet three times per year, but maintain financial oversight by receiving reports six times, and by the additional finance committee meetings.

The scheme of delegation for approval limits for purchases and tenders is reviewed annually by the Finance and General Purpose Committee.

Departmental budgetary control is achieved through electronic purchase ordering so that budget holders are able to constantly review spend against budget. Purchase order approval limits are also enforced by this system.

During the 2018/19 financial year internal audit duties were provided by the services of Mazars LLP who review key internal financial controls, policies and procedures and report to the Trustees of the academy.

Services and contracts are regularly reviewed to ensure that value for money is being achieved. Three quotes are obtained for all significant purchases that are below the tender limit. The "Every" system is used to help facilitate these quotes where possible, and this has been particularly useful in sourcing IT equipment, leading to savings to the Academy. The academy is a member of a purchasing consortium to help ensure that quality and value for money is achieved on purchases. This has enabled savings to be made on a number of different

ORMISTON BOLINGBROKE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

purchases. The academy also benefits from economies of scale from services negotiated by the Ormiston Academies Trust. Benchmarking reports have been compiled and are reviewed to identify areas where there are potential savings. The academy volunteered to have a visit from a school's resource management advisor during the year. No possible savings were identified during 19/20. Recommendations for future years will be reviewed by trustees to determine which should

Staffing levels are constantly reviewed to ensure that curriculum needs are matched and to monitor against budgeted expenditure.

Opportunities for generating income are constantly explored to maximise future revenue streams.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Ormiston Bolingbroke Academy Trust throughout the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has appointed Mazars LLP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, Mazars LLP report to the board of trustees, through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

ORMISTON BOLINGBROKE ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

The internal auditor has delivered their schedule of work as planned. No material control issues were identified as a result of the internal auditor's work.

Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10 December 2019 and signed on their behalf, by:



R Pritchard
Chair of Trustees



T Rawdin
Accounting Officer

ORMISTON BOLINGBROKE ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

As Accounting Officer of Ormiston Bolingbroke Academy Trust, I have considered my responsibility to notify the Academy's Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy's Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook for Education 2018.

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



T Rawdin
Accounting Officer
10 December 2019

ORMISTON BOLINGBROKE ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who act as governors of Ormiston Bolingbroke Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 10 December 2019 and signed on its behalf by:



R Pritchard
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORMISTON BOLINGBROKE ACADEMY TRUST

Opinion on financial statements

We have audited the financial statements of Ormiston Bolingbroke Academy Trust (the "academy trust") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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, 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), and the Academies: Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Emphasis of matter - non-going concern basis of accounting

We draw attention to note 1 in the financial statements on page 24 which describes the basis of preparation of the financial statements on a non-going basis. As described in note 1, the decision has been taken that the school within the trust will transfer to Ormiston Academies Trust and the trust subsequently cease to trade. Consequently, the financial statements have been prepared on a basis other than that of a going concern. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matter 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 Trustee's Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORMISTON BOLINGBROKE ACADEMY TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 16, the trustees (who act as trustees for the charitable activities of the charitable company 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 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 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 located 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

Date: 19 Feb 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORMISTON BOLINGBROKE ACADEMY TRUST

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 25 August 2018 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2018 to 2019, to obtain limited assurance about whether the expenditure disbursed and income received by Ormiston Bolingbroke Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2018 to 2019 Part 9: Regularity Reporting. We are independent of Ormiston Bolingbroke Academy Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Ormiston Bolingbroke Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of Ormiston Bolingbroke Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Ormiston Bolingbroke Academy Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from and are less in extent than for a reasonable assurance engagement; consequently, a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2018 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2018 to 2019.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORMISTON BOLINGBROKE ACADEMY TRUST

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

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



RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point, Temple Row,
Birmingham, West Midlands, B2 5AF

19 October 2019

ORMISTON BOLINGBROKE ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	3	-	20	69	89	332
Charitable activities:						
Funding for the academy trust's educational operations	4	237	6,866	-	7,103	7,186
Other trading activities	5	32	-	-	32	93
Investments	6	1	-	-	1	2
Total		270	6,886	69	7,225	7,613
Expenditure on:						
Raising funds	7	2	-	-	2	20
Charitable activities:						
Academy trust educational operations	8	404	7,051	708	8,163	8,068
Total		406	7,051	708	8,165	8,088
Net expenditure		(136)	(165)	(639)	(940)	(475)
Transfers between funds	18	(359)	-	359	-	-
Other recognised gains / (losses):						
Remeasurement of net defined benefit obligations	18,26	-	(801)	-	(801)	308
Net movement in funds		(495)	(966)	(280)	(1,741)	(167)
Reconciliation of funds						
Total funds brought forward		810	(390)	13,281	13,701	13,868
Total funds carried forward		315	(1,356)	13,001	11,960	13,701

BALANCE SHEET FOR THE YEAR ENDED 31 AUGUST 2019

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Intangible assets	12				
Tangible assets	13		12,991		13,102
Current assets					
Stock	14	5		5	
Debtors	15	190		570	
Cash at bank and in hand		366		987	
		<u>561</u>		<u>1,562</u>	
Current Liabilities					
Creditors: Amounts falling due within one year	16	(236)		(563)	
Net current assets			<u>325</u>	<u>999</u>	
Total assets less current liabilities			<u>13,316</u>	<u>14,101</u>	
Net assets excluding pension liability			<u>13,316</u>	<u>14,101</u>	
Defined benefit pension scheme liability	26		(1,356)		(400)
Net assets			<u>11,960</u>	<u>13,701</u>	
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	18	13,001		13,281	
Restricted income fund	18	-		10	
Pension reserve	18	(1,356)		(400)	
Total restricted funds			<u>11,645</u>	<u>12,891</u>	
Unrestricted income funds	18		<u>315</u>		<u>810</u>
Total funds			<u>11,960</u>	<u>13,701</u>	

The financial statements on pages 21 to 44 were approved by the trustees, and authorised for issue on 10 December 2019 and are signed on their behalf by:



R Pritchard
Chair of Trustees

ORMISTON BOLINGBROKE ACADEMY TRUST

STATEMENT OF CASH FLOWS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	21	(94)	(113)
Cash flows used in investing activities	23	(527)	(6)
Cash flows from financing activities	22	-	-
Net decrease in cash and cash equivalents in the reporting period		<u>(621)</u>	<u>(119)</u>
Cash and cash equivalents at 1 September		987	1,106
Cash and cash equivalents at the 31 August	24	<u>366</u>	<u>987</u>

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Statement of Accounting Policies

Ormiston Bolingbroke Academy Trust is a Charitable Company (the 'Academy Trust'). The address of the Trust's principal place of business is given on page 2. The nature of the Academy Trust's operations are set out in the Trustees' Report.

Basis of Preparation

The financial statements of the Academy Trust, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently, in dealing with items which are considered material in relation to the financial statements, to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

Ormiston Bolingbroke Academy Trust is no longer a going concern. The academy will be transferring to Ormiston Academies Trust following the year end and the trust will then dissolve as soon as practically possible. There have been no material adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting

Income

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

- **Grants**

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

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

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

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Intangible fixed assets

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

- Purchased computer software 20%-50%

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

Tangible fixed assets

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

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

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

- Long leasehold buildings	30 years
- Long leasehold land	over the life of the lease
- Fixtures, fittings and equipment	15%
- ICT hardware	20% to 50%
- Motor vehicles	15%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use, as reclassified to leasehold land and buildings.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Liabilities

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

Provisions

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

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

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

Leased assets

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

Stock

Unsold uniforms, catering and bus ticket stocks are valued at the lower of cost or net realisable value.

Taxation

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

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

Financial Instruments

The Academy Trust 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 Academy Trust 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), [except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding 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 arrangement 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.

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 flows expire or are settled, or substantially all the risks and 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.

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions 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 LGPS is a funded scheme and the assets are held separately. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting 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 liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as other comprehensive income.

Actuarial gains and losses are recognised immediately as other comprehensive income.

Fund accounting

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

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

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

Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension's liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. General annual grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2019.

3. Donations and capital grants

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019	Total 2018
	£000	£000	£000	£000	£000
Capital Grants	-	-	69	69	324
Donations	-	20	-	20	8
	<u>-</u>	<u>20</u>	<u>69</u>	<u>89</u>	<u>332</u>

The income from donations and capital grants in 2018 was £332,000 of which £324,000 was restricted fixed asset funds and £8,000 was restricted general funds.

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
DfE / EFA grants				
General Annual Grant (GAG)	-	6,024	6,024	6,293
Start Up Grants	-	-	-	26
Other DfE/EFA grants	-	796	796	585
	-	6,820	6,820	6,905
Other Government grants				
Local authority grants	-	38	38	35
	-	38	38	35
Other income	237	8	245	246
	237	6,866	7,103	7,186

The income from the Academy Trust's educational operations in 2018 was £7,186,000 all of which was restricted general funds.

5. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Uniform sales	1	-	1	34
Other income	14	-	14	40
Bus ticket sales	1	-	1	3
Hire of facilities	16	-	16	16
	32	-	32	93

Other trading income in 2018 was £93,000 of which all was unrestricted.

6. Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	1	-	1	2
	1	-	1	2

Investment income in 2018 was £2,000 of which all was unrestricted.

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

7. Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2019 £000	Total 2018 £000
Expenditure on raising funds	-	-	2	2	20
Academy's educational operations:					
. Direct costs	4,747	-	633	5,380	5,274
. Allocated support costs	944	428	1,411	2,783	2,794
	<u>5,691</u>	<u>428</u>	<u>2,046</u>	<u>8,165</u>	<u>8,088</u>

Expenditure on raising funds was £2,000 (2018 - £20,000) of which £2,000 (2018 - £20,000) was unrestricted.

Net income/(expenditure) for the period includes:

	2019 £000	2018 £000
Depreciation	708	776
Net interest on defined benefit pension liability (note 26)	13	15
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)	-	2
Fees payable to auditor for:		
- audit	13	13
- other services	-	-

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

8. Charitable activities

	Total 2019 £000	Total 2018 £000
Direct costs – educational operations	5,380	5,274
Support costs – educational operations	2,783	2,794
	8,163	8,068

Analysis of support costs

	Total 2019 £000	Total 2018 £000
Support staff costs	944	910
Depreciation	708	776
Technology costs	72	75
Premises costs	428	434
Other support costs	484	446
Governance costs	147	153
Total support costs	2,783	2,794

Analysis of direct costs

	Total 2019 £000	Total 2018 £000
Teaching and educational support costs	4,747	4,525
Educational supplies	259	293
Examination fees	130	167
Staff development	24	21
External provision of education	220	268
Total direct costs	5,380	5,274

Expenditure on charitable activities was £8,163,000 (2018 - £8,068,000) of which £708,000 (2018 - £776,000) was restricted fixed asset funds and £7,051,000 (2018 - £7,292,000) was restricted general funds.

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

9. Staff costs

a. Staff costs

Staff costs during the period were:

	Total 2019 £000	Total 2018 £000
Wages and salaries	4,318	4,197
Social security costs	402	387
Operating costs of defined benefit pension schemes	784	761
Apprenticeship Levy	7	6
Total staff costs	5,511	5,351
Supply staff costs	122	84
Staff restructuring costs	27	-
	5,660	5,435

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2018: £nil).

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	81	91
Administration and support	91	82
Management	12	9
	184	182

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

9. Staff costs (continued)

d Higher paid staff

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

	2019 No.	2018 No.
£90,000 - £100,000	1	1

e Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the academy trust was £788,000 (2018: £636,000).

10. Trustees' remuneration and expenses

During the year 3 (2018: 3) trustees were paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only received remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. Other trustees were not paid any remuneration nor received any other benefits from employment with the Academy Trust.

The value of trustees' remuneration and other benefits was as follows:

E Wright (principal) received remuneration of £96,763 in 2019 (2018: £95,333) and pension contributions paid by the Academy Trust in the year of £15,947 (2018: £15,711).

K Reid (staff trustee) received remuneration of £43,673 in 2019 (2018: £40,257) and pension contributions paid by the Academy Trust in the year of £7,278 (2018 - £7,021).

S Crane (staff trustee) received remuneration of £19,845 in 2019 (2018: £18,384).

During the period ended 31 August 2019, travel and subsistence expenses totalling £142 were reimbursed or paid directly to 1 trustee (2018: £908 to 2 trustees).

Other related party transactions are set out in Note 27.

11. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

12. Intangible fixed assets

	Computer Software £000	Total £000
Cost		
At 1 September 2018	35	35
Additions	-	-
Disposals	-	-
At 31 August 2019	<u>35</u>	<u>35</u>
Amortisation		
At 1 September 2018	35	35
Charged in year	-	-
Disposals	-	-
At 31 August 2019	<u>35</u>	<u>35</u>
Carrying amount		
At 31 August 2018	-	-
At 31 August 2019	<u>-</u>	<u>-</u>

13. Tangible fixed assets

	Leasehold Land and Buildings £000	Assets under construction £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost						
At 1 September 2018	15,060	276	1,351	1,213	80	17,980
Additions	469	-	83	45	-	597
Transfers	276	(276)	-	-	-	-
Disposals	-	-	-	(20)	-	(20)
At 31 August 2019	<u>15,805</u>	<u>-</u>	<u>1,434</u>	<u>1,238</u>	<u>80</u>	<u>18,557</u>
Depreciation						
At 1 September 2018	2,695	-	1,007	1,112	64	4,878
Charged in year	501	-	146	53	8	708
Disposals	-	-	-	(20)	-	(20)
At 31 August 2019	<u>3,196</u>	<u>-</u>	<u>1,153</u>	<u>1,145</u>	<u>72</u>	<u>5,566</u>
Net book values						
At 31 August 2018	<u>12,365</u>	<u>276</u>	<u>344</u>	<u>101</u>	<u>16</u>	<u>13,102</u>
At 31 August 2019	<u>12,609</u>	<u>-</u>	<u>281</u>	<u>93</u>	<u>8</u>	<u>12,991</u>

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

14. Stock

	2019	2018
	£000	£000
Catering	5	5
	<u>5</u>	<u>5</u>

15. Debtors

	2019	2018
	£000	£000
Trade debtors	19	31
VAT recoverable	24	70
Prepayments and accrued income	147	469
	<u>190</u>	<u>570</u>

16. Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	80	172
Other creditors	1	3
Accruals and deferred income	155	388
	<u>236</u>	<u>563</u>

Deferred income

	2019	2018
	£000	£000
Deferred income at 1 September 2018	16	20
Released from previous years	(16)	(20)
Resources deferred in the year	8	16
Deferred income at 31 August 2019	<u>8</u>	<u>16</u>

Deferred income in the year relates to dinner money balances at year end and surplus bursary funding carried forward.

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

17. Financial Instruments

The Academy Trust has the following financial instruments summarised by category below:

	2019 £000	2018 £000
Financial assets		
Debt instruments measured at amortised cost	102	31
	<u>102</u>	<u>31</u>
Financial liabilities		
Financial liabilities measured at amortised cost	229	376
	<u>229</u>	<u>376</u>

18. Funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	10	6,024	(6,034)	-	-
Pupil Premium	-	472	(472)	-	-
Other grants	-	390	(390)	-	-
Pension reserve	(400)	-	(155)	(801)	(1,356)
	<u>(390)</u>	<u>6,886</u>	<u>(7,051)</u>	<u>(801)</u>	<u>(1,356)</u>
Restricted fixed asset funds					
Transfer on conversion	11,439	-	(708)	-	10,731
DfE/ESFA capital grants	440	69	-	-	509
Capital expenditure from unrestricted funds	1,402	-	-	359	1,761
	<u>13,281</u>	<u>69</u>	<u>(708)</u>	<u>359</u>	<u>13,001</u>
Total restricted funds	<u>12,891</u>	<u>6,955</u>	<u>(7,759)</u>	<u>(442)</u>	<u>11,645</u>
Total unrestricted funds	<u>810</u>	<u>270</u>	<u>(406)</u>	<u>(359)</u>	<u>315</u>
Total funds	<u>13,701</u>	<u>7,225</u>	<u>(8,165)</u>	<u>(801)</u>	<u>11,960</u>

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

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

19. Analysis of net assets between funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	12,991	12,991
Current assets	315	236	10	561
Current liabilities	-	(236)	-	(236)
Pension scheme liability	-	(1,356)	-	(1,356)
Total net assets at 31 August 2019	315	(1,356)	13,001	11,960

Analysis of net assets between funds – prior year:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	13,102	13,102
Current assets	814	400	348	1,562
Current liabilities	(4)	(390)	(169)	(563)
Pension scheme liability	-	(400)	-	(400)
Total net assets at 31 August 2018	810	(390)	13,281	13,701

20. Commitments under operating leases

Operating leases

At 31 August 2019 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	-	-
Amounts due between one and five years	-	-
Amounts due after five years	-	-
	<u>-</u>	<u>-</u>

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

21. Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2019	2018
	£000	£000
Net expenditure for the reporting period (as per the statement of financial activities)	(940)	(475)
Adjusted for:		
Amortisation (note 12)	-	2
Depreciation charges (note 13)	708	776
Capital grants from DfE and other capital income	(69)	(324)
Interest receivable (note 6)	(1)	(2)
Defined benefit pension scheme cost less contributions payable (note 26)	142	138
Defined benefit pension scheme finance cost (note 26)	13	15
Operating cash flows before movement in working capital	<u>(147)</u>	<u>129</u>
Decrease in stocks	-	16
Decrease / (increase) in debtors	380	(361)
(Decrease) / increase in creditors	(327)	103
Net cash (used in) / provided by Operating Activities	<u>(94)</u>	<u>(113)</u>

22. Cash flow from financing activities

	2019	2018
	£000	£000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	<u>-</u>	<u>-</u>

23. Cash flow from investing activities

	2019	2018
	£000	£000
Interest from investments	1	2
Purchase of tangible fixed assets	(597)	(332)
Capital grants from DfE/EFA	69	324
Net cash used in investing activities	<u>(527)</u>	<u>(6)</u>

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

24. Analysis cash and equivalents

	At 31 August 2019 £000	At 31 August 2018 £000
Cash in hand and at bank	366	987
Total cash and cash equivalents	366	987

25. Member's liability

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

26. Pension and similar obligations

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' pensions scheme

Introduction

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

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

26. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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 in April 2019. The key elements of the valuation and subsequent consultation are:

- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service of £218 billion;
- Value of notional assets (estimated future contributions together with 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% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/2019). DfE has agreed to pay a teachers pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The pension costs paid to TPS in the period amounted to £478,000 (2018 £484,000).

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 Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2019 was £215,000 (2018: £181,000), of which employer's contributions totalled £164,000 (2018: £139,000) and employees' contributions totalled £51,000 (2018: £42,000). The agreed contribution rates for future years are 19.2 per cent for employers and 5.5-12.5 per cent for employees.

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

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

26. Pension and similar obligations (continued)

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified actuary.

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	2.60%	2.70%
Rate of increase for pensions in payment/inflation	2.30%	2.40%
Discount rate for scheme liabilities	1.80%	2.50%
Inflation assumption (CPI)	2.30%	2.40%
Commutation of pensions to lump sums	50.00%	50.00%

The assumed life expectations on retirement age 65 are:

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	22.3	22.3
Females	24.5	24.5
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.5	26.5

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equity instruments	1,584	1,571
Debt instruments	1,804	1,379
Property	295	257
Total fair value of assets	3,683	3,207

The actual return on scheme assets was £184,000 (2018: £115,000).

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

26. Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2019	2018
	£000	£000
Current service cost (net of employee contributions)	(293)	(277)
Net interest cost	(13)	(15)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(13)	-
Total operating charge	(319)	(292)

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

	2019	2018
	£'000	£'000
At 1 September	3,607	3,524
Current service cost	293	277
Past service cost	13	-
Interest cost	105	91
Employee contributions	51	42
Actuarial loss/(gain)	1,024	(275)
Benefits paid	(54)	(52)
At 31 August	5,039	3,607

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

	2019	2018
	£'000	£'000
At 1 September	3,207	2,969
Interest income	92	76
Return on plan assets (excluding net interest on the net defined pension liability)	223	33
Employer contributions	164	139
Employee contributions	51	42
Benefits paid	(54)	(52)
At 31 August	3,683	3,207

ORMISTON BOLINGBROKE ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

27. Related party transactions

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

The charitable company is related to Ormiston Academies Trust by virtue of common sponsor, The Ormiston Trust.

During the year Ormiston Bolingbroke Academy received services amounting to £458,000 (2018: £152,000) from Ormiston Academies Trust. The Academy received income of £23,000 (2018: £5,000) from Ormiston Academies Trust. Donations include £nil (2018: £307,500 from Ormiston Academies Trust relating to 50% funding of building expansion project. Accruals include £nil (2018: £307,500 due to Ormiston Academies Trust for 50% contribution to the building expansion project.

At the year-end there was £nil (2018: £2,000) owed by Ormiston Academies Trust to the Academy, and £nil (2018: £28,000) owed by the Academy to Ormiston Academies Trust.

Key management personnel compensation disclosure is included in note 9.

28. Capital commitments

	2019	2018
	£000	£000
Contracted for, but not provided in the financial statements	-	-

29. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the trust received £71,000 and disbursed £68,000 from the fund. An amount of £4,000 is included in other creditors relating to undistributed funds that are to be used in the following year or repayable to the ESFA.

30. Events after the end of the reporting period

On 24 September 2019 it was decided that the academy trust would transfer to Ormiston Academies Trust. Following the transfer, Ormiston Bolingbroke Academy Trust will become dormant and will be liquidated at a later date.