

Registration Number 6995649 (England and Wales)

Charity Registration Number 1132771

OUTWOOD GRANGE ACADEMIES TRUST

(A Company Limited by Guarantee)

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2010

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OUTWOOD GRANGE ACADEMIES TRUST

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OUTWOOD GRANGE ACADEMIES TRUST

ADMINISTRATIVE AND LEGAL INFORMATION

Directors (who are also Trustees)	J Walkden (Chairman – Appointed 19 August 2009) M Wilkins (Appointed 19 August 2009) D Beech (Appointed 15 September 2009) R Harden (Appointed 15 September 2009) P Watson (Appointed 15 September 2009)
Secretary	J R Hall (Appointed 19 August 2009 - Resigned 11 March 2010) C L Jones (Appointed 11 March 2010)
Senior staff	Chief Executive and Academy Principal – M Wilkins Principal Outwood Grange – J Slater Principal Adwick – A Seneviratne Director of Finance – J Beevers
Registered Office	Potovens Lane Outwood Wakefield West Yorkshire WF1 2PF
Bankers	HSBC 66 Westgate Wakefield West Yorkshire WF1 1XB
Auditors	Saffery Champness Sovereign House 6 Windsor Court Clarence Drive Harrogate North Yorkshire HG1 2PE
Solicitors	Addleshaw Goddard Sovereign House Sovereign Street Leeds LS1 1HQ
Charity Registration Number	1132771
Company Registration Number	6995649

OUTWOOD GRANGE ACADEMIES TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2010

INTRODUCTION

The Directors have pleasure in presenting their report and audited financial statements of the charitable company for the year ended 31 August 2010. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies on pages 19 to 21 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee with no share capital (registration no 6995649) and a registered charity (registration no 1132771) which was established on 19 August 2009. It was established to advance education in the UK for the public benefit, in particular by establishing, maintaining, carrying on, managing and developing Outwood Grange Academy and Outwood Academy Adwick and any other academies subsequently added to the chain in pursuance of these aims. Outwood Grange Academy and Outwood Academy Adwick operate in place of Outwood Grange College and North Doncaster Technology College respectively, which both ceased to exist as maintained schools on 31 August 2009.

Members' Liability

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

Directors

The Directors are Directors of the company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

Directors are subject to retirement by rotation every four years, save that this time limit shall not apply to either the Academy Principal or the Principal Sponsor. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

The Directors who were in office at 31 August 2010 and served throughout the year are listed on page 1.

During the year under review the Directors held 13 meetings. The training and induction provided for new Directors will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Directors will be given a tour of both Academies and the chance to meet with staff and students. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will

OUTWOOD GRANGE ACADEMIES TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2010

need to undertake their role as Directors

Related parties

During the year the Trust made the following recharges to Outwood Grange Consultancy Company Limited, a company under common management

Recharges of teaching salaries - £543,000 and recharges of support costs - £41,000

At the year end a balance of £208,000 was due from Outwood Grange Consultancy Company, which is included in year end debtors

During the year the Trust made the following recharges to Outwood Sports and Leisure Company Limited, a company under common management

Recharges of support costs - £1,400

Statement of trustees' responsibilities

The trustees (who are also directors of Outwood Grange Academies Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 charity will continue in business

The trustees are responsible for keeping proper accounting records that 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

OUTWOOD GRANGE ACADEMIES TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2010

Statement on Disclosure of Information to the Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that,

In so far as the directors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Organisational Structure

The management structure consists of three levels: the Board of Directors, the Local Governing Bodies and the Senior Leadership Teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust by the use of results and budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The local governing bodies act as advisory bodies to the OGAT Board.

The senior leaders are the Chief Executive, the Principals, Vice Principals, Associate Vice Principals, Assistant Principals, Associate Assistant Principals, Operations Director, Director of Executive Services, Director of Human Resources, Director of Examinations and Qualifications, Director of Attendance and Student Support, Director of Post 16 Learning, Director of Training School, Director of Finance and Business Manager. These managers control the individual academies at an executive level implementing the policies laid down by the Directors and reporting back to them. As a group the senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Leadership Team always contain a Director.

Risk Management

The Directors have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust, and its finances. The key risks have been determined as

- Health and safety issues – A student, employee or volunteer is injured at work
- Recruitment risk – recruiting someone unsuitable to work with children
- Legal risks – for example, risk that legislative requirements such as the Child Protection Act are not complied with
- Financial risks – uncertainty regarding future government funding streams

The Directors have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and

OUTWOOD GRANGE ACADEMIES TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2010

in relation to the control of finance. They have introduced new systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

Statement on the system of internal financial control

As Directors, we acknowledge we have overall responsibility for ensuring that Outwood Grange Academies Trust has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that -

- The Trust is operating efficiently and effectively,
- Its assets are safeguarded against unauthorised use or disposition,
- The proper records are maintained and financial information used within the Trust or for publication is reliable,
- The Trust complies with relevant laws and regulations.

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors,
- Regular reviews by the OGAT Board 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.

In addition, the Directors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Trust it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have

- Set policies on internal controls which cover the following

OUTWOOD GRANGE ACADEMIES TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2010

- The type of risks the Trust faces,
 - The level of risks which they regard as acceptable,
 - The likelihood of the risks materialising,
 - The Trust's ability to reduce the incidence and impact on the Trust's operations of risks that do not materialise,
 - The costs of operating particular controls relative to the benefit obtained,
- Clarified the responsibility of the Senior Leadership Team to implement the Directors' policies and to identify and evaluate risks for the Directors' consideration,
- Explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives,
- Embedded the control system in the Trust's operations so that it becomes part of the culture of the Trust,
- Developed systems to respond quickly to evolving risks arising from factors within the Trust and to changes in the external environment, and
- Included procedures for reporting failings immediately to appropriate levels of management and the Directors' together with details of corrective action being undertaken

The Directors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. The RO's role includes giving advice on financial matters and performing a range of checks on each academy's financial system. The RO is supposed to report to the Directors on the operation of the systems of control and on the discharge of the Trust Board's financial responsibilities. The Directors are now putting in place alternative arrangements and testing will take place on transactions in 2009/10 as part of this.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

OUTWOOD GRANGE ACADEMIES TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2010

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The principal object and activity of the charitable company is to advance education in the UK for the public benefit, in particular by establishing, maintaining, carrying on, managing and developing its *academies, offering a broad curriculum with a strong emphasis on the specified specialisms of those academies*. In setting our objectives and planning our activities the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

The main objectives of the Trust during the year ended 31 August 2010 are summarised below

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- To raise the standard of educational achievements of all pupils,
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review,
- To provide value for money for the funds expended,
- To comply with all appropriate statutory and curriculum requirements,
- To maintain close links with industry and commerce, and
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness

Strategies and activities

The vision for OGAT is to put 'Students First' and achieve world class status. This applies to all aspects of the organisation and at every level. The academies place students at the centre of everything they do, with a focus on maintaining a culture of success, a positive climate for learning, and student attainment, achievement and social and emotional development. In raising standards for its own students the Trust contributes to the raising of educational standards and achievement generally across our academies through the mutual sharing of knowledge, expertise and resources from across the education, business, industry and voluntary sectors of Wakefield and Doncaster and the wider regional, national and global communities.

The Trust will continue to develop its DNA in its academies through a 'seven strand' approach encompassing Leadership with Vision and Efficacy, Quality in the Classroom, Curriculum Design, Monitoring and Intervention, Systems & Policies, Targeted Professional Development and Praise Culture.

The whole purpose of schools is that children come first and everything that is done must reflect this single goal. The Trust's mantra is an all-encompassing 'Students First'. It is an absolute priority that every student, irrespective of their starting point, succeeds and achieves. In order to do this, a high

OUTWOOD GRANGE ACADEMIES TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2010

quality educational experience is an entitlement for every student at the academies, with all parties – students, staff, parents/carers and the wider community working together to achieve these goals for young people within the communities of Outwood and Adwick. Students with special needs are fully included and benefit from the focus on personalised learning and individual plans

The Trust Board's whole purpose is to raise standards for all students by sustaining and enhancing performance and to develop the whole child, whilst at the same time engaging and collaborating with other schools to help improve the life chances of all young people, locally, nationally and globally

Equal opportunities policy

The Directors recognise that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued

Disabled persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of both academies. The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment, by making support resources available and through training and career development

ACHIEVEMENTS AND PERFORMANCE

The Trust is in its first year of operation with both academies opening on 1 September 2009. Total students in the year ended 31 August 2010 were as follows

- Outwood Grange Academy
 - Years 7-11 - 1,791
 - Years 12-13 - 387
- Outwood Academy Adwick
 - Years 7-11 - 1,030
 - Years 12-13 - 178

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2010

The examination results for the 2009/10 academic year are summarised as follows

2010 GCSE Results

	Outwood Grange	Adwick
5+ A*-C All subjects	98% (94% 8+ A* - C)	98%
5+ A*-C Inc English and Maths	71%	46%
5+ A*-G All subjects	99%	98%
1+ A*-G All subjects	100%	100%

Post 16 Results

The average UCAS points achieved per candidate was 744.9 at Outwood Grange and 487.2 at Adwick

Attendance

Outwood Grange achieved an attendance level of 93.2% and unauthorised absence was 4.4%. At Adwick the attendance level was 89.4% and unauthorised absence was 5.6%.

Public benefit

The Trust considered the Charity Commission's guidance on Public Benefit. The main public benefit delivered by the Trust is the provision of a high quality of education to its students. This has been evidenced through the results achieved and feedback from external assessments.

In summer 2010 SIP/NCA made a third visit to Outwood Grange. The SIP made the following comments in their report:

"The self-avowed journey of Outwood Grange Academy to becoming 'world class' has taken another step in that direction this year. In June 2010 the Executive Principal was presented by the Secretary of State for Education with the National College Recognition Award for Outstanding Contribution to System Leadership."

"The Academy has gone from strength to strength this year, propelled by the exceptionally strong sense of common purpose that is embedded at all levels of leadership and management."

"By any measure, Outwood Grange is an outstanding academy, but what singles it out is the conspicuous collective will to strive constantly to be even better."

Outwood Grange has high performing status and Ofsted described us as Outstanding in every category in November 2006. A further Ofsted review is expected in 2011.

At Adwick the NCA inspection identified that the Academy is making good progress towards exceeding the National Challenge floor target. At the National Challenge Academies Board meeting in November 2009, Adwick was correctly identified as low risk, since the package of support

OUTWOOD GRANGE ACADEMIES TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2010

provided by the Outwood Grange family of schools is robust, comprehensive and highly effective

The Trust is mindful of its community responsibility and promotes high levels of participation from the local communities in its areas of specialism, such as technology and arts. The Trust also plays its part in supporting the local authorities with their priorities in the Children and Young People's Plan. The Academies aim to be a centre for the community and encourage use of their facilities by the local community throughout the day and at weekends.

FINANCIAL REVIEW

Financial report for the year

Most of the Trust's income is obtained from the Department for Education (DfE) (formerly the Department for Children, Schools and Families (DCSF)) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2010 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2010, total expenditure of £18.2m was more than covered by recurrent grant funding from the DfE together with other incoming resources. The surplus of income over expenditure for the year (excluding restricted fixed asset funds) was £7.5m.

At 31 August 2010 the net book value of fixed assets was £17.8m and movements in tangible fixed assets are shown in note 11 to the financial statements. The value of fixed assets includes the assets that were "donated" by Wakefield MDC and Doncaster MBC as part of the transfer agreements on the following basis:

- The freehold land and buildings at Outwood Grange are occupied under a 125 year lease from the local authority. Consequently these assets are included in balance sheet at value of £16.8m together with fixtures, fittings, furniture and equipment valued at £143k.
- At Adwick the land and buildings are occupied under a short lease (6 years) and as such the assets have remained in the balance sheet of the local authority and are not included in the OGAT balance sheet. The local authority did donate furniture and equipment to the value of £138k and this is included in the balance sheet.

The assets were used exclusively for providing education and the associated support services to the pupils of both academies.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in

OUTWOOD GRANGE ACADEMIES TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2010

accordance with the provisions of FRS 17

Reserves policy and financial position

Reserves policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Under DfE guidelines, each Academy is allowed to carry forward up to 12% of the General Annual Grant (GAG) received in the year. For Outwood Grange this is £1.342m and for Adwick £0.8m. However, following discussions with the Young Peoples Learning Agency regarding the planned capital investment at Outwood Grange over the next five years they have given permission for 19.7% of the GAG allocation to be carried forward (£2.204m). For Adwick approval was given for 21.3% of the GAG allocation to be carried forward (£1.420m).

Financial position

The Trust held fund balances at 31 August 2010 of £22.1m comprising £1.9m of unrestricted funds, £18.1m of restricted fixed asset funds and £2.1m of restricted general funds net against a pension reserve deficit of £1.8m.

PLANS FOR FUTURE PERIODS

As a major sponsor of academies, OGAT will continue to develop its chain of academies in order to continue to support children from challenging backgrounds. We aim to provide the highest educational opportunities for all children as well as providing professional development for all teaching and support staff so that our academies continue to be self-developing and self-supporting in the future.

Capacity building in advance of need is a big part of our drive, our willingness to engage with outside partners and with new and innovative practices will help us to continue to secure the high levels of success already achieved.

AUDITORS

Saffery Champness were appointed as auditor to the Trust on 5 August 2010 and have expressed their willingness to remain in office.

OUTWOOD GRANGE ACADEMIES TRUST

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 2010

APPROVAL

The report of the Board was approved on 22 December 2010 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'J Walkden', with a stylized flourish at the end.

J Walkden
Chairman

OUTWOOD GRANGE ACADEMIES TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OUTWOOD GRANGE ACADEMIES TRUST FOR THE YEAR ENDED 31 AUGUST 2010

We have audited the financial statements on pages 15 to 37. These financial statements have been prepared in accordance with the accounting policies set out therein.

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 company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and *United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)* and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with *United Kingdom Generally Accepted Accounting Practice*, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

OUTWOOD GRANGE ACADEMIES TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OUTWOOD GRANGE ACADEMIES TRUST FOR THE YEAR ENDED 31 AUGUST 2010

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's *circumstances, consistently applied and adequately disclosed*.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the *presentation of information in the financial statements*.

Opinion

In our opinion

- the financial statements give a true and fair view of the Trusts's state of affairs as at 31 August 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006,
- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department of Education and Skills in respect of the relevant financial year,
- proper accounting records have been kept by the Trust throughout the financial year,
- grants made by the Department for Education and Skills have been applied for the purposes intended, and
- the information given in the Directors' Report is consistent with the financial statements

Saffery Champness

Alison Robinson (Senior Statutory Auditor)

For and on behalf of

Saffery Champness

Chartered Accountants

Statutory Auditors

Harrogate Office

Sovereign House

6 Windsor Court

Clarence Drive

Harrogate

HG1 2PE

29th December 2010

OUTWOOD GRANGE ACADEMIES TRUST

INDEPENDENT AUDITORS' REPORT (continued) TO THE MEMBERS OF OUTWOOD GRANGE ACADEMIES TRUST FOR THE YEAR ENDED 31 AUGUST 2010

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Incoming resources					
Incoming resources from generated funds					
Voluntary Income	2	1,800	-	17,119	18,919
Activities for Generating Funds	3	1,499	-	32	1,531
Incoming resources from charitable activities					
Funding for the Trust's educational operations	4	-	21,219	612	21,831
Total Incoming Resources		3,299	21,219	17,763	42,281
Resources expended					
Charitable Activities					
Trust's educational operations	6	1,384	15,524	1,217	18,125
Governance costs	7	-	65	-	65
Total resources expended		1,384	15,589	1,217	18,190
Net incoming (outgoing) resources before transfers					
		1,915	5,630	16,546	24,091
Gross transfer between funds	15	-	(1,544)	1,544	-
Net incoming (outgoing) resources before other recognised gains and losses		1,915	4,086	18,090	24,091
Other recognised gains and losses					
Pensions deficits recognised from Wakefield Metropolitan District Council and Bradford Metropolitan District Council	20	-	(1,818)	-	(1,818)
Actuarial losses on defined benefit pension schemes	20	-	(184)	-	(184)
Net movement in funds		1,915	2,084	18,090	22,089
Funds brought forward at 1 September 2009					
		-	-	-	-
Funds carried forward at 31 August 2010		1,915	2,084	18,090	22,089

All incoming resources and resources expended are derived from continuing activities

OUTWOOD GRANGE ACADEMIES TRUST

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2010

		£000
Income	Note	
General Annual Grant (GAG)	1	17,855
DfE Capital grant	4	612
Other DfE grant	4	2,121
Other Government grants	4	1,243
Private sponsorship and donations	2	18,919
Other income	3	1,531
Total income		42,281
Expenditure	5	
General Annual Grant (GAG) related expenditure		13,116
Other DfE grant expenditure		1,609
Other grant expenditure		1,349
Depreciation		459
Other expenditure		1,657
Total expenditure		18,190
Excess of income over expenditure		24,091
Statement of Total Recognised Gains and Losses		
for the year ended 31st August 2010		
Excess of income over expenditure		24,091
Pensions deficits recognised from Wakefield Metropolitan District Council and Bradford Metropolitan District Council		(1,818)
Actuarial losses on defined benefit pension schemes	20	(184)
Total recognised gains and losses for the year		22,089
Net movement to funds		
Restricted funds		20,174
Unrestricted funds		1,915
		22,089

The income and expenditure account and statement of total recognised gains and losses are derived from the statement of financial activities on page 15 which, together with the notes to the financial statements on pages 19 to 37 provides full information on the movements during the year on all the funds of the Academy

All incoming resources and resources expended are derived from continuing activities

OUTWOOD GRANGE ACADEMIES TRUST

BALANCE SHEET AS AT 31 AUGUST 2010

		£000
Fixed Assets	Note	
Tangible Assets	11	17,817
		<u>17,817</u>
Current Assets		
Stock	12	6
Debtors	13	331
Cash at bank and in hand		7,749
		<u>8,086</u>
Current Liabilities		
Creditors - Amounts falling due within one year	14	(1,970)
		<u>6,116</u>
Net current assets		
		<u>23,933</u>
Total assets less current liabilities		
		<u>23,933</u>
Net assets excluding defined benefit pension scheme liability		
Defined benefit pension scheme liability	20	(1,844)
		<u>22,089</u>
Net assets including defined benefit pension liability		
		<u>22,089</u>
Funds		
Income funds		
Restricted funds		
Restricted fixed asset fund	15	18,090
Restricted general fund	15	3,928
Pension Reserve	20	(1,844)
		<u>20,174</u>
Unrestricted Funds		
General Fund		1,915
Total unrestricted funds		<u>1,915</u>
		<u>22,089</u>

The notes on pages 19 – 37 form part of these financial statements

Approved by the Board on 22 December 2010 and signed on its behalf by


J. Walkden Director

Company Registration No 6995649

OUTWOOD GRANGE ACADEMIES TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2010

Operating Activities	
Receipts	£000
Recurrent grants received from the DfE	
- General Annual Grant (GAG)	18,322
- Other Grants	2,304
Other receipts from DfE	249
Other receipts from the government	798
Private sponsorship	1,800
Other receipts	909
Total Receipts	<u>24,382</u>
Payments	
Staff costs	(12,106)
Other cash payments	(3,256)
Total Payments	<u>(15,362)</u>
Net cash inflow from operating activities	<u>9,020</u>
Capital (expenditure)/ income	
Capital grant from DfE	612
Capital funding received from other sources	32
Purchase of tangible fixed assets	(1,915)
	<u>(1,271)</u>
Management of liquid resources and financing	
(Decrease) increase in cash	<u>7,749</u>
Reconciliation of net cash flows to movements in net funds	
Increase in cash	7,749
Change in net funds	7,749
Net funds at 1 September 2009	-
Net funds at 31 August 2010	<u>7,749</u>

NOTE TO THE CASH FLOW STATEMENT

Analysis of changes in net funds

	At 1 September 2009 £000	Cash flows £000	At 31 August 2010 £000
Cash in hand and at bank	-	7,749	7,749
Current asset investments	-	-	-
	<u>-</u>	<u>7,749</u>	<u>7,749</u>

OUTWOOD GRANGE ACADEMIES TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2010

Format of financial statements

The standard format for the financial statements as required by the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 ('Charities SORP 2005') and reflects the activities of the Trust

Basis of accounting

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards and the Charities SORP 2005

Incoming Resources

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet

Donations

Donations are included in the statement of financial activities on a cash received basis or an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material

Resources Expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity. Income is not netted off against expenditure

Allocation of costs

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

OUTWOOD GRANGE ACADEMIES TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2010

Governance costs

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including audit, strategic management and governor's meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

Fund accounting

General funds represent those resources which may be used towards meeting any of the objects of the Trust at the discretion of the Directors.

Restricted funds comprise grants from the DfE and other donors which are to be used for specific purposes as explained in note 15.

Tangible fixed assets

Tangible fixed assets acquired since the Trust was established are included in the accounts at cost.

Assets inherited on establishment of the Trust are included in the accounts at the Directors' estimate of market value.

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. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £300 are written off in the year of acquisition. All other assets are capitalised.

Depreciation

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for other assets are:

Leasehold land	0.8%
Leasehold buildings	2%
Furniture and equipment	10%
Plant and machinery	10%
Computer and educational equipment	25%
Motor vehicles	25%

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

OUTWOOD GRANGE ACADEMIES TRUST

PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 2010

Stocks

Stocks, when held, are stated at the lower of cost and net realisable value

Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term. The land and buildings at Outwood Grange which are occupied under a long lease (125 years) are brought into the balance sheet and depreciated.

Taxation

The Trust is a registered charity and as such is exempt from income tax and corporation tax under the provisions of the Income and Corporation Taxes Act 1988. The cost of irrecoverable VAT incurred by the Trust has been included in the statement of financial activities.

Pensions

Trust Staff are members of one of three defined benefit schemes. More details of the scheme are given in note 20.

Defined Benefit Schemes

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the DfE. As the Trust is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Trust has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Trust in the year.

Local Government Pension Scheme

Non teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the Trust's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed.

The Trust's share of the LGPS assets is measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

1. GENERAL ANNUAL GRANT (GAG)

	Outwood Grange £000	Adwick £000
Results and Carry Forward for the Year		
GAG brought forward from previous year	-	-
GAG allocation for current year	11,189	6,666
Total GAG available to spend	11,189	6,666
Recurrent expenditure from GAG	(7,933)	(5,183)
Fixed assets purchased from GAG	(1,481)	(63)
GAG carried forward to next year	1,775	1,420
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(1,342)	(800)
GAG carry forward agreed with YPLA	(2,204)	(1,420)
GAG to surrender to DfE	(429)	-
(12% rule breached if result is positive)	No breach	No breach

Under DfE guidelines, each Academy is allowed to carry forward up to 12% of the General Annual Grant (GAG) received in the year. For Outwood Grange this is £1 342m and for Adwick £0 8m. However, following discussions with the Young Peoples Learning Agency regarding the planned capital investment at Outwood Grange over the next five years they have given permission for 19 7% of the GAG allocation to be carried forward (£2 204m). For Adwick approval was given for 21 3% of the GAG allocation to be carried forward (£1 420m).

2. VOLUNTARY INCOME

	£000
Donation of surplus from WMDC (monies received to date)	1,800
Donation of assets from WMDC	16,981
Donation of assets from DMBC	138
	18,919

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

3. ACTIVITIES FOR GENERATING FUNDS

Capital contribution	32
External fees	906
Catering	500
Hire of facilities	30
Other	63
	<u>1,531</u>

4. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Outwood Grange £000	Adwick £000	Total £000
Department for Education grants			
General Annual Grant (GAG)	11,189	6,666	17,855
Start Up	1,048	571	1,619
Capital Grants	290	322	612
Standards Fund	249	253	502
	<u>12,776</u>	<u>7,812</u>	<u>20,588</u>
 Other Government Grants			
AEA/Ecotech	449	-	449
Local Authority	256	430	686
Other	98	10	108
	<u>803</u>	<u>440</u>	<u>1,243</u>
	<u>13,579</u>	<u>8,252</u>	<u>21,831</u>

5 RESOURCES EXPENDED

	Staff Costs £000	Depreciation £000	Other costs £000	Total £000
Academy's educational operations				
Direct costs	9,835	450	1,304	11,589
Allocated support costs	3,245	9	3,282	6,536
	<u>13,080</u>	<u>459</u>	<u>4,586</u>	<u>18,125</u>
 Governance costs including allocated support costs				
	-	-	65	65
	<u>13,080</u>	<u>459</u>	<u>4,651</u>	<u>18,190</u>

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

6. CHARITABLE ACTIVITIES – TRUST’S EDUCATIONAL OPERATIONS

	£000
DIRECT COSTS	
Teaching and educational support staff costs	9,835
Depreciation	450
Books, apparatus and stationery	554
Examination fees	577
Staff Development	38
External fees	88
Other direct costs	47
	11,589

ALLOCATED SUPPORT COSTS	
Support staff costs	3,245
Depreciation	9
Pupil recruitment and support	169
Maintenance of premises and equipment	402
Cleaning	49
Rent and rates	30
Heat and light	405
Insurance	208
Security	5
Transport	50
Catering	676
Technology costs	259
Bank interest and charges	8
Loss on disposal of fixed assets	759
Other support costs	262
	6,536
	18,125

7. GOVERNANCE COSTS

	£000
Legal and Professional Fees	50
Audit Fees	10
Governors reimbursed expenses	5
	65

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

8 STAFF COSTS

The average number of persons (including senior management team) employed by the Trust during the year ended 31 August 2010 expressed as full time equivalents was as follows

Charitable Activities

Teachers	186
Administration and support	173

Governance Activities

-

Total Employees	359
------------------------	------------

Staff costs comprise	£000
Wages and salaries	11,283
Social security costs	682
Other pension costs	1,115
Total costs	13,080

8 employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2010. The total emoluments of these employees were in the following ranges

£60,001 - £70,000	3
£70,001 - £80,000	1
£80,001 - £90,000	-
£90,001 - £100,000	2
£100,001 - £110,000	1
£180,001 - £190,000	1

All of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2010, pension contributions for these staff amounted to £104,594.

9. DIRECTORS' REMUNERATION AND EXPENSES

	£000
Remuneration for teaching services	182
Contributions to the teachers' pension scheme	26
	208

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

Emoluments above include the following amounts paid to the highest paid director

	£000
Remuneration for teaching services	182
Contributions to the teachers' pension scheme	26
	<hr/>
	208

During the year ended 31 August 2010, travel and subsistence expenses totalling £42 were reimbursed to 1 Director for their services as a Director

10. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2010 was £6,197

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

11 TANGIBLE FIXED ASSETS

	Long leasehold land & buildings £000	Furniture & Equipment £000	Computer Equipment & Software £000	Assets under construction £000	Total £000
Cost					
At 1 September 2009	-	-	-	-	-
Additions	17,420	665	670	280	19,035
Disposals	(687)	(96)	-	-	(783)
At 31 August 2010	16,733	569	670	280	18,252
Depreciation					
At 1 September 2009	-	-	-	-	-
Charged in year	306	45	108	-	459
Disposals	(14)	(10)	-	-	(24)
At 31 August 2010	292	35	108	-	435
Net book values					
At 31 August 2010	16,441	534	562	280	17,817

The above net book value at 31 August 2010 represents fixed assets used for

	Leasehold land & buildings £000	Furniture & Equipment £000	Computer Equipment & Software £000	Assets under construction £000	Total £000
Educational provision	16,422	400	466	280	17,568
Support services	19	134	96	-	249
Governance	-	-	-	-	-
Generating funds	-	-	-	-	-
	16,441	534	562	280	17,817

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

Source of funding for assets acquired (cumulative to date)

	£000
Other DfE grant	403
Other government grants	1,481
WMDC donation	16,198
DMBC donation	138
Other funds	<u>32</u>
Cost of fixed asset at 31 August 2010	18,252
Less accumulated depreciation	<u>(435)</u>
Net book value of fixed assets at 31 August 2010	<u>17,817</u>

12 STOCK

	£000
Stationery	<u>6</u>
	<u>6</u>

13 DEBTORS

	£000
Trade debtors	219
Prepayments	102
Sundry debtors	<u>10</u>
	<u>331</u>

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£000
Trade creditors	508
Sundry creditors	125
Taxation and social security	267
Accruals	<u>1,070</u>
	<u>1,970</u>

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

15 RESTRICTED FUNDS

	Balance at 1 September 2009 £000	Incoming Resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2010 £000
Restricted general funds					
General Annual Grant (GAG)	-	17,855	(13,116)	(1,544)	3,195
Start Up Grant	-	1,619	(958)	-	661
Other Grants	-	1,256	(1,092)	-	164
Defined benefit pension scheme opening adjustment	-	-	(1,818)	-	(1,818)
School Sports Partnership	-	489	(423)	-	66
Actuarial losses on defined benefit pension scheme	-	-	(184)	-	(184)
	-	21,219	(17,591)	(1,544)	2,084
Restricted fixed asset funds					
DfE capital grants	-	612	-	-	612
Capital expenditure from GAG	-	-	(146)	1,544	1,398
Sponsorship	-	17,119	(1,071)	-	16,048
Private sector capital	-	32	-	-	32
	-	17,763	(1,217)	1,544	18,090
	-	38,982	(18,808)	-	20,174

Notes

- (i) General Annual Grant (GAG) must be used for the normal running costs of the academies. The Academies are allowed to carry forward up to 12% of the GAG unless approval to carry forward a different amount is approved by the DfE. Approval to carry forward more than 12% has been received for both Outwood Grange (19.7%) and Adwick (21.3%). Of the carried forward amount, up to 2% can be used for general purposes at the discretion of the Trust, but any balances over 2% must be used for capital purposes.
- (ii) Start up grant is intended to cover expenditure on acquiring teaching and learning materials and to cover problems regarding economies of scale.
- (iii) Other government grants include standards fund grant, implementation grant and grants received via other bodies.
- (iv) The gross transfer from the restricted general fund to the restricted fixed asset fund represents the total capital expenditure funded from the General Annual Grant in the year.
- (v) Restricted fixed assets were funded by government grants or capital contributions.

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted fixed asset funds				
	Unrestricted	Restricted	Public	Private	Total
	funds	general			
	£000	£000	£000	£000	£000
Tangible fixed assets	-	-	17,817	-	17,817
Current assets	1,953	5,860	273	-	8,086
Current liabilities	(38)	(1,932)	-	-	(1,970)
Defined benefit pensions liability	-	(1,844)	-	-	(1,844)
	1,915	2,084	18,090	-	22,089

17 CAPITAL COMMITMENTS

	£000
Contracted for but not provided in the financial statements	2,080
Authorised by Directors but not yet contracted	1,575

The above capital commitments will be met from accumulated surpluses

18 LEASE COMMITMENTS

At 31 August 2010 the Trust was committed to making the following payments under non-cancellable operating leases, which relate to assets other than land and buildings, in the year to 31 August 2011

Operating leases which expire	£000
Within one year	8
Between two and five years	32
Over five years	7

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

19 CONTINGENT LIABILITIES

During the period of the Funding Agreements, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Trust is required either to reinvest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the Funding Agreements, whether as a result of the Secretary of State or the Trust serving notice, the Trust shall repay to the Secretary of State sums determined by reference to

- a) The value at the time of the Trust's site and premises and other assets held for the purpose of the Trust and
- b) The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

20 PENSION COMMITMENTS

The Trust's employees belong to one of two pension schemes the Teacher's Pension Scheme England and Wales (TPS) for academic and related staff, the Local Government Pension Scheme (LGPS) for non-teaching staff, which are managed by the West Yorkshire Pension Scheme for Outwood Grange and the South Yorkshire Pension Fund for Adwick

The total pension payments made by the Trust during the year ended 31 August 2010 was £1,275,150 of which £928,983 relates to the TPS, and £346,167 relates to the LGPS

Teachers' Pension Scheme (TPS)

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS Scheme is classed as a multi-employer pension schemes The Trust is unable to identify its share of the underlying (notional) assets and liabilities of the scheme Accordingly, the Trust has taken advantage of the exemption in FRS 17 and has accounted for its contribution to the scheme as if it were a defined contribution scheme The Trust has set out below the latest information available for the scheme

The Teachers' Pension Scheme (TPS) is a statutory contributory, final salary scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local education authorities and also to teachers in many independent and voluntary-aided schools and establishments of further and higher education Membership is automatic for full-time teachers or lecturers and from 1 January 2007 automatic too for teachers or lecturers in part-time employment following appointment or a change of contract Teachers are able to opt out of the TPS

Although teachers are employed by various bodies, their retirement and other superannuation benefits, including annual increases payable under the Pensions (Increase) Acts, are as provided for

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

in the Superannuation Act 1972, paid out of monies provided by Parliament Under the TPS, which is an unfunded scheme, teachers' contributions, on a 'pay-as-you-go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pension Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pension increases) With effect from 1 April 2001, the Account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce the real rate of return

Not less than every four years, with a supporting interim valuation in-between, the Government Actuary (GA), using normal actuarial principles, conducts an actuarial review of the TPS. The aim of the review is to specify the level of future contributions

Contributions are assessed in two parts Firstly, a standard contribution rate (SCR) is determined This is the contribution expressed as a percentage of the salary of a teacher / lecturer in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of the teacher/lecturer would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that the accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 – 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5% The 2006 interim actuarial review, published in June 2007, did not recommend any changes to the SCR and concluded, as at March 2006, and using above assumptions, that the Scheme's total liabilities amounted to £176,600 million

From 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the standard contribution rate will be 19.75% plus a supplementary contribution rate of 0.75% (to balance assets and liabilities as required by the regulations within 15 years), a total contribution rate of 20.5% This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable The cost sharing agreement has also introduced, effective for the first time from the 2008 valuation, a 14% cap on employer contributions payable

The pension cost charged in the financial statements for this scheme for the year ended 31 August 2010 was £928,983 which were contributions due for the year

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

Local Government Pension Scheme

The Trust is one of several employing bodies included within the Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The total contribution made for the year ended 31 August 2010 was £489,100 of which employer's contributions totalled £346,167 and employees contributions totalled £142,933. The agreed employer contribution rates for the year ended 31 August 2010 are shown in the table below.

WYPF	SYPF
15.0%	12.4%

The contribution rates for employees are variable based on earnings. The best estimate of contributions to be paid by the employer to the scheme for year beginning after 31 August 2010 is £404,000 (£237,000 WYPF, £167,000 SYPF). In addition, Strain on Fund Contributions may be required.

The following information is based upon a full actuarial valuation of the fund at 31 March 2007, updated to 31 August 2010 by a qualified independent actuary.

- Principal financial assumptions (% per annum)

WYPF	31 August 2010	1 Sept 2009
Rate of increase in salaries	5.15	5.35
Rate of increase to pensions in payment	2.7	3.6
Rate of increase in deferred pensions	2.7	3.6
Discount rate for liabilities	4.9	5.3
RPI inflation	3.4	3.6
CPI inflation	2.7	N/A

SYPF	31 August 2010	1 Sept 2009
Rate of increase in salaries	4.5	4.9
Rate of increase in pensions	2.5	3.4
Discount rate for liabilities	4.9	5.6
RPI inflation	3.0	3.4
CPI inflation	2.5	N/A

In the budget on 22 June 2010, the Chancellor announced that the Government will use the CPI for

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

the price indexation of benefits and tax credits from April 2011

- The Assumed life expectations from 65 are

WYPF	31 August 2010 Years	1 Sept 2009 Years
Males – Aged 65 at accounting date	21 8	21 6
Males – Aged 45 at accounting date	24 1	23 9
Females – Aged 65 at accounting date	25 4	25 3
Females – Aged 45 at accounting date	27 9	27 7
SYPF	31 August 2010 Years	1 Sept 2009 Years
Males – Aged 65 at accounting date	20 4	20 3
Males – Aged 45 at accounting date	21 3	21 3
Females – Aged 65 at accounting date	23 2	23 2
Females – Aged 45 at accounting date	24 1	24 1

- The Trusts share of the assets and liabilities in the scheme and expected rate of return were:

WYPF	Long-term expected rate of return at 31 August 2010 (% pa)	Asset split at 31 August 2010 (%)	Long-term expected rate of return at 1 September 2009 (% pa)	Asset split at 1 September 2009 (%)
Equities	7 7	69 9	8 0	66 4
Property	7 2	3 9	7 5	3 6
Government Bonds	3 7	13 2	4 0	14 7
Corporate Bonds	4 3	3 9	5 3	3 7
Cash	1 4	2 5	7 2	5 0
Other	7 7	6 6	8 0	6 6
Total	6.9	100 0	7.0	100.0

SYPF	Long-term expected rate of return at 31 August 2010 (% pa)	Asset split at 31 August 2010 (%)	Long-term expected rate of return at 1 September 2009 (% pa)	Asset split at 1 September 2009 (%)
Equities	7 0	65 4	7 5	62 6
Property	6 0	10 1	6 5	8 9
Government Bonds	3 7	13 8	4 0	16 7
Corporate Bonds	4 5	9 2	5 1	7 7
Cash	0 5	1 5	0 5	4 1
Total	6.1	100.0	6.4	100.0

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

OGAT employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2010.

- **Reconciliation of funded status to balance sheet**

WYPF	Value as at 31 August 2010 £000	Value as at 1 September 2009 £000
Notional value of assets	2,207 0	1,634 0
Present value of liabilities	3,685 0	3,098 0
Net pension asset / (liability)	(1,478 0)	(1,464 0)

SYPF	Value as at 31 August 2010 £000	Value as at 1 September 2009 £000
Notional value of assets	1,597 0	1,289 0
Present value of liabilities	1,963 0	1,643 0
Net pension asset / (liability)	(366 0)	(354 0)

- **Analysis of amount chargeable to income and expenditure account for 31 August 2010**

	Outwood Grange £000	Adwick £000
Current service cost	368 0	163 0
Past service cost	(307 0)	(120)
Interest cost	179 0	98
Expected return on assets	(122 0)	(84)
Curtailment cost	0 0	0 0
Settlement cost	0 0	0 0
Expense Recognised	118 0	57.0

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

- **Changes to the present value of liabilities during the accounting period ending 31 August 2010**

	Outwood Grange £000	Adwick £000
Opening present value of liabilities	3,098.0	1,643.0
Current service cost	368 0	163 0
Interest cost	179 0	98 0
Contributions by participants	91 0	52 0
Actuarial (gains)/losses on liabilities	158 0	127 0
Net benefits paid out	98 0	0 0
Past service cost (gain)	(307 0)	(120 0)
Closing present value of liabilities	3,685.0	1,963.0

- **Changes to the fair value of assets during the accounting period ending 31 August 2010**

	Outwood Grange £000	Adwick £000
Opening fair value of assets	1,634.0	1,289.0
Expected return on assets	122 0	84 0
Actuarial gain/(losses) on assets	36 0	65 0
Contributions by the employer	226 0	107 0
Contributions by participants	91 0	52 0
Net benefits paid out	98 0	0 0
Closing fair value of assets	2,207.0	1,597.0

- **Actual return on assets for the period ending 31 August 2010**

	Outwood Grange £000	Adwick £000
Expected return on assets	122 0	149 0
Actuarial gain / (loss) on assets	36 0	65 0
Actual return on assets	158.0	214.0

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010

- Analysis of amount recognised in STRGL for the period ending 31 August 2010 - there may be a note required re opening adjustment

	Outwood Grange £000	Adwick £000
Total actuarial gains / (losses)	(122 0)	(62 0)
Total gain / (loss) in STRGL	(122 0)	(62 0)

- Projected pension expense for the year to 31 August 2011

	Outwood Grange £000	Adwick £000
Current service cost	368 0	167 0
Interest cost	194 0	102 0
Expected return on assets	(159 0)	(99 0)
Total	403.0	170.0
Employer contributions	237 0	167 0

It must be appreciated in accordance with the Charity Commission publication 'Charity Reserves and Defined Pension Schemes' that where, under FRS 17, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset that can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that equivalent amount is already committed and is no longer available to the trustees to further the charity's objectives.

21 MEMBERS' LIABILITY

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

22 RELATED PARTY TRANSACTIONS

During the year the Trust made the following recharges to Outwood Grange Consultancy Company Limited, a company under common management:

Recharges of teaching salaries - £543,000, recharges of support costs - £41,000. At the year end a balance of £208,000 was due from Outwood Grange Consultancy Company, which is included in year end debtors.

During the year the Trust made the following recharges to Outwood Sports and Leisure Company Limited, a company under common management:

Recharges of support costs - £1,400