

Registered number: 06995649 (England and Wales)

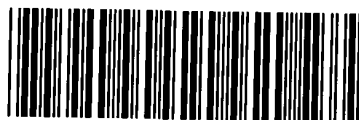
**OUTWOOD GRANGE ACADEMIES TRUST**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Members**

Outwood Grange Education  
Mr Roland Harden  
Mr David Earnshaw  
Mr Steven Harness

**Directors**

Mr David Earnshaw, Chair of Trustees  
Mrs Sue Hague, Trustee  
Mr Roland Harden, Vice Chair of Trustees  
Mr Andrew Kent, Trustee (resigned 31 August 2017)  
Mr Ralph Pickles, Trustee  
Mr Martyn Oliver, Ex Officio Trustee and Chief Executive/Accounting Officer  
(appointed 1 September 2016)  
Mr Christopher Dalzell, Trustee (appointed 27 February 2017)

**Company registered number**

06995649 England and Wales

**Company name**

Outwood Grange Academies Trust

**Principal and registered office**

Potovens Lane, Outwood, Wakefield, West Yorkshire, WF1 2PF

**Company secretary**

Mrs Katy Bradford

**Chief executive officer**

Mr Martyn Oliver

**Senior management team**

Martyn Oliver, NLE Chief Executive Officer  
Katy Bradford, Company Secretary and Chief Operating Officer  
Ben Waterman, CIMA, Finance Director and CFO (started 1 January 2017)  
Julie Slater, NLE, Chief Executive Principal, Secondary  
Lee Wilson, NLE, Chief Executive Principal, Primary  
Dr Phil Smith, NLE, Executive Principal  
Mark Hassack, NLE, Associate Executive Principal  
Andrew Wappat, Associate Executive Principal  
Sabiha Laher, Associate Executive Principal  
Carolyn Blundell, NLE, Associate Executive Principal  
Lynn James, Associate Executive Principal  
Lisa Allott, Principal  
Angela Hull, NLE, Principal

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS DIRECTORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

Gemma Kilner, Principal  
Cara Ackroyd, Principal  
Sir Michael Wilkins, NLE, Founding CEO  
Richard Brooke, Principal  
Toby Rutter, Principal  
Steven Roberts, Principal  
Paul Haynes, Principal  
Jane Clayton, Principal  
Jaqueline Savage, Principal  
Angela Sweeten, NLE, Principal  
Gavin Swinscoe, Associate Principal  
Michelle Colledge-Smith, Associate Principal  
Jane Gaunt, Principal  
Steve Merifeld, Principal  
Laura Eddery, Principal  
Matthew Vickers, Principal  
Andrew Downing, Principal  
Paul Sorby, Executive Director Curriculum  
Laura Calton, Communications and Compliance Officer  
Lisa Lewis, Director of Executive Services  
Alison Lister, Director of HR  
Emma Rennison, Executive Director of the OIE  
Amie Gyte, Executive Officer  
Dave Cavill, Principal  
Gemma Trattles, Associate Principal  
Lee Kirtley, Associate Principal  
Alex Howe, Associate Principal  
Andrea Wooffindin, ACA, Assistant Finance Director  
Ted Snell, SLE, Executive Director English  
Kathryn Greenhalgh, SLE, Executive Director Maths  
Ian Cooper, SLE, Executive Director Science

**Independent auditors**

Saffery Champness LLP, Mitre House, North Park Road, Harrogate, North Yorkshire, HG1 5RX

**Bankers**

HSBC, 66 Westgate, Wakefield, West Yorkshire, WF1 1XB

**Solicitors**

Wrigleys Solicitors, 19 Cookridge Street, Leeds, West Yorkshire, LS2 3AG

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**INTRODUCTION**

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the year ended 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 40 to 46 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 Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2015) (SORP 2015).

The trust currently operates five primary and sixteen secondary academies across the east midlands and north east of England. Its academies have a combined pupil capacity of approximately 21,000 and had a roll of just under 17,000 in the school census data from October 2016. In addition, the trust is running, under a National Leader of Education contract, one primary, Greystone Community Primary in Ripon and one secondary, Easingwold School which are both due to join the trust in due course.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Trust is a Charitable Company limited by guarantee with no share capital and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust, as incorporated on 19 August 2009 and amended on 18 August 2012.

The Directors act as the Trustees for the charitable activities of Outwood Grange Academies Trust Limited and are also Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Outwood Grange Academies Trust (OGAT).

Details of the Directors who served throughout the year are included in the Reference and Administrative Details on pages 1 & 2.

**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. There are no indemnities awarded to any members or directors.

**Principal Activities**

The principal activities of the Charitable Company are to establish and maintain a number of academies in accordance with the requirements of the Master Funding Agreement in place with the Education and Skills Funding Agency ("ESFA").

**Method of Recruitment and Appointment of Directors**

The number of Directors of the Charitable Company shall not be less than 3 but (unless determined by ordinary resolution) shall not be subject to any maximum. The articles of association set out the categories of Directors and this includes the following:

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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- The Principal Sponsor (Outwood Grange Education)
- The Chief Executive/Accounting Officer
- Up to eight Sponsor Directors
- Parent Directors (elected by parent members of the Academy Councils)
- One Director appointed by the Secretary of State in the event that such a Director is required
- Any additional Directors appointed by the Secretary of State
- Up to two Directors, if appointed by the Secretary of State in accordance with the terms of any relevant funding agreements following the provision of a notice by the Charitable Company to terminate that relevant funding agreement.
- The Principal Sponsor may appoint up to three co-opted Directors
- The number of Directors who are employees of the Charitable Company shall not exceed one third of the total number of Directors including the Chief Executive
- The Principal Sponsor shall appoint the Sponsor Directors and may appoint co-opted Directors

**Policies and procedures adopted for the induction and training of Directors**

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 the opportunity to have a tour of all the 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, including the academies financial handbook, that they will need to undertake their role as Directors. Continuous Professional Development is undertaken throughout the year to ensure that Directors are able to challenge and hold the Executive Board and Executive Team to account. The Board of Directors have completed their annual skills audit in order to identify any significant skills gaps within the Board. It was identified that there was a need to strengthen the Board's skill set within capital projects and estate management. As a result, the Board sought an additional Director appointment with a strength in this area. Chris Dalzell was appointed in the Board in January 2017, to meet this skill shortage. Chris has brought a vast amount of experience and expertise in supporting the Trust to manage its ongoing capital projects, which has made a significant difference and delivered considerable added value.

**Organisational Structure**

The management structure consists of six levels: the Members, the Board of Directors, the Academy Councils, the Executive Board, the Executive Team and the Senior Leadership Teams within each academy. The aim of the management structure is to devolve responsibility via the Scheme of Delegation and encourage involvement in decision making at all levels. Terms of Reference for these groups are published alongside the Scheme of Delegation to ensure that at all levels people are clear about their responsibilities.

The members meet annually to review the performance of the Trust and ensure that the Directors are working within the articles of association. The members review the skills audit to address any deficit in governance.

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

The Academy Councils act as advisory bodies to the Outwood Grange Academies Trust (OGAT) Board.

The Executive Board is made up of the: Chief Executive Officer, Chief Operating Officer, Finance Director (Chief Financial Officer), Chief Executive Principal – Secondary and Chief Executive Principal – Primary supported by the Director of Executive Services, Executive Director of Curriculum and the Communications and Compliance Officer.

The Executive Team consists of the above Executive Board and the following executives: Executive Principal,

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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five Associate Executive Principals, Executive Director of the Outwood Institute of Education, Director of Human Resources, Assistant Finance Director, Executive Directors of English, Maths and Science and the Executive Officer to the Chief Operating Officer.

Academy Senior Leadership Teams vary depending on the size of the academy but typically consist of the: Principal, Vice Principal(s), Assistant Principals and a further team, appointed under OGAT's 'Deep Leadership' model, of Associates. This team also consists of Academy Business Managers, Finance Managers and the Personal Assistant to the Principal.

The above leaders and managers control the individual academies at an executive/principal level implementing the policies laid down by the Directors of the Board 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 Executive Team always contain a Director.

The senior management team is listed in the reference and administrative details on page 1 and 2 and is considered by the board to be the level of Principal/Executive Director/Associate Executive Principal and above.

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

The scheme of delegation requires that any pay recommendations for staff earning over £55,000 must be approved by the board. Performance management reviews are conducted by the board for the CEO and then, through the Scheme of Delegation, by the CEO, or delegated, via the Scheme of Delegation, annually for the senior management personnel. The result of these reviews are then provided to the board for approval.

Performance is measured in terms of targets and objectives set and results obtained, always ensuring "students first". Senior management personnel are considered to be the key staff in driving the continued success of the Trust and their pay is set to reflect this and to recruit and retain excellent staff. This is also viewed with best value in mind and is looked at in terms of benchmarking against other similar multi academy trusts and other sectors.

The Board of Directors take great care to ensure the public obtain value of money from the personnel appointed within the trust and are attentive to excessive levels of pay. The Board and in turn the CEO, have created a climate of pay restraint and wish to report that the Chief Executive Officer and the highest paid executives have voluntarily foregone any annual uplift of salary as set out by the School Teachers Review Body since 2013. Furthermore, the CEO, although having met his performance management targets and entitled to progression under the salary scale, voluntarily rejected an uplift.

Remuneration is a key function of the Trust's Finance and Resources Committee. This Committee meets regularly to consider the pay of senior employees and to ensure that pay follows an evidence based process and reflects individuals' roles and responsibilities.

**Connected Organisations, including Related Party Relationships**

The Trust applies the policy of 'at-cost' and full disclosure of any related-party transactions, which are summarised below. It is the Trust's intention to keep any related-party transactions to a minimum unless they represent greater value for money than the alternative. This financial year they consist primarily of school improvement services which are charged 'at-cost' and a payment of £1k to the Prince's Trust for education services which is highlighted as a Trustee is also a Prince's Trust NE development committee member.

During the year the Trust made the following recharges to Outwood Grange Services Limited, a wholly owned subsidiary company with a number of Directors in common. The principal activity of Outwood Grange Services Limited was educational support services. During the year £153k (2016 £198k) recharge of costs were processed and at the year end a balance of £1k (2016 £5k) was due to Outwood Grange Services Limited.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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During the year Outwood Grange Services Limited made a gift aid donation of £154k (2016: £264k) to OGAT with £154k of this balance outstanding at the year end (2016 £64k).

Also during the year, the Trust continued supporting the Humber UTC through the previously agreed National Leader of Education school improvement contract. The contract concluded on the 31 August 2017. In the period to August 2017, the Trust charged Humber UTC £184k which included the cost of the Principal at the UTC (who is employed by OGAT but was fully deployed at the UTC), support services to the IT Technician and Business Manager, a Finance Manager and numerous specialist subject Directors.

The Trust also supported Redcar Academy under a NLE contract prior to its conversion on the 1 October 2017. During the period to 31 August 2017 £422k was recharged for staff time and any purchases made on behalf of Redcar Academy.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

The principal object and activity of the Trust 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 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 2017 are summarised in the table below which also shows performance against the objectives:



**OUTWOOD GRANGE ACADEMIES TRUST**  
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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

Objective	Performance
<p>To ensure that every child enjoys the same high quality in terms of resourcing, tuition and care.</p>	<p>A number of OGAT academies were inspected under the Ofsted framework during 2016/17 academic year, as follows:</p> <ul style="list-style-type: none"> <li>• City – Requires Improvement with Good Leadership (from Special Measures)</li> <li>• Valley – Outstanding in all areas (from Good and was a Notice to Improve on joining OGAT in 2012)</li> <li>• Ormesby – Good (from Special Measures)</li> </ul> <p>And previously in the 2015/16 academic year:</p> <ul style="list-style-type: none"> <li>• Adwick - Outstanding (from requires improvement and was in special measures on joining OGAT in 2009)</li> <li>• Lofthouse Gate – Good (with outstanding aspects) and was good on joining OGAT in September 2013</li> <li>• Ripon - Outstanding (from good and was satisfactory on joining OGAT)</li> <li>• Foxhills - Good (with Outstanding aspects) and was in Special Measures when joined OGAT</li> <li>• Out of the five sponsored primary academies, one is Ofsted Outstanding, two are good and two await their first inspection under OGAT. Of those inspected, 100% are good or better (Ofsted national data as at 31 August 2017 states that 90% of primaries are judged as good or better).</li> <li>• Out of the seventeen sponsored secondary academies, five are Ofsted Outstanding, three are Good with Outstanding Leadership, one is Good, one is Requires Improvement with Good Leadership and seven are awaiting their first inspection under OGAT. Of those inspected, 90% are Good or better (Ofsted national data as at 31 August 2017 states that 78% of secondaries are judged as Good or better).</li> </ul> <p>Every academy, primary and secondary, saw an increase in their headline results in 2017 in comparison to their starting point prior to being sponsored by OGAT. Further details of these results is provided below.</p>

**OUTWOOD GRANGE ACADEMIES TRUST**  
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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

<p>To raise the standard of educational achievements of all pupils.</p>	<p>In addition to the educational achievements obtained through public examinations (see results table below), the Trust launched a new three year Sustained Improvement Plan at the end of the 2017 academic year which is available on the Trust's website. Briefly, the plan sets out four broad aims for the Trust's development: 1) Raising standards and transforming lives, 2) Developing capacity and productivity, 3) Oversight and communication which is fit for purpose and 4) Leading system improvement.</p>
<p>To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review.</p>	<p>The Trust has reviewed its structure in a number of key areas to address changing organisational need, including Business Services, Finance, and Executive Principals, ensuring that the organisation's structure is scalable as the organisation grows and that capacity can be created in advance of need. The major development of the organisational structure in 2016/17 was the creation of an 'organisational development' team. This team brings together the work of standards (primary and secondary), operations and finance and focuses all aspects of the organisation on the recruitment, retention and development of the workforce (workforce planning) and on the effective and efficient reporting of performance to the board via dashboards.</p> <p>Using the Trust's long established curriculum led financial planning tools, the following Trust weighted averages were achieved in 2016/17:</p> <ul style="list-style-type: none"> <li>• Contact ratio of 0.80</li> <li>• Curriculum bonus of 7.8%</li> </ul> <p>The CEO is an advisory council member of the group: Parents &amp; Teachers for Excellence which promotes the development of a Knowledge Rich Curriculum amongst other things and this development is at the core of the Trust's sustained improvement plan.</p>
<p>To provide value for money for the funds expended.</p>	<p>At every board meeting the Directors review the performance of the Trust to ensure that it is productive and test value for money against outcomes achieved. A value for money statement is included within these accounts.</p>
<p>To comply with all appropriate statutory and curriculum requirements.</p>	<p>All OGAT academies inspected by Ofsted during the current or previous academic years met all curriculum requirements against the Ofsted inspection framework.</p>

**OUTWOOD GRANGE ACADEMIES TRUST**

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**DIRECTORS' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

To maintain close links with industry and commerce.	The Chief Executive Officer and a Director of the Trust are ambassadors for the Careers Enterprise Company and seek opportunities to engage employers in the work of the Trust. Through procuring external contractors, Careers Inc, to provide careers education, information, advice & guidance (IAG), the Trust ensures impartial IAG and has further links with industry. In addition, through our Future Generation project in Tees Valley and projects like the Cutlers' Company and HEPPSY (Higher Education Plus Programme South Yorkshire), the Trust offers numerous opportunities for students to engage with employers. The Trust also undertakes exploration with a number of industry leaders to discuss the role of academies in producing an effective and highly skilled workforce. Discussions are now continuing to look at the development of high quality apprenticeships covering a wide range of industry sectors.
To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.	The Trust articulates this expectation to all its staff through its vision and values which are described in this report. The scheme of delegation and key financial controls that the Trust operates ensure that this ethos is realised in its day-to-day operations. An assessment of this is provided by Internal and External audit who also provide an opinion and assurance on the effectiveness of the controls in place. The Trust has appointed RSM to perform the internal audit function in order to provide the expertise and independence required.

The objectives and aims for 2017/18 are set out below:

- To progress on the journey towards all OGAT academies being recognised as 'Outstanding' by Ofsted;
- To ensure that all academies achieve excellent examination results (above national averages);
- To make strides towards a self assessment of financial management and governance of 'Outstanding';
- To positively influence the lives and achievement of more young people through the measured and steady growth of the Trust, bringing more academies into the Family of Schools
- To ensure that the Trust is able to generate a positive financial outturn at the end of each financial year through efficient and effective curriculum led financial planning; and
- To progress against each of the areas identified in the Trust's Sustained Improvement Plan.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Objectives, Strategies and Activities**

As a high performing multi academy trust we embrace the opportunity to ensure that all children, irrespective of their starting point, receive an excellent education. We relish the opportunity to be part of the much needed regeneration of the areas we work in. To achieve this aim staff within OGAT have three values in common. They:

1. put 'students first': they care deeply about children;
2. strive to be experts in their respective fields; and
3. are obsessive about attaining the highest standards.

As a multi academy trust we want to be known for placing...

"Students first: raising standards and transforming lives" Martyn Oliver, CEO

The values of our Trust:

Outwood Grange Academies Trust is a not for profit charity which sponsors primary and secondary academies. We are fortunate that our past performance has been recognised nationally and that we are regarded as one of the highest performing multi-academy trusts and the highest performing family of schools in the North of England. OGAT was one of the first multi-academy trusts having first sponsored academies back in 2009 and prior to this having a number of years' experience in running and supporting schools under National Leaders of Education (NLE) contracts. As such we have developed, and continue to develop, our model for school improvement which is focussed on creating a collaborative pedagogical model and has a transformational effect on children's life chances within very quick timescales.

All academies within our Trust work closely with each other as a 'family of schools'. Indeed, each academy individually and collectively forms the Trust: the Trust as a whole is not a separate body or group of people but rather one single organisation made up of all our academies with one single vision and shared set of values. Together we all work to ensure that all children, irrespective of their starting point, receive an excellent education. We relish the opportunity to be part of the communities in which we work.

We pride ourselves in meeting the needs of all children in our care, including those who are most vulnerable or indeed challenging. These groups of students are a priority to us and we work closely with parents/carers in helping to raise their children's self-esteem, resilience and subsequent achievement and attainment. We understand that by significantly raising attainment, instilling high standards of behaviour within a caring and safe environment that we will improve social mobility and provide children with life-choices and life-chances - a vulnerable child will remain vulnerable for life without this core entitlement. We are committed to helping our students go on to achieve meaningful employment.

We have always had excellent working relationships with trade unions and these partnerships have reinforced our way of working. We would never do anything that would be detrimental to any child, staff or school in a neighbouring community. Importantly, we care as much about the results and outcomes of children in our newest academies as we do for those in our first academy. In order to effect a sustainable transformation for the communities which we serve we will always seek to work with other local education providers and in particular the primary schools which feed in to our secondary academies as these are critical to the long term future of an area.

We are serious about the part we have to play in regenerating the areas we serve by placing an outstanding school at the heart of the community.

Our philosophy and values are reflected in the ten underlying principles of our Trust:

1. We always put 'Students First'. We care deeply about children;
2. We want to be known for our track record in raising standards: we are obsessive about results;

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

3. Our staff are experts in their field and through the Outwood Institute of Education (OIE) we will always aim to recruit, retain and continuously develop both our own staff and help to develop the whole education system; in particular, supporting the development of multi academy trusts, to the best of our ability;
4. We want to transform the life chances of our children by focussing on raising standards, particularly the basic skills of literacy and numeracy as well as employability skills so that our students have the best possible start in life;
5. We believe that local children should attend local schools and we are not selective in our admissions: we are fully inclusive and welcome children from vulnerable groups, eg SEND, LAC, etc;
6. We play our full role in behaviour partnerships/hard to place protocols;
7. We follow the guiding principles of School Teachers Pay & Conditions and National Joint Council conditions of service and want to work positively with trade unions and actively involve them in our decision making;
8. We always put collaboration before competition and will never do anything detrimental to a young person, member of staff, school or college in a neighbouring community;
9. We believe in the implementation of a systematic model, our 7 strand transformation model, across our multi academy Trust which enables every individual academy and all our academies collectively, our 'family of schools', to significantly raise standards and transform children's life chances. Individual academies are encouraged to retain and develop their own unique local community links and character alongside our transformation model; and
10. The Trust will ensure that it creates 'capacity in advance of need' at every level of the organisation. Decisions to support new schools will be led by the capacity available and in our confidence that our existing academies continue to perform. Parents/carers and students would quite rightly never forgive us if standards in our existing academies declined.

Our Trust understands that there are five things we need to constantly maintain to be a successful multi academy trust:

1. A vision and set of values which holds us all to account;
2. A model for school improvement which is both systematic and consistent across our Trust: creating a collaborative culture. We place efficacy at the heart of our decision-making;
3. A curriculum which is both fit for purpose academically and financially;
4. A recognition and understanding that we work within accountability frameworks: Academies Financial Handbook, National Schools Commissioner/Regional Schools Commissioner, Ofsted, Department for Education, Education and Skills Funding Agency etc. and that we must adhere to the highest standards of public office; and
5. A scheme of delegation which enables responsibility to sit with those who are accountable.

**The 7 strand transformation model:**

All of the strands of transformation are delivered concurrently: each relies upon the others to facilitate school improvement at pace. These strands are:

1. Leadership with vision and efficacy
2. Quality in the classroom
3. Curriculum design
4. Monitoring and intervention
5. Systems and policies
6. Targeted professional development
7. Praise culture for staff and students

Systematic school improvement within OGAT is achieved through the implementation of this transformation model. We have conscientiously developed an efficacious model that has 'tight' systems which run 'deeply' through our Trust with our scheme of delegation as the enabling mechanism. Subject specialist Directors, who bring permanent supernumerary capacity to all of our academies, are integral to our model and ensure that our academies develop at pace. This methodology provides comfort to our academies and their principals as we all have a shared understanding of our model and corporate responsibility to develop the entire Trust: we are a

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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'family of schools'.

In order to maintain a balance between the systematic approach to the model and allow academies to maintain their own unique identity, we develop and train our staff to recognise the systems which are part of the model and describe this balance by use of the ratio 80:20, where 80% is the Trust transformation model and 20% is the unique character of each individual academy. All academies, whether old or new to our Trust, continuously develop our model and also create new innovative ways of working. It is our collective corporate responsibility to ensure that this evidence-based best practice is shared across the family of schools so that all of our children can benefit.

**We best describe the key concepts of this transformation process as:**

**Confident uncertainty** – we recognise that new schools/new staff will need time to absorb our transformation model and that there will inevitably be some uncertainty in the beginning. However, we are confident that collectively we will be able to continue to develop staff and that our track record will also provide confidence in our systems and practices;

**Freedom to Excel** - we want staff to be creative, and to adapt and respond to local and individual needs, all within the framework of our vision and values, and the transformation model's systems and structures by which we uphold them. We espouse leadership at all levels: we expect all staff to contribute to the continuous improvement of our organisation and its systems. Similarly, all staff are committed to delivering successful outcomes at the individual, local and Trust levels. Academy Councils are established to monitor local progress and performance. We aim to give all staff not only the support needed to succeed, but also the opportunity to excel. As staff and their schools develop within our model they will begin to play a full and active role in further developing our systems moving beyond mimicry of the model to assimilation and, therefore, freedom to excel based upon a deep understanding of our vision and values and the rationale underpinning our approach: living the vision; and finally

**Corporate responsibility** – we all have a responsibility to share our evidence-based best practice amongst the rest of our Trust and across the wider school system to create a truly self-improving school-led system. We all take collective responsibility for the decisions we make and understand that if we constantly put students first we will do our very best for the communities we serve.

The transformation model is also used to undertake our Due Diligence: the lines of enquiry which afford us the opportunity to both understand the context of a school which may join our Trust and, importantly, allow us to produce a development plan detailing how the transformation model will be best implemented.

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.

**Employees and disabled persons**

The Trust is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positive differences in race, gender, sexual orientation, ability, class and age. We strive vigorously to remove conditions which place people at a disadvantage and we actively combat bigotry.

The Trust considers all application forms from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

The Trust works with employee trade unions and professional associations across all our academies and engages in consultation, as required, to ensure that all aspects of the Charitable Company affecting its

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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employees, including financial and economic factor, is discussed, conveyed and consulted on with them.

**Public Benefit**

In exercising its powers and duties the Trust has complied with its duty to have due regard to 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.

**STRATEGIC REPORT**

**Outwood Grange Academy**

Outwood Grange Academy is a National Teaching School National Support School and the lead Teaching School within the Trust's multi-hub Teaching School Alliance, the Outwood Institute of Education (there are currently six Teaching Schools within the Trust). Outwood Grange Academy was judged to be Outstanding for the second time in 2012.

**Outwood Academy Adwick**

Outwood Academy Adwick is a National Teaching School National Support School and home to the Outwood Institute of Education (OIE). In February 2016, an Ofsted inspection took place and the judgement was that the academy was Outstanding in all aspects having been in Special Measures prior to joining OGAT.

**Outwood Academy Brumby**

Outwood Academy Brumby joined OGAT on 1st April 2013.

In March 2015, an Ofsted inspection took place and the judgement of the academy was Good with Outstanding leadership having been in Special Measures prior to joining OGAT.

**Outwood Academy Ripon**

Outwood Academy Ripon is a National Teaching School National Support School.

In January 2016, an Ofsted inspection took place and the judgement was that the academy was Outstanding having been Satisfactory prior to joining OGAT.

**Outwood Academy Portland**

Outwood Academy Portland is a National Teaching School National Support School.

In March 2014, the academy was inspected by Ofsted and was graded as Outstanding in all areas having previously been in Special Measures prior to joining OGAT. The provisional Progress 8 score places it as the highest performing school in Nottinghamshire.

**Outwood Academy Valley**

Outwood Academy Valley is a National Teaching School National Support School. In May 2017, the academy was inspected by Ofsted and was graded as Outstanding in all areas having previously been in a category of concern prior to joining OGAT. The provisional Progress 8 score places it as the second highest performing school in Nottinghamshire.

**Outwood Academy Acklam**

The academy was inspected by Ofsted in April 2015 and the judgement of the academy was Good in all aspects and Outstanding in Leadership and Management having been in Special Measures prior to joining OGAT.

**Outwood Academy City**

Outwood Academy City joined the Trust in January 2014. The predecessor school was in Special Measures since September 2012. The academy was inspected in September 2016 and obtained the result of requires improvement but with many good aspects.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Outwood Primary Academy Kirkhamgate**

Outwood Primary Academy Kirkhamgate is a National Teaching School National Support School. An Ofsted inspection took place in September 2014 and the academy achieved Outstanding having previously been in special measures.

**Outwood Primary Academy Ledger Lane**

Outwood Primary Academy Ledger Lane joined OGAT on 1st December 2012. It was inspected by Ofsted in 2014 and judged to be Good having Required Improvement prior to joining OGAT.

**Outwood Primary Academy Lofthouse Gate**

Outwood Primary Academy Lofthouse Gate joined the Trust in September 2013. The previous school was judged as being Good by Ofsted earlier that year and chose to convert to academy status within the Trust. The academy was inspected in June 2016 and was judged as Good with Outstanding aspects.

**Outwood Academy Foxhills**

Outwood Academy Foxhills joined the Trust in September 2014. The previous Academy (Invenio) was in special measures. In January 2016, Ofsted graded the academy as Good with Outstanding leadership.

**Outwood Academy Newbold**

Outwood Academy Newbold joined the Trust in January 2015. The previous school was in special measures. In November 2017, Ofsted graded the academy as Good with Outstanding leadership. The provisional Progress 8 score places it as the highest performing school in Derbyshire.

**Outwood Academy Bydales**

Outwood Academy Bydales joined the Trust in February 2015. The previous school was in special measures. The third monitoring inspection report took place in December 2014, before the school converted to an OGAT academy. No further inspections have taken place since OGAT's involvement but the academy results showed a significant improvement from 55% in 2014 to 85% in 2017. The provisional Progress 8 score places it as the highest performing school in Tees Valley.

**Outwood Academy Shafton**

Outwood Academy Shafton joined the Trust in March 2015. The previous school was inspected in December 2014 and deemed to require improvement from previously being Inadequate. No further inspections have taken place since the school joined the Trust, but the academy results showed significant improvement from 28% in 2014 to 45% in 2015. 61% of students obtained a 4+ in GCSE English and mathematics in 2017.

**Outwood Academy Ormesby**

Outwood Academy Ormesby joined the Trust on 1 September 2015. The previous school was inadequate. In June 2017, Ofsted graded the academy as Good.

**Outwood Academy Carlton**

Outwood Academy Carlton joined the Trust on 1 February 2016 and achieved record results last year. The provisional Progress 8 score places it as the highest performing school in Barnsley.

**Outwood Primary Academy Darfield**

Outwood Primary Academy Darfield joined the Trust on 1 April 2016. Previously the school was in special measures. There was a section 8 report in May 2016 which stated that "Senior leaders and the Trust are taking effective action to tackle the areas requiring improvement identified at the last section 5 inspection in order to become a good school". No further inspections have taken place since conversion and it awaits its first inspection under OGAT. The academy achieved record results last year moving from 36% in 2016 to 68% for the expected standard in RWM in KS2.

**Outwood Primary Academy Littleworth Grange**

Outwood Primary Academy Littleworth Grange joined the Trust on 1 April 2016. Previously the school was in



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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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special measures. There was a section 8 report in November 2015, prior to the Trust taking over. No further inspections have taken place since conversion. The academy achieved record results last year moving from 45% in 2016 to 53% for the expected standard in Reading, Writing and Maths (RWM) in KS2.

**Outwood Academy Danum**

Outwood Academy Danum joined the Trust on the 1 September 2016 and attained a record result in English and maths.

**Outwood Academy Bishopsgarth**

Outwood Academy Bishopsgarth joined the Trust on the 1 November 2016 and attained a record result in English and maths.

**Outwood Academy Redcar**

Redcar Academy has been receiving support from OGAT under a National Leader of Education contract since 2015. It converted to an OGAT academy on 1<sup>st</sup> October 2017. The academy achieved record results last year.

**Greystone Community Primary School**

Greystone has been receiving support from OGAT under a National Leader of Education contract since June 2017.

**Easingwold School and Sixth Form**

Easingwold has been receiving support from OGAT under a National Leader of Education contract since June 2017.

**Outwood Institute of Education**

The Outwood Institute of Education (OIE) is the collective name of the Trust's multi-hub Teaching School Alliance. The Outwood Institute of Education has three broad aims: to recruit, to retain and to develop all staff within the Trust as well as act as a Teaching School Alliance to the wider system.

**OUTWOOD GRANGE ACADEMIES TRUST**  
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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**ACHIEVEMENTS AND PERFORMANCE AND KEY PERFORMANCE INDICATORS**

The Trust is now in its eighth year of operation.

**Secondary Academies**

The total numbers of students in secondary academies for the year ended 31 August 2017 were as follows (2014/15 and 2015/16 figures are shown for comparative purposes):

<b>Secondary Academy</b>	<b>2016/17</b>	<b>2015/16</b>	<b>2014/15</b>
<b>Years 7-11</b>			
Outwood Grange Academy	1,783	1,786	1,786
Outwood Academy Adwick	967	920	940
Outwood Academy Brumby	657	628	678
Outwood Academy Portland	1,056	987	987
Outwood Academy Ripon	555	459	459
Outwood Academy Valley	1,342	1,419	1,397
Outwood Academy Acklam	958	868	786
Outwood Academy City	945	914	922
Outwood Academy Foxhills	546	564	612
Outwood Academy Bydales	713	729	729
Outwood Academy Newbold	767	788	772
Outwood Academy Shafton	1,023	978	-
Outwood Academy Ormesby	682	680	-
Outwood Academy Carlton	773	754	-
Outwood Academy Danum	1,020	-	-
Outwood Academy Bishopsgarth	537	-	-
<b>Post 16: Years 12-13</b>			
Outwood Grange Academy	331	314	314
Outwood Academy Adwick	131	163	150
Outwood Academy Portland	191	225	225
Outwood Academy Ripon	40	54	63
Outwood Academy Valley	213	192	192
Outwood Academy Newbold	118	116	115
Outwood Academy Danum	238	-	-

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The headline examination results for the 2016/17 academic year are summarised as follows:

Secondary Academy	Passing English & Maths (C+/4+)	
	2016/17	2015/16
Outwood Grange Academy	84.5%	84.3%
Outwood Academy Adwick	64.2%	62.5%
Outwood Academy Brumby	68.0%	60.5%
Outwood Academy Portland	79.5%	88.1%
Outwood Academy Ripon	76.5%	77.4%
Outwood Academy Valley	79.7%	85.5%
Outwood Academy Acklam	62.1%	64.3%
Outwood Academy City	69.1%	68.0%
Outwood Academy Foxhills	71.7%	68.8%
Outwood Academy Bydales	85.2%	78.3%
Outwood Academy Newbold	73.2%	70.7%
Outwood Academy Shafton	60.8%	53.7%
Outwood Academy Ormesby	54.8%	49.3%
Outwood Academy Carlton	67.8%	62.6%
Outwood Academy Bishopsgarth	45.0%	-
Outwood Academy Danum	61.1%	-

**Attendance**

Secondary Academy	Attendance Levels			Unauthorised Absence		
	2016/17	2015/16	2014/15	2016/17	2015/16	2014/15
Outwood Grange Academy	95.2%	95.4%	94.3%	1.0%	1.3%	1.3%
Outwood Academy Adwick	91.0%	93.1%	92.8%	3.6%	3.3%	3.6%
Outwood Academy Brumby	92.9%	93.6%	93.9%	3.9%	1.9%	1.6%
Outwood Academy Portland	94.1%	94.5%	94.2%	1.9%	2.0%	2.1%
Outwood Academy Ripon	94.0%	95.5%	95.3%	1.2%	0.8%	4.5%
Outwood Academy Valley	94.7%	95.6%	92.6%	1.5%	1.3%	2.0%
Outwood Academy Acklam	93.3%	93.6%	92.0%	2.8%	2.1%	3.0%
Outwood Academy City	90.5%	90.4%	91.7%	4.6%	9.3%	3.7%
Outwood Academy Foxhills	93.8%	94.6%	91.3%	2.1%	2.2%	2.8%
Outwood Academy Bydales	95.2%	95.2%	95.2%	1.1%	1.63%	1.4%
Outwood Academy Newbold	92.9%	95.1%	93.4%	2.2%	4.1%	8.1%
Outwood Academy Shafton	91.3%	93.1%	91.7%	6.9%	4.5%	3.9%
Outwood Academy Ormesby	91.0%	90.0%	-	4.0%	4.3%	-
Outwood Academy Carlton	91.7%	93.7%	-	4.4%	6.3%	-
Outwood Academy Danum	90.2%	93.7%	-	5.3%	6.3%	-
Outwood Academy Bishopsgarth	89.0%	93.7%	-	4.0%	6.3%	-

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Primary Academies**

The total numbers of students in primary academies for the year ended 31 August 2017 were as follows (2015/16 figures are shown for comparative purposes):

<b>Primary Academy</b>	<b>2016/17</b>	<b>2015/16</b>
<b>Years 1-6</b>		
Outwood Primary Academy Kirkhamgate	134	151
Outwood Primary Academy Ledger Lane	242	253
Outwood Primary Academy Lofthouse Gate	421	400
Outwood Primary Academy Darfield	186	178
Outwood Primary Academy Littleworth	417	403

The percentages of students achieving expected standard+ at Key Stage 2 results for the 2016/17 academic year are summarised as follows:

<b>Primary Academy</b>	<b>Reading</b>	<b>Reading</b>	<b>Writing</b>	<b>Writing</b>	<b>Maths</b>	<b>Maths</b>
	<b>2016/17</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2015/16</b>
Outwood Primary Academy Kirkhamgate	71%	88%	60%	95%	83%	70%
Outwood Primary Academy Ledger Lane	76%	98%	61%	92%	85%	75%
Outwood Primary Academy Lofthouse Gate	82%	95%	76%	100%	88%	96%
Outwood Primary Academy Darfield	68%	89%	52%	64%	79%	48%
Outwood Primary Academy Littleworth	56%	90%	45%	75%	76%	71%

**Attendance**

<b>Primary Academy</b>	<b>Attendance Levels</b>		<b>Unauthorised Absence</b>	
	<b>2016/17</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2015/16</b>
Outwood Primary Academy Kirkhamgate	96.3%	95.7%	1.23%	1.3%
Outwood Primary Academy Ledger Lane	95.7%	95.4%	1.28%	1.6%
Outwood Primary Academy Lofthouse Gate	96.3%	96.7%	1.24%	1.0%
Outwood Primary Academy Darfield	94.1%	94.3%	2.7%	1.7%
Outwood Primary Academy Littleworth	93.8%	94.0%	3.2%	3.0%

**Going Concern**

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

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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## **FINANCIAL REVIEW**

### **Financial report for the year**

Most of the Trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets, 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 2017, total expenditure of £110.9m was covered by recurrent grant funding together with other incoming resources. The excess of income over expenditure for the year was £5.2m (2016: £6.5m).

At 31 August 2017, the net book value of tangible fixed assets was £139.5m and movements in intangible and tangible fixed assets are shown in notes 15 and 16 to the financial statements. The value of fixed assets includes the assets that had previously been "donated" by Wakefield MDC, Doncaster MBC, North Yorkshire CC, Nottinghamshire CC, North Lincolnshire CC, Doncaster MBC, Middlesbrough BC, Stockton on Tees BC, Sheffield CC, Redcar & Cleveland CC, Derbyshire CC, Barnsley CC, together with assets transferred during the year from Middlesbrough BC and Barnsley CC as part of the transfer agreements as set out below:

The Land and buildings at Danum are occupied under freehold from CFBT. These are included in the balance sheet at a value of £12.8m, together with other fixed assets valued at £0.4m as a freehold addition.

The leasehold land and buildings at Bishopsgarth are occupied under a 125 year lease from the local authority. These are included in the balance sheet at a value of £3.5m as a leasehold addition.

Other than donated assets, the major items of expenditure on fixed assets during the year were the converting of classrooms at Acklam, a canteen extension at Portland, conversion and remodel of the library and classrooms at Shafton, fencing and gates at Ormesby, changing rooms and toilets extension and refurbishment at Danum along with various site works for health and safety and safeguarding. Across the Trust, computer replacements have also taken place along with upgrading of phone systems, networks and servers.

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

The deficits in the Local Government Pension Schemes (LGPS) are recognised on the balance sheet in accordance with the provisions of FRS102. It is noted that the pension liability deficit has decreased over the year from £38.5m to £38.1m. This is primarily due to the actuarial gains on the pension deficits because of changing market conditions and therefore the actuarial assumptions used offset by additional deficit funds added to the scheme due to sponsoring Bishopsgarth and Danum.

### **Reserves policy**

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies. Individual academies are expected to produce at least breakeven budgets each year, but the Trust also recognises that this is not feasible in some cases where academies have low pupil numbers and lower funding levels from the ESFA. In these cases, the Trust supports those academies in deficit and works with them to return the academy to a surplus position. Reserves of the Trust are pooled for the benefit of the Trust as a whole and the consolidated Trust budget is set at least as a breakeven budget. The current forecast for the next three years, based on our current delivery model, shows an overall surplus position for 17/18, 18/19 & 19/20. The reserves of the academy are broken down into Fixed

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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Asset Reserves (restricted), Unrestricted Reserves (free reserves), Restricted General Reserves and the Pension reserves.

**Restricted General Reserves**

Restricted Income Funds must be spent by the Trust on the provision of education. At the 31 August 2017 these funds totalled £9.2m which the Trust board intends to use to fund significant capital investment in the Trust's schools buildings and infrastructure, see below for further details. Transfers from the Restricted Income Fund to the Fixed Assets Reserves will be reflected annually as these projects are completed.

**Unrestricted Reserves**

Unrestricted income funds are those funds that the Trust can spend how they believe appropriate. The vision of the Trust is "Students first: raising standards and transforming lives" and so any reserves are always invested with this objective in mind. As at year ended 31 August 2017 the free reserves of the Trust are £9.4m. The combined reserves of the Trust for restricted income funds and unrestricted income funds are £18.7m. The Trust has assessed that it requires approximately £7.8m safety reserves to fund any deficits, allow for any unforeseen conditions and sustain the Trust's effective delivery model. It also allows for potential capacity building, which aligns with the Trust's value of "building capacity in advance of need".

In conjunction with reserves the Trust is also mindful of the level of cash required to ensure the ongoing liquidity and success of the Trust. The balance of the current cash of £23.3m has primarily been allocated for capital projects across the Trust based on health and safety, safeguarding, operational necessity and teaching and learning. This includes £4m for a new school at Kirkhamgate, £3m for the modernisation of Ripon, £1.4m to extend the P16 centre in Worksop, £1m for a new nursery at Ledger Lane, £1m in a rolling IT investment program and £4.3m on a number of smaller projects across the estate.

Under DfE guidelines, certain Academies are only allowed to carry forward up to 12% of the General Annual Grant (GAG) received in the year. Following discussions with the ESFA they have given permission for Outwood Grange Academy, Adwick, Ripon, Portland and Valley to carry forward surpluses in excess of 12% up to and including the academic year 2016/17 for planned capital investment. This restriction and corresponding relaxation on carry forward GAG does not apply to the remaining academies in the Trust.

**Financial position**

The Trust held fund balances at 31 August 2017 of £120.3m comprising: £139.8m of restricted fixed asset funds, £9.2m of restricted funds (before including the pension reserve deficit of £(38.1)m and £9.4m of unrestricted general funds. The Trust made an operating surplus before depreciation for the year of £1.8m excluding the pension deficit, FRS102 pension adjustments, the donated assets and the capital grants.

**Investment Policy**

The general policy objective is to invest the surplus funds prudently. The investment priorities are:

- Security of the invested capital,
- Liquidity of the invested capital,
- And commensurate with security and liquidity, an optimal return on those investments.

**Principal Risks and Uncertainties**

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

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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complied with.

- Financial risks – uncertainty regarding future government funding streams, or the event of a fraud.
- Reputational risk – from the wider academy sector if the actions of another trust bring the sector into disrepute or if OGAT is brought into disrepute by not following appropriate policies and procedures.

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 in relation to the control of finance. There are systems in place to minimise risks, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls. As part of its risk management strategy the Trust currently uses the 'Risk Protection Arrangements' (RPA) which is specifically designed for academies as an alternative to commercial insurance to transfer some risks. Under RPA, the UK government covers the losses instead of commercial insurance. After conversion all new academies joining the Trust will use RPA as soon as their existing insurance arrangements come to an end. The Trust has an effective system of internal financial controls and this is explained in more detail on pages 27 - 28.

#### **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, some of whom come 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**

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.

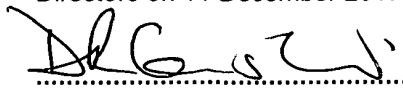
Saffery Champness LLP have expressed their willingness to remain in office as auditors to the Trust.

**OUTWOOD GRANGE ACADEMIES TRUST**  
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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**APPROVAL**

Trustees report, incorporating a strategic report, approved by order of the board of trustees as company Directors on 11 December 2017 and signed on its behalf by:



Mr David Earnshaw  
Chair of Trustees



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**OUTWOOD GRANGE ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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. 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 Directors has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Outwood Grange Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Directors any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' responsibilities. The board of Directors formally met 8 times during the year. Attendance during the year at meetings of the board of Directors was as follows:

Director	Meetings attended	Out of a possible
Mr David Earnshaw, Chair of Trustees	8	8
Mrs Sue Hague, Trustee	8	8
Mr Roland Harden, Vice Chair of Trustees	6	8
Mr Andrew Kent, Trustee	8	8
Mr Ralph Pickles, Trustee	6	8
Mr Martyn Oliver, Ex Officio Trustee and Chief Executive/Accounting Officer	8	8
Mr Christopher Dalzell, Trustee	3	4

The Finance and General Purposes Committee is a subcommittee of the main board of trustees. Its purpose is to review the 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;
- setting the remuneration of senior staff.;

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr Andrew Kent, Trustee	2	2
Mr Ralph Pickles, Trustee	1	1
Mr Roland Harden, Vice Chair	0	1

The board of trustees has considered the need for a specific internal audit function and appointed RSM (formerly Baker Tilly) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial and other systems. The internal auditor reports to the board of trustees three times a year, through the audit committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned, highlighting a number of minor control

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**OUTWOOD GRANGE ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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issues which are being addressed as necessary.

The audit committee is a sub-committee of the main board of trustees. Its purpose is to review the work undertaken by the internal and external auditors and to direct them to reviewing areas that are considered to be higher risk. It is also responsible for reviewing the main risks of the Trust as a whole and maintaining and reviewing a risk register.

Internal audit reports are produced with recommended actions for management to carry out, which the board monitors and reviews.

The external auditors prepare a management letter and regularity assurance report which again is reviewed by the audit committee and any recommendations implemented by management.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr Ralph Pickles, Trustee	2	2
Mr Andrew Kent, Trustee, Left committee February 17	1	1
Mrs Sue Hague, Trustee, Joined committee March 17	1	1

**REVIEW OF VALUE FOR MONEY**

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

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

**Philosophy and strategy**

The vision and values of OGAT is to put 'Students First: raise standards and transform lives' 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 the communities we serve through the mutual sharing of knowledge, expertise and resources across the education, business, industry and voluntary sectors in the wider regional, national and global context. Further to this, the Trust is a founding member of a group of like-minded multi-academy trusts in the north east of England, called the 'Northern Alliance of Trust's'. OGAT is designated as a 'System Trust' by the National Schools Commissioner and plays a full and active role in developing a school led, self-improving educational system.

It is the absolute priority that every student, irrespective of their starting point, succeeds and achieves. In order to do this, a high quality educational experience, in an environment which is conducive to learning, is an entitlement for every student at the academies with all parties; parents/carers and the wider stakeholders working together to achieve these goals for young people. Students with special needs are fully included and benefit from the focus on personalised learning and individual plans as detailed within their respective education, health and care plans.

The Trust Board's whole purpose is to raise standards for all students by sustaining and enhancing performance

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**OUTWOOD GRANGE ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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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. Increasingly, the Accounting Officer is developing systematic methods for reporting and highlighting the performance of the organisation, through the creation of an Organisational Development workforce stream which includes Finance, Operations, HR, Curriculum led Financial Planning, Data Analytics and the Outwood Institute of Education to inform the trustees and executive of the performance and needs of the organisation through dashboard reporting systems.

**Actions**

Our primary focus as a Trust is to raise standards and transform the life chances for young people. Once new schools are taken into the Trust, the Trust has a model for school improvement which focusses on the development of the very best pedagogical practice through collaboration: we are a collaborative Trust.

**Process**

In relation to the process of teaching and achieving good outcomes for students, OGAT uses a model developed and refined over several years which is called the 7 Strand Transformation Model (see above). This has been shown to achieve excellent results, as demonstrated in the tables above. The model is continuously developed: one of the many benefits of being a Multi Academy Trust is the ability to draw upon a wide range of teachers and support staff to enhance best practice through our large evidence base.

**Teaching and Support Staff Costs**

The largest single element of cost is the payroll cost of teaching and support staff. OGAT uses a curriculum led financial planning model to optimise the numbers of such staff required in each academy for teaching and benchmarking exercise across the Trust for support staff. The parameter we set for teaching costs is a 0.79 contact ratio with less than 8% curriculum bonus (see above for the 2016/17 Trust weighted averages obtained). The average teaching staff cost as a percentage of income is lower in OGAT academies than seen nationally and is broken down as follows:

Teaching Staff including agency teaching: 51%  
Support Staff: 24%

In total, 75% of OGAT's costs relate to staffing prior to any FRS102 pension costs adjustments.

The refinement of our leadership and support staff models continues. The Trust now has a model structure based upon the size of the academy and is able to achieve efficiencies by placing staff across more than one academy. The Trust has a single finance system that operates across our academies and we integrate as much administration as possible into this system. We operate electronic ordering, electronic payslips, online expenses and an integrated HR/Payroll system.

The Trust continues to eliminate often expensive service level agreements in schools that join the Trust. It also rolls out the benefits of our office supplies contract and energy framework.

The Trust is constantly examining ways to achieve value for money for the taxpayer.

**Non-pay costs**

The Trust has achieved good value for money through effective and efficient procurement of goods and services. Examples include the single procurement of photocopiers, saving the Trust £117,502 over the last three years, procuring a single stationery supplier saving £105,781 over three years, water procurement saving £96,604 over three years and establishing our own framework for the procurement of gas and electricity saving £119,044 over three years. In addition, the Trust has undertaken a single procurement of its MIS system and text messaging service, achieving a combined saving of £344,072 over the next 5 years.

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**OUTWOOD GRANGE ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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As a proportion of the annual total income, non-pay costs can be broken down as:

Supplies and Services: 15%  
Premises costs: 9%

In total, 24% of OGAT's costs relate to non-pay costs.

**Capital Works**

The Trust has an extensive capital programme and will seek to maximise the impact the spend has on the students. Priorities are assessed on a health & safety, safeguarding ranking first. Impact on students' education and operational necessity also feature in the ranking process.

Resources are finite we have identified £50m of capital projects but have only £18.7m of reserves available to spend and therefore careful consideration is given to large projects. The Trust works in close collaboration with the ESFA on major capital works.

This year the Trust has procured capital project support via both the Scape framework and the NHS SBS framework to support with significant capital projects. This has allowed the Trust to press forward with projects including an extension to Outwood Primary Academy Ledger Lane, a dining hall extension at Outwood Academy Portland and a significant refurbishment of Outwood Academy Danum, alongside many smaller capital projects across the estate.

The Trust is committed to ensuring its assets remain fit for purpose through a regular program of maintenance and capital investments. In addition to the 9% spend on premises maintenance detailed above the Trust continued its capital program, investing the equivalent of 5% of its total annual income.

**Improvement in Educational Results**

The results across all phases of the Trust were excellent with the vast majority achieving record results (see tables above) in the face of an imposed reduction in GAG income. Lower income with improved results indicates a strong, productive model.

Student weighted Trust average results were very high in 2017. At KS4, from an average point score at KS2 which is significantly lower than the national average (27.4 compared to 28.5), the overall Progress 8 score was +0.38. 36% of 2017's Year 11 cohort were classed as 'disadvantaged'. The basics score at 4+ was 70.4% compared to national average of 63.3% with English at 79% compared to national average of 70% and maths at 76% compared to national average of 71%. Basics at 5+ were 51.4% compared to a national average of 39.1% with English at 66% compared to 53% nationally and maths at 58% compared to a national average of 50%.

In the primaries, at KS2, results were equally strong with 68% achieving the expected standard compared to a national average of 61%. At the higher standard, we attained 17% compared to a national average of 9% with each of the component parts of reading, writing and maths all being much higher than the national average.

The National Schools Commissioner describes OGAT as one of the best MATs in the country.

**Improved outcomes by Ofsted**

The Trust had three Ofsted inspections of its academies in 2016/17 with one secondary academy being graded as Outstanding, one Good and one as Requires Improvement with Good Leadership – all three were in Special Measures prior to joining OGAT.

**Sharing of best practice across the sector**

OGAT continues to be involved in national programmes to promote and develop educational excellence. As a

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**GOVERNANCE STATEMENT (continued)**

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System Trust we are deployed to help other academies, MATs and the whole sector improve their educational and financial performance. The adoption of some of these practices has helped drive better value for money across the system.

**Conclusion**

OGAT does not seek to grow for the sake of it. We do however wish to benefit as many students as possible but only on the basis that they are provided with a high quality educational experience. To that end, we recognise that:

We are only as good as our last set of results: parents and children would quite rightly not forgive us if the standards in our existing academies declined as a consequence of supporting more schools; Building capacity in advance of need is critical to both our current and future performance; and The formation of geographical clusters of academies affords many opportunities for school improvement, therefore we will always prioritise the creation of local clusters of academies (primary and secondary).

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Outwood Grange Academies Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. Furthermore, and in the spirit of continuous improvement, the Trust has engaged RSM to further develop and refine the Trust's risk strategy in 2017/18.

**THE RISK AND CONTROL FRAMEWORK**

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 trustees;
- regular reviews by the 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.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On an annual basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. During the year RSM have conducted audits in the areas of:

**OUTWOOD GRANGE ACADEMIES TRUST**  
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**GOVERNANCE STATEMENT (continued)**

- IT Health Check
- Safeguarding
- Free School Meals
- Appraisals and Progression
- Strategic and Financial Planning
- Risk Management
- Key Financial Controls
- Catering
- Review of previous audit action plans and updates

The board of Trustees has considered the need for a specific internal audit function and has decided to continue to appoint RSM as internal auditor.

**REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Auditors and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Directors on 11 December 2017 and signed on their behalf, by:

  
.....  
**Mr David Earnshaw**  
Chair of Trustees

  
.....  
**Mr Martyn Oliver, Chief Executive**  
Accounting Officer

**OUTWOOD GRANGE ACADEMIES TRUST**  
**(A company limited by guarantee)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Directors (who act as trustees of Outwood Grange Academies Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued 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 Directors to prepare financial statements for each financial year. Under company law the Directors 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 Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Trust will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in its conduct and operation the Trust 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable Trust'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 Directors on 11 December 2017 and signed on its behalf by:



**Mr David Earnshaw**  
**Chair of Trustees**

**OUTWOOD GRANGE ACADEMIES TRUST**  
(A company limited by guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Outwood Grange Academies Trust I have considered my responsibility to notify the academy Trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy Trust board of trustees are able to identify any material irregular or improper use of funds by the academy Trust, or material non-compliance with the terms and conditions of funding under the academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



.....  
Mr Martyn Oliver  
Accounting Officer



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**OUTWOOD GRANGE ACADEMIES TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
OUTWOOD GRANGE ACADEMIES TRUST**

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**OPINION**

We have audited the financial statements of Outwood Grange Academies Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Trust Consolidated statement of financial activities incorporating income and expenditure account, the Trust Consolidated balance sheet, the Trust Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's and of the parent Academy Trust's affairs as at 31 August 2017 and of the Trust's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

**OTHER INFORMATION**

**OUTWOOD GRANGE ACADEMIES TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
OUTWOOD GRANGE ACADEMIES TRUST**

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report and the Group strategic report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Trust and the parent academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- the parent academy Trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent academy Trust financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remunerations specified by law 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 Directors' responsibilities, the Directors (who are also the Directors of the Trust 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 Directors 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 Directors are responsible for assessing the Trust's and the parent academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the

**OUTWOOD GRANGE ACADEMIES TRUST**  
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
OUTWOOD GRANGE ACADEMIES TRUST**

Trust's or the parent academy Trust's 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.



Alison Robinson (Senior statutory auditor)

for and on behalf of

**Saffery Champness LLP**

Mitre House  
North Park Road  
Harrogate  
North Yorkshire  
HG1 5RX  
14 December 2017

## **OUTWOOD GRANGE ACADEMIES TRUST**

**(A company limited by guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OUTWOOD GRANGE ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Outwood Grange Academies Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Outwood Grange Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Outwood Grange Academies 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 Outwood Grange Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF OUTWOOD GRANGE ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Outwood Grange Academies Trust's funding agreement with the Secretary of State for Education dated 1 September 2009, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusions includes:

- Risk based sample testing on income and expenditure
- Review of the systems and internal controls in place
- Making appropriate enquiries of the Accounting Officer

**OUTWOOD GRANGE ACADEMIES TRUST**  
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OUTWOOD  
GRANGE ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

**OPINION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alison Robinson, Reporting Accountant, for and on behalf of

**Saffery Champness LLP**

Mitre House  
North Park Road  
Harrogate  
North Yorkshire  
HG1 5RX

14 December 2017

**OUTWOOD GRANGE ACADEMIES TRUST**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

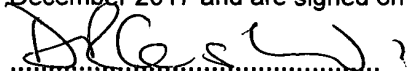
	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>INCOME AND ENDOWMENTS FROM:</b>						
Capital grants from ESFA	2	-	-	2,849	2,849	1,519
Conversion from Local Authority	2	91	(767)	3,549	2,873	(1,814)
Transfer in of academy	2	140	(5,739)	13,237	7,638	9,423
Capital grants non ESFA/LA	2	-	-	-	-	419
Charitable activities:	5					
Teaching School	5	734	59	-	793	1,019
Other charitable activities	5	-	100,700	-	100,700	86,582
Other trading activities	3	1,126	-	-	1,126	1,053
Investments	4	100	-	-	100	143
<b>TOTAL INCOME</b>		<b>2,191</b>	<b>94,253</b>	<b>19,635</b>	<b>116,079</b>	<b>98,344</b>
<b>EXPENDITURE ON:</b>						
Charitable activities:						
Teaching school	6	793	-	-	793	1,020
Other charitable activities	6	16	103,873	6,238	110,127	90,838
<b>TOTAL EXPENDITURE</b>	8	<b>809</b>	<b>103,873</b>	<b>6,238</b>	<b>110,920</b>	<b>91,858</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>1,382</b>	<b>(9,620)</b>	<b>13,397</b>	<b>5,159</b>	<b>6,486</b>
Transfers between Funds	20	-	(1,831)	1,831	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>1,382</b>	<b>(11,451)</b>	<b>15,228</b>	<b>5,159</b>	<b>6,486</b>
Actuarial gains/(losses) on defined benefit pension schemes	26	-	10,664	-	10,664	(17,493)
<b>NET MOVEMENT IN FUNDS</b>		<b>1,382</b>	<b>(787)</b>	<b>15,228</b>	<b>15,823</b>	<b>(11,007)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		8,053	(28,097)	124,542	104,498	115,505
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>9,435</b>	<b>(28,884)</b>	<b>139,770</b>	<b>120,321</b>	<b>104,498</b>

**OUTWOOD GRANGE ACADEMIES TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 06995649 ENGLAND AND WALES**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£000	2017 £000	£000	2016 £000
<b>FIXED ASSETS</b>					
Intangible assets	15		224		214
Tangible assets	16		139,545		124,308
			<u>139,769</u>		<u>124,522</u>
<b>CURRENT ASSETS</b>					
Stocks	17	11		12	
Debtors	18	4,173		4,610	
Cash at bank and in hand		23,301		21,220	
		<u>27,485</u>		<u>25,842</u>	
<b>CREDITORS: amounts falling due within one year</b>	19	(8,815)		(7,387)	
<b>NET CURRENT ASSETS</b>			<u>18,670</u>		<u>18,455</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>158,439</u>		<u>142,977</u>
Defined benefit pension scheme liability	26		(38,118)		(38,479)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>120,321</u>		<u>104,498</u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted income funds:					
Restricted income funds	20	9,234		10,382	
Restricted fixed asset funds	20	139,770		124,542	
		<u>149,004</u>		<u>134,924</u>	
Restricted income funds excluding pension liability					
Pension reserve		(38,118)		(38,479)	
		<u>110,886</u>		<u>96,445</u>	
Total restricted income funds			110,886		96,445
Unrestricted income funds	20		9,435		8,053
<b>TOTAL FUNDS</b>			<u>120,321</u>		<u>104,498</u>

The financial statements on pages 36 to 75 were approved by the Directors, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:



**Mr David Earnshaw**  
**Chair of Trustees**

**OUTWOOD GRANGE ACADEMIES TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 06995649 ENGLAND AND WALES**

**ACADEMY TRUST BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£000	2017 £000	£000	2016 £000
<b>FIXED ASSETS</b>					
Intangible assets	15		224		214
Tangible assets	16		139,544		124,306
			<u>139,768</u>		<u>124,520</u>
<b>CURRENT ASSETS</b>					
Stocks	17	11		12	
Debtors	18	4,317		4,555	
Cash at bank and in hand		22,976		20,976	
		<u>27,304</u>		<u>25,543</u>	
<b>CREDITORS: amounts falling due within one year</b>	19	(8,633)		(7,087)	
<b>NET CURRENT ASSETS</b>			<u>18,671</u>		<u>18,456</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>158,439</u>		<u>142,976</u>
Defined benefit pension scheme liability	26		(38,118)		(38,479)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>120,321</u></u>		<u><u>104,497</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
Restricted funds	20	9,234		10,382	
Restricted fixed asset funds	20	139,770		124,542	
		<u>149,004</u>		<u>134,924</u>	
Restricted funds excluding pension asset					
Pension reserve		(38,118)		(38,479)	
		<u></u>		<u></u>	
Total restricted funds			110,886		96,445
Unrestricted funds	20		9,435		8,052
<b>TOTAL FUNDS</b>			<u><u>120,321</u></u>		<u><u>104,497</u></u>

The financial statements were approved by the Directors, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:

  
**Mr David Earnshaw**  
Chair of Trustees



**OUTWOOD GRANGE ACADEMIES TRUST**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	<u>3,827</u>	<u>2,819</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		100	143
Purchase of tangible fixed assets		(4,792)	(3,079)
Capital grants from DfE/ESFA		2,849	1,519
Capital funding received from sponsors and others		-	418
Purchase of intangible assets		<u>(134)</u>	<u>(116)</u>
<b>Net cash used in investing activities</b>		<u>(1,977)</u>	<u>(1,115)</u>
<b>Cash flows from new academies converting:</b>			
Cash transferred on conversion to an academy trust		<u>231</u>	<u>352</u>
<b>Net cash provided by financing activities</b>		<u>231</u>	<u>352</u>
<b>Change in cash and cash equivalents in the year</b>		<b>2,081</b>	<b>2,056</b>
Cash and cash equivalents brought forward		<u>21,220</u>	<u>19,164</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>23,301</u></u>	<u><u>21,220</u></u>

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<p style="text-align: center;"><b>OUTWOOD GRANGE ACADEMIES TRUST</b> (A company limited by guarantee)</p>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA and the Charities Act 2011 and the Companies Act 2006.

Outwood Grange Academies Trust constitutes a public benefit entity as defined by FRS 102.

The Statement of Financial Activities (SOFA) and Balance sheet consolidate the financial statements of the Trust and its subsidiary undertaking Outwood Grange Services Limited. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Trust alone as permitted by section 408 of the Companies Act 2006.

**1.2 Fund accounting**

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

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 with restrictions imposed by the funder and include grants from the Department for Education and the ESFA.

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<b>OUTWOOD GRANGE ACADEMIES TRUST</b> <b>(A company limited by guarantee)</b>
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

General Annual Grant is recognised in full in the SOFA 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 of the restricted fixed asset fund.

Sponsorship income provided to the Trust which amounts to a donation is recognised in the SOFA in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

**1.4 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

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**OUTWOOD GRANGE ACADEMIES TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Going concern**

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

**1.6 Basis of consolidation**

The financial statements consolidate the accounts of Outwood Grange Academies Trust and all of its subsidiary undertakings ('subsidiaries').

The academy Trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own income and expenditure account.

**1.7 Intangible fixed assets and amortisation**

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

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

Software	-	25% - 4 years
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**1.8 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the SOFA and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the SOFA. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

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**OUTWOOD GRANGE ACADEMIES TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% - 50 years
Long-term leasehold property	-	0.8% - leasehold land and 2% for leasehold property
Motor vehicles	-	25% - 4 years
Fixtures and fittings	-	10% - 10 years
Computer equipment	-	25% - 4 years
Assets under construction	-	0% - no depreciation

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 SOFA.

**1.9 Investments**

The Trust's shareholding in its wholly owned subsidiary (Outwood Grange Services Limited) is included in the Balance Sheet at the cost of the share capital less any impairment. There is no readily available market value and the cost of the valuation exceeds the benefit derived.

**1.10 Operating leases**

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

**1.11 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.12 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.13 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy Trust; this is normally upon notification of the interest paid or payable by the Bank.

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<b>OUTWOOD GRANGE ACADEMIES TRUST</b> (A company limited by guarantee)
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.15 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.16 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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<b>OUTWOOD GRANGE ACADEMIES TRUST</b> <b>(A company limited by guarantee)</b>
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.17 Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Danum Academy and Bishopsgarth School to an academy trust have been valued at their fair value at the point the risks and rewards transfer to the Trust. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transactions are set out in note 24 and 33.

**1.18 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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 are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.19 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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**OUTWOOD GRANGE ACADEMIES TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1.20 Agency arrangements**

The academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the 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, but this is not recognised in the statement of financial activities. The funds received and paid any balances held are disclosed in note 32.

**1.21 Critical accounting estimates and areas of judgment**

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

**Critical accounting estimates and assumptions:**

The Academy Trust 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 liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Critical areas of judgment:**

Upon conversion Outwood Academy Danum operated across two sites. The academy has now been consolidated into one site being used for the education of the students. The buildings located at Leger Way have been mothballed with the intention to sell the land. The value of the land and buildings at Leger Way have been impaired by £1.4m. This impairment has been estimated using a commercial sales value report from a reputable company.



**OUTWOOD GRANGE ACADEMIES TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Capital grants from ESFA	-	-	2,849	2,849	1,519
Conversion from Local Authority	91	(767)	3,549	2,873	(1,814)
Transfer in of academy	140	(5,739)	13,237	7,638	9,423
Capital grants non ESFA/LA	-	-	-	-	419
	<u>231</u>	<u>(6,506)</u>	<u>19,635</u>	<u>13,360</u>	<u>9,547</u>
<i>Total 2016</i>	<u>353</u>	<u>(3,567)</u>	<u>12,761</u>	<u>9,547</u>	

As referred to in note 20. The ESFA agreed an exemption to the 12% GAG carried forward for Outwood Grange Academy, Adwick, Ripon, Portland and Valley in order to fund planned capital investment by the Trust up to and including 2016/17. The restrictions and corresponding relaxation do not apply to other schools in the Trust.

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Hire of Facilities	141	-	141	137
External Fees	754	-	754	682
Educational sales	231	-	231	223
Project grants	-	-	-	11
	<u>1,126</u>	<u>-</u>	<u>1,126</u>	<u>1,053</u>
<i>Total 2016</i>	<u>1,053</u>	<u>-</u>	<u>1,053</u>	

**OUTWOOD GRANGE ACADEMIES TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**4. INVESTMENT INCOME**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Interest on short term deposits	100	-	100	143
<i>Total 2016</i>	143	-	143	

**5. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Educational Operations	37	100,663	100,700	86,582
Teaching school	697	96	793	1,019
	734	100,759	101,493	87,601
<i>Total 2016</i>	964	86,638	87,602	

**OUTWOOD GRANGE ACADEMIES TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**FUNDING FOR EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	<i>Total funds 2016 £000</i>
<b>DfE/ESFA grants</b>				
General Annual Grant	-	89,756	89,756	76,150
Start Up Grant	-	127	127	365
Other DfE/ESFA Grants	-	6,957	6,957	6,933
	-	96,840	96,840	83,448
<b>Other government grants</b>				
Local Authority Grants	-	1,842	1,842	1,302
Other Government Grants	-	85	85	116
	-	1,927	1,927	1,418
<b>Other funding</b>				
Catering	-	1,896	1,896	1,696
Other Unrestricted Income	37	-	37	23
	37	1,896	1,933	1,719
	37	100,663	100,700	86,585
<b>Total 2016</b>	24	86,563	86,587	

Other than the DfE/ESFA grants which are for the provision of education, capital works and school improvement, the trust has also received grants from the local authority in the form of Pupil Premium, SEN, and high needs funding as well as income towards the transport of students and some diploma grant funding. Money has also been received in respect of the schools sports partnership. Outwood Grange Services Limited has received grants from the NCTL for various projects which they carry out and have separately audited. There are no unfulfilled conditions or other contingencies for the grants recognised in the SOFA.

**OUTWOOD GRANGE ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**6. EXPENDITURE**

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	2016 £000
Educational operations- Direct	51,912	6,238	6,752	64,902	53,568
Educational operations- Support	27,339	9,648	8,238	45,225	37,270
Teaching School Direct	196	-	158	354	593
Teaching School Support	83	30	326	439	427
<b>Total</b>	<b>79,530</b>	<b>15,916</b>	<b>15,474</b>	<b>110,920</b>	<b>91,858</b>

In the year ended 31 August 2017 expenditure included within unrestricted reserves is £809k (2016: £1,065k), within restricted reserves £103,872k (2016: £86,313k) and within restricted fixed asset reserves £6,238k (2016: £4,480k).

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2017 £000	Support costs 2017 £000	Total 2017 £000	Total 2016 £000
Educational Operations	66,198	44,722	110,920	91,858
<b>Total 2016</b>	<b>54,161</b>	<b>37,697</b>	<b>91,858</b>	

**Analysis of direct costs**

	Educational Operations £000	Total 2017 £000	Total 2016 £000
Pension income	943	943	685
Educational supplies	2,262	2,262	2,156
Examination fees	1,357	1,357	1,283
Staff development	154	154	167
External fees	2,195	2,195	1,777
Other Costs	941	941	403
Wages and salaries	41,571	41,571	35,017
National insurance	4,273	4,273	3,014
Pension cost	6,264	6,264	5,179
Depreciation and impairment	6,238	6,238	4,480
	<b>66,198</b>	<b>66,198</b>	<b>54,161</b>
<b>At 31 August 2016</b>	<b>54,161</b>	<b>54,161</b>	

**OUTWOOD GRANGE ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)**

**Analysis of support costs**

	<b>Educational Operations £000</b>	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Staff costs	27,422	27,422	20,898
Recruitment and support	584	584	439
Maintenance of premises and equipment	6,297	6,297	5,836
Cleaning	889	889	601
Rent and rates	724	724	633
Heat and light	1,337	1,337	1,297
Insurance	432	432	443
Security and transport	913	913	761
Catering	2,554	2,554	2,247
Technology costs	1,464	1,464	1,557
Bank interest and charges	48	48	35
Telephones	250	250	199
Marketing & Publications	67	67	61
Professional fees re new academies	110	110	109
Other Costs	1,631	1,631	2,581
	<b>44,722</b>	<b>44,722</b>	<b>37,697</b>
<i>At 31 August 2016</i>	<b>37,697</b>	<b>37,697</b>	

**8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES**

Included within expenditure are the following transactions:

	<b>Total £000</b>	<b>Individual items above £5,000 Amount £000</b>	<b>Reason</b>
Fixed asset losses	187	187	Demolition of Caretakers House at Ripon (£139k) and write off of assets donated on conversion of an existing academy to the trust (Darfield and Littleworth).

<p align="center"><b>OUTWOOD GRANGE ACADEMIES TRUST</b>  <b>(A company limited by guarantee)</b></p>
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Depreciation of fixed assets:		
- owned by the charitable group	<b>4,871</b>	<b>4,480</b>
Operating lease expenditure	<b>5,063</b>	<b>4,776</b>
Auditors' remuneration - audit	<b>36</b>	<b>39</b>
Auditors' remuneration - other services	<b>19</b>	<b>14</b>
Internal audit costs	<b>42</b>	<b>21</b>
Impairment of fixed assets	<b>1,367</b>	<b>-</b>
Loss on disposal of assets	<b>187</b>	<b>899</b>
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**10. STAFF COSTS**

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	57,808	48,790
Social security costs	5,533	3,922
Operating costs of defined benefit pension schemes	12,506	8,423
	<u>75,847</u>	<u>61,135</u>
Apprenticeship levy	122	-
Supply teacher costs	2,857	2,694
Staff restructuring costs	704	280
	<u>79,530</u>	<u>64,109</u>

Staff restructuring costs comprise:

	2017 £000	2016 £000
Redundancy payments	476	104
Severance payments	228	176
	<u>704</u>	<u>280</u>

There have been 55 payments for redundancy or severance during the period and 24 accrued payments for staff that left as at 31/08/17 but payments were made after the year end. Of these 16 were non contractual payments as below:

£18,260	-	settlement agreement
£18,000	-	settlement agreement
£18,000	-	settlement agreement
£12,000	-	settlement agreement
£10,000	-	settlement agreement
£9,500	-	settlement agreement
£5,000	-	settlement agreement
£19,000	-	settlement agreement
£3,187	-	settlement agreement
£9,562	-	settlement agreement
£7,650	-	settlement agreement
£15,000	-	settlement agreement
£35,000	-	settlement agreement
£24,000	-	settlement agreement
£13,060	-	settlement agreement
£10,500	-	settlement agreement

The Trust has agreed settlement terms with 16 colleagues in the 2016/17 academic year. In all cases, these agreements have been reached because they represent best value for the Trust.

Although the redundancy figures are significant, the Trust inherited staffing structures that were not fit for purpose in schools that joined the Trust and restructuring processes were necessary to ensure that the

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**10. STAFF COSTS (continued)**

staffing met the current curriculum demand to support students' outcomes.

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

	2017 No.	2016 No.
Teachers	1,143	955
Administration and support	1,613	1,370
	<u>2,756</u>	<u>2,325</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	999	849
Administration and support	863	761
	<u>1,862</u>	<u>1,610</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	22	20
In the band £70,001 - £80,000	10	9
In the band £80,001 - £90,000	9	6
In the band £90,001 - £100,000	5	4
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	1	0
In the band £140,001 - £150,000	1	1
In the band £150,001 - £160,000	1	1
In the band £160,001 - £170,000	1	1
In the band £170,001 - £180,000	0	1

During the year ended 31 August 2017 50 (2016: 43) of the above staff participated in a pension scheme. 49 (2016: 41) were in the Teachers' Pension Scheme and one (2016: 2) was in the Local Government Pension Scheme whilst 1 was in no pension scheme (2016: 0). Employers pension contributions for the TPS amounted to £648k (2016: £534k) and for the LGPS £15k (2016: £23k).

Within the category of earnings between £150k and £160k above there is one senior member of the trust who's pay falls within the category below of £140k and £150k but they received payments in the year for additional work unrelated to their Trust role which was funded by a National College of Teaching and Learning grant.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension



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**10. STAFF COSTS (continued)**

contributions) received by key management personnel for their services to the academy trust was £4,068k (2016: £3,189k).

**11. CENTRAL SERVICES**

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

- Payroll
- HR
- Finance
- Governance
- Capital Project Management
- IT services
- Continued Professional Development (CPD)
- School Improvement
- Recruitment

The Academy Trust charges for these services on the following basis:

As a percentage of GAG income: 5% for all academies.

The actual amounts charged during the year were as follows:

	2017 £000	2016 £000
Outwood Academy Acklam	287	256
Outwood Academy Adwick	294	289
Outwood Academy Bishopsgarth	151	-
Outwood Academy Brumby	168	165
Outwood Academy Bydales	191	199
Outwood Academy Carlton	224	133
Outwood Academy City	225	232
Outwood Academy Danum	372	-
Outwood Academy Foxhills	144	153
Outwood Academy Newbold	242	242
Outwood Academy Ormesby	224	229
Outwood Grange Academy	513	508
Outwood Academy Portland	319	312
Outwood Academy Ripon	160	143
Outwood Academy Shafon	266	282
Outwood Academy Valley	381	385
Outwood Primary Darfield	41	18
Outwood Primary Kirkhamgate	32	32
Outwood Primary Ledger Lane	55	52
Outwood Primary Littleworth Grange	95	39
Outwood Primary Lofthouse	71	71
<b>Total</b>	<b>4,455</b>	<b>3,740</b>

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**12. DIRECTORS' REMUNERATION AND EXPENSES**

The highest paid Director received remuneration exclusive of pension payments of £169k (2016 - £173k).

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

		2017 £000	2016 £000
Sir Michael Wilkins, Founding CEO	Remuneration		170-175
Mr Martyn Oliver, Chief Executive	Remuneration	165-170	
	Pension contributions paid	25-30	

During the year ended 31 August 2017, no Directors received any benefits in kind (2016 - no directors).  
During the year ended 31 August 2017, expenses totalling £6,870 were reimbursed to 3 Directors (2016 - £4,151 were reimbursed to 3 directors).

**13. DIRECTORS' AND OFFICERS' INSURANCE**

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

**14. OTHER FINANCE INCOME**

	2017 £000	2016 £000
Interest income on pension scheme assets	886	1,052
Interest on pension scheme liabilities	(1,829)	(1,737)
	<u>(943)</u>	<u>(685)</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Software £000</b>
<b>Cost</b>	
At 1 September 2016	477
Additions	134
Disposals	(2)
At 31 August 2017	<u>609</u>
<b>Amortisation</b>	
At 1 September 2016	263
Charge for the year	122
At 31 August 2017	<u>385</u>
<b>Carrying amount</b>	
At 31 August 2017	<u><u>224</u></u>
At 31 August 2016	<u><u>214</u></u>
 <b>Academy trust</b>	 <b>Software £000</b>
<b>Cost</b>	
At 1 September 2016	477
Additions	134
Disposals	(2)
At 31 August 2017	<u>609</u>
<b>Amortisation</b>	
At 1 September 2016	263
Charge for the year	122
At 31 August 2017	<u>385</u>
<b>Carrying amount</b>	
At 31 August 2017	<u><u>224</u></u>
At 31 August 2016	<u><u>214</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. TANGIBLE FIXED ASSETS**

Group	Freehold property £000	Long-term leasehold property £000	Fixtures & fittings & vehicles £000	Computer equipment & software £000	Assets under con- struction £000	Total £000
<b>Cost</b>						
At 1 September 2016	22,457	100,904	8,468	6,281	19	138,129
Additions	551	798	1,382	1,522	539	4,792
Disposals	(146)	-	(43)	(431)	-	(620)
Transferred on Conversion	12,821	3,509	368	48	-	16,746
Transfer between classes	-	-	5	5	(10)	-
At 31 August 2017	35,683	105,211	10,180	7,425	548	159,047
<b>Depreciation</b>						
At 1 September 2016	1,186	6,291	2,300	4,044	-	13,821
Charge for the year	557	1,987	983	1,223	-	4,750
On disposals	(8)	-	(5)	(423)	-	(436)
Impairment charge	1,367	-	-	-	-	1,367
At 31 August 2017	3,102	8,278	3,278	4,844	-	19,502
<b>Net book value</b>						
At 31 August 2017	32,581	96,933	6,902	2,581	548	139,545
At 31 August 2016	21,271	94,613	6,168	2,237	19	124,308

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**16. TANGIBLE FIXED ASSETS (continued)**

Included within the amounts transferred on conversion is £3,509k relating to donated assets from Stockton on Tees BC to Outwood Academy Bishopsgarth and £13,237k from CFBT relating to Outwood Academy Danum.

Academy Trust	Freehold property £000	Long-term leasehold property £000	Fixtures & fittings & vehicles £000	Computer equipment & software £000	Assets under construction £000	Total £000
<b>Cost</b>						
At 1 September 2016	22,457	100,904	8,468	6,276	19	138,124
Additions	551	798	1,382	1,522	539	4,792
Disposals	(146)	-	(43)	(431)	-	(620)
Transferred on Conversion	12,821	3,509	368	48	-	16,746
Transfer between classes	-	-	5	5	(10)	-
At 31 August 2017	35,683	105,211	10,180	7,420	548	159,042
<b>Depreciation</b>						
At 1 September 2016	1,186	6,291	2,300	4,041	-	13,818
Charge for the year	557	1,987	983	1,222	-	4,749
On disposals	(8)	-	(5)	(423)	-	(436)
Impairment charge	1,367	-	-	-	-	1,367
At 31 August 2017	3,102	8,278	3,278	4,840	-	19,498
<b>Net book value</b>						
At 31 August 2017	32,581	96,933	6,902	2,580	548	139,544
At 31 August 2016	21,271	94,613	6,168	2,235	19	124,306

Included in freehold property is freehold land at valuation of £7.379m (2016: £2.713m) which is not depreciated.

**17. STOCKS**

	Group		Academy Trust	
	2017 £000	2016 £000	2017 £000	2016 £000
Finished goods and goods for resale	11	12	11	12

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**18. DEBTORS**

	<u>Group</u>		<u>Academy Trust</u>	
	2017	2016	2017	2016
	£000	£000	£000	£000
Trade debtors	180	256	177	209
Other debtors	1,254	1,600	1,401	1,592
Prepayments and accrued income	2,739	2,754	2,739	2,754
	<u>4,173</u>	<u>4,610</u>	<u>4,317</u>	<u>4,555</u>

**19. CREDITORS: Amounts falling due within one year**

	<u>Group</u>		<u>Academy Trust</u>	
	2017	2016	2017	2016
	£000	£000	£000	£000
Trade creditors	2,047	2,642	2,026	2,587
Other taxation and social security	1,369	1,165	1,369	1,165
ESFA creditor: Abatement of GAG	-	15	-	15
Other creditors	1,740	1,511	1,692	1,456
Accruals and deferred income	3,659	2,054	3,546	1,864
	<u>8,815</u>	<u>7,387</u>	<u>8,633</u>	<u>7,087</u>

	<u>Group</u>		<u>Academy trust</u>	
	£000	£000	£000	£000
<b>Deferred income</b>				
Deferred income at 1 September 2016	166	185	103	46
Resources deferred during the year	313	166	276	103
Amounts released from previous years	(166)	(185)	(103)	(46)
Deferred income at 31 August 2017	<u>313</u>	<u>166</u>	<u>276</u>	<u>103</u>

At the balance sheet date the academy trust was holding funds received in advance for lettings of £4k, MOD grant £15k, SEN £42k, Rates relief £84k, UIFSM £114k, School Sports Partnership £14k and Other grants and income £3k. Within Outwood Grange Services Limited there is also deferred income for the maths hub project of £9k, School Direct £11k and £12k for training. £5k relates to intercompany deferred income between the Outwood Institute of Education and other OGAT academies.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
<b>Unrestricted funds</b>						
General Funds - all funds	8,053	2,191	(809)	-	-	9,435
<b>Restricted funds</b>						
General Annual Grant (GAG)	10,382	89,851	(89,168)	(1,831)	-	9,234
Start up Grant	-	127	(127)	-	-	-
Other DfE/ESFA Grants	-	6,958	(6,958)	-	-	-
Other Grants	-	1,927	(1,927)	-	-	-
Other Income	-	1,896	(1,896)	-	-	-
Pension reserve	(38,479)	(6,506)	(3,797)	-	10,664	(38,118)
	<u>(28,097)</u>	<u>94,253</u>	<u>(103,873)</u>	<u>(1,831)</u>	<u>10,664</u>	<u>(28,884)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	109,976	16,786	(6,238)	-	-	120,524
DfE / ESFA Capital Grants	5,947	2,849	-	-	-	8,796
Capital expenditure from GAG	8,619	-	-	1,831	-	10,450
	<u>124,542</u>	<u>19,635</u>	<u>(6,238)</u>	<u>1,831</u>	<u>-</u>	<u>139,770</u>
Total restricted funds	<u>96,445</u>	<u>113,888</u>	<u>(110,111)</u>	<u>-</u>	<u>10,664</u>	<u>110,886</u>
Total of funds	<u>104,498</u>	<u>116,079</u>	<u>(110,920)</u>	<u>-</u>	<u>10,664</u>	<u>120,321</u>

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

Unrestricted fund – this contains resources which can be spent on any purpose at the discretion of the trustees, within the objects of the Trust as set out in its governing documents.

Restricted general fund – this contains revenue (running costs) resources which can only be spent for particular purposes. Items within restricted funds are as below:

General Annual Grant (GAG) must be used for the normal running costs of the academies.

As referred to in note 2, The ESFA agreed an exemption up to and including 2016/17 to the 12% GAG carried forward restriction for Outwood Grange Academy, Adwick, Ripon, Portland and Valley in order to fund planned capital investment by the Trust. The restrictions and corresponding relaxation do not apply to other schools in the Trust.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. STATEMENT OF FUNDS (continued)**

Start up Grant - This income is received from the ESFA as part of GAG income and is for schools that have recently converted.

Other DfE/ESFA grants - this is Pupil Premium, UIFSM income, Early Years funding, Summer school funding and sports grants income.

Other Grants - this is SEN and other Local Authority grant income.

Other income - this is mainly catering sales income from students.

Restricted fixed asset fund – this contains resources to be spent for particular capital purposes where the conditions of the funding state that the asset must be retained and used on an ongoing basis.

£1,831k was transferred from restricted funds to restricted fixed assets funds to support the purchase of assets as described below.

Other than donated assets, the major items of expenditure on fixed assets during the year were the converting of classrooms at Acklam, a canteen extension at Portland, conversion and remodel of the library and classrooms at Shafton, fencing and gates at Ormesby, changing rooms and toilets extension and refurbishment at Danum along with various site works for health and safety and safeguarding. Across the Trust computer replacements have also taken place along with upgrading of phone systems, networks and servers.

The figures above refer to the consolidated balance sheet including the reserves of Outwood Grange Services Limited, which amount to £1k.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**20. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Outwood Grange Academy	4,121	3,664
Outwood Academy Adwick	2,313	2,226
Outwood Academy Brumby	(13)	129
Outwood Academy Portland	2,584	2,797
Outwood Academy Valley	1,941	2,011
Outwood Academy Ripon	407	168
Outwood Academy Danum	(1,363)	-
Outwood Academy Bishopsgarth	41	-
Outwood Grange Academies Trust	8,787	5,336
Outwood Academy Acklam	1,394	1,142
Outwood Academy City	(195)	95
Outwood Primary Academies Wakefield	613	553
Outwood Academy Foxhills	(854)	(651)
Outwood Academy Newbold	(1,620)	(828)
Outwood Academy Bydales	477	677
Outwood Academy Shafon	167	715
Outwood Academy Ormesby	(434)	(78)
Outwood Academy Carlton	(373)	119
Outwood Primary Academies Barnsley	677	360
Total before fixed asset fund and pension reserve	<b>18,670</b>	<b>18,435</b>
Restricted fixed asset fund	<b>139,770</b>	<b>124,542</b>
Pension reserve	<b>(38,118)</b>	<b>(38,479)</b>
Total	<b>120,322</b>	<b>104,498</b>

The following academies are carrying net deficits on their portion of the funds as follows:

<b>Name of academy</b>	<b>Amount of deficit £000</b>
Outwood Academy Foxhills	854
Outwood Academy Newbold	1,620
Outwood Academy Ormesby	434
Outwood Academy Brumby	13
Outwood Academy Danum	1,363
Outwood Academy City	195
Outwood Academy Carlton	373

The Trust's objective is to ensure that pooled reserves remain sufficient to cover capital requirements and the reserve policy of the Trust as a whole. By applying the 'family of schools' ethos to capital allocation, the Trust will allow individual schools to set in year deficit budgets and have an overall fund deficit if the program of school improvement, staffing restructure, pupil growth (and the impact of lagged funding) and capital investment requires it. However, this process always ensures that ring fenced funding such as

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**20. STATEMENT OF FUNDS (continued)**

pupil premium is preserved in each school and that the overall financial health of the Trust is maintained. The Trust will manage the in-year deficits of any schools during the turnaround phase which includes implementing plans that will return a surplus budget in the medium and long term. Brumby is forecasting an in year surplus for 2017/18; Danum, City, Foxhills, Newbold, Ormesby and Carlton are expected to deliver surplus budgets in the medium and long term.

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding dep- reciation £000	Total 2017 £000	Total 2016 £000
Adwick	4,203	919	429	899	6,450	6,213
Brumby	2,469	634	159	495	3,757	3,671
Portland	4,265	584	285	1,234	6,368	6,202
Ripon	2,281	478	107	633	3,499	3,113
Valley	5,645	727	581	1,637	8,590	8,324
Academy	6,980	1,465	516	1,294	10,255	11,057
Primary Academies						
Wakefield	2,713	352	129	611	3,805	3,733
	3,532	718	367	1,240	5,857	5,689
City	3,380	879	311	764	5,334	5,190
Foxhills	2,114	478	167	584	3,343	3,439
Newbold	3,820	540	294	1,296	5,950	5,763
Bydales	2,508	334	224	875	3,941	3,996
Shafton	3,706	821	252	1,635	6,414	6,384
Outwood Grange Academies Trust	2,077	1,734	16	647	4,474	3,789
Outwood Grange Services Ltd	196	89	13	495	793	1,020
Ormesby	3,312	498	416	915	5,141	5,045
Carlton	3,436	763	272	1,114	5,585	3,433
Primary Academies						
Barnsley	1,957	321	89	819	3,186	1,317
Bishopsgarth	2,342	469	146	333	3,290	-
Danum	5,257	1,495	474	1,152	8,378	-
	<b>66,193</b>	<b>14,298</b>	<b>5,247</b>	<b>18,672</b>	<b>104,410</b>	<b>87,378</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Intangible fixed assets	-	-	225	225
Tangible fixed assets	(1)	-	139,545	139,544
Current assets	9,436	18,049	-	27,485
Creditors due within one year	-	(8,815)	-	(8,815)
Pensions liabilities	-	(38,118)	-	(38,118)
	<u>9,435</u>	<u>(28,884)</u>	<u>139,770</u>	<u>120,321</u>

**22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Trust
	2017 £000
Net income for the year (as per Statement of Financial Activities)	6,486
<b>Adjustment for:</b>	
Depreciation charges	4,750
Dividends, interest and rents from investments	(100)
Loss on the sale of fixed assets	186
Decrease in stocks	1
Decrease/(increase) in debtors	437
Increase in creditors	1,428
Capital grants from DfE and other capital income	(2,849)
Defined benefit pension scheme obligation inherited	6,506
Defined benefit pension scheme cost less contributions payable	2,434
Defined benefit pension scheme finance cost	943
Net (loss) on assets and liabilities from local authority on conversion	(16,977)
Amortisation	122
Impairment of Freehold Property	1,367
Curtailed and settlement losses	420
<b>Net cash provided by operating activities</b>	<u>2,819</u>

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**23. ANALYSIS OF CASH AND CASH EQUIVALENTS**

		<b>Trust</b>
	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	<b>8,977</b>	11,577
Notice deposits (less than 3 months)	<b>14,324</b>	9,643
<b>Total</b>	<b>23,301</b>	<b>21,220</b>

**24. CONVERSION TO AN ACADEMY TRUST**

On 1 November 2016 Outwood Academy Bishopsgarth converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Outwood Grange Academies Trust from Stockton on Tees Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities as Donations - transfer from local authority on conversion

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

	<b>Unrestricted funds £000</b>	<b>Restricted funds £000</b>	<b>Restricted fixed asset funds £000</b>	<b>Total funds £000</b>
Leasehold land and buildings	-	-	3,509	3,509
Other assets	-	-	40	40
Budget surplus/(deficit) on LA funds	91	-	-	91
LGPS pension surplus/(deficit)	-	(767)	-	(767)
<b>Net assets/(liabilities)</b>	<b>91</b>	<b>(767)</b>	<b>3,549</b>	<b>2,873</b>

The above net assets include £91k that were transferred as cash.

Bishopsgarth Academy converted to the Trust on a 125 lease with a peppercorn rent from Stockton on Tees Borough Council..

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**25. CAPITAL COMMITMENTS**

At 31 August 2017 the Trust had capital commitments as follows:

	<u>Trust</u>		<u>Academy trust</u>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Contracted for but not provided in these financial statements	<b>439</b>	<b>-</b>	<b>439</b>	<b>-</b>

Although there are several large capital projects planned, little has been contracted for as at year end. The commitments disclosed are projects that have been carried out over the summer but the work was not fully completed as at 31 August 2017. The Trust has entered into the Scape procurement route in order to procure appropriately employed cost consultants and developers for the larger projects which the Trust intends to carry out.

**26. PENSION COMMITMENTS**

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by: the West Yorkshire Pension Fund (WYPF) (Outwood Grange Academy, Outwood Primary Academy Ledger Lane, Outwood Primary Academy Kirkhamgate and Outwood Primary Academy Lofthouse Gate), the South Yorkshire Pension Fund (SYPF) (Outwood Academy Adwick, Outwood Academy City, Outwood Academy Shafton, Outwood Academy Carlton, Outwood Academy Danum, Outwood Primary Academy Littleworth Grange and Outwood Primary Academy Darfield), the North Yorkshire Pension Fund (NYPF) (Outwood Academy Ripon), the Nottinghamshire Pension Fund (NPF) (Outwood Academy Portland and Outwood Academy Valley), the East Riding Pension Fund (ERPF) (Outwood Academy Brumby and Outwood Academy Foxhills), the Derbyshire Pension Fund (DPF) (Outwood Academy Newbold) and the Teesside Pension Fund (TPF) (Outwood Academy Acklam, Outwood Academy Bydales, Outwood Academy Ormesby and Outwood Academy Bishopsgarth). Both are multi-employer defined benefit pension schemes.

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

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

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. PENSION COMMITMENTS (continued)**

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (previously 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £6,264k (2016 - £5,167k).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £4,530k (2016 - £3,349k), of which employer's contributions totalled £3,538k (2016 - £2,540k) and employees' contributions totalled £992k (2016 - £809k). The agreed contribution rates for future years are average 16.77% with the minimum being 13.5% and the maximum being 27.1% for employers and a sliding scale rate of between 5.5% and 12.5% for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**26. PENSION COMMITMENTS (continued)**

Principal actuarial assumptions at the Balance Sheet date (expressed as averages):

	2017	2016
Discount rate for scheme liabilities	2.51 %	2.08 %
Rate of increase in salaries	3.31 %	3.42 %
Rate of increase for pensions in payment / inflation	2.19 %	2.00 %
Inflation assumption (CPI)	2.19 %	1.97 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2017	2016
Retiring today		
Males	22.5	22.59
Females	25.3	25.29
Retiring in 20 years		
Males	24.5	24.76
Females	27.5	27.71

	At 31 August 2017 £000
<b>Sensitivity analysis</b>	
Discount rate +0.1%	1,999
Discount rate -0.1%	2,028
Mortality assumption - 1 year increase	2,205
Mortality assumption - 1 year decrease	2,183
CPI rate +0.1%	1,717
CPI rate -0.1%	1,700

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**26. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	33,238	24,423
Gilts	4,515	3,451
Corporate bonds	2,300	1,349
Property	3,846	2,988
Cash and other liquid assets	1,901	982
Derivatives	-	-
Other	2,050	1,217
Total market value of assets	<u>47,850</u>	<u>34,410</u>

The actual return on scheme assets was £3,400,000 (2016 - £4,953,000).

Sensitivity analysis figures are not obtainable for the prior year comparatives.

The amounts recognised in the Statement of Financial Activities are as follows:

	2017 £000	2016 £000
Current service cost	(5,926)	(3,114)
Past service cost	(46)	-
Interest income	886	1,052
Interest and administrative costs	(1,829)	(1,737)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(420)	-
Total	<u>(7,335)</u>	<u>(3,799)</u>



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**26. PENSION COMMITMENTS (continued)**

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

	2017 £000	2016 £000
Opening defined benefit obligation	72,889	38,630
Upon conversion	1,615	2,703
Transferred in on existing academies joining the trust	11,427	5,017
Current service cost	5,926	3,114
Interest cost	1,805	1,721
Employee contributions	992	809
Actuarial (gains)/losses	(8,150)	21,394
Benefits paid	(1,002)	(499)
Losses on curtailments	420	-
Past service costs	46	-
	<u>85,968</u>	<u>72,889</u>
Closing defined benefit obligation	<u>85,968</u>	<u>72,889</u>

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

	2017 £000	2016 £000
Opening fair value of scheme assets	34,410	22,878
Upon conversion	848	841
Transferred in on existing academies joining the trust	5,688	2,904
Interest income	886	1,052
Actuarial losses	2,514	3,901
Employer contributions	3,538	2,540
Employee contributions	992	809
Benefits paid	(1,002)	-
Administrative expenses	(24)	(16)
	<u>47,850</u>	<u>34,410</u>
Closing fair value of scheme assets	<u>47,850</u>	<u>34,410</u>

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**27. OPERATING LEASE COMMITMENTS**

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

<b>Trust</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts payable:</b>		
Within 1 year	<b>5,007</b>	<b>4,735</b>
Between 2 and 5 years	<b>19,483</b>	<b>18,549</b>
After more than 5 years	<b>58,604</b>	<b>62,412</b>
<b>Total</b>	<b>83,094</b>	<b>85,696</b>

At 31 August 2017 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

<b>Academy trust</b>		
<b>Amounts payable:</b>		
Within 1 year	<b>5,007</b>	<b>4,735</b>
Between 1 and 5 years	<b>19,483</b>	<b>18,549</b>
After more than 5 years	<b>58,604</b>	<b>62,412</b>
<b>Total</b>	<b>83,094</b>	<b>85,696</b>

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**28. RELATED PARTY TRANSACTIONS**

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

	2017 £000	2016 £000
Recharge of support costs - Outwood Grange Services Limited	153	198
Gift Aid Donation - Outwood Grange Services Ltd to OGAT	154	264
Recharge of staff time from OGAT to Humber UTC	184	242
Balance owed by Humber UTC at 31 August 2017	19	-
Prince's Trust - Education Services	1	1
Balance owed by OGSL at 31 August 2017	1	5
Redcar Academy - recharge of staff time and purchases	422	-
Balance owed by Redcar Academy at 31 August 2017	39	-

The gift aid payment from OGSL to OGAT of £154k was not paid before 31 August 2017 and the full £154k remained owing at year end and is included in accruals and deferred income. Included in trade creditors of OGAT is an amount owing to OGSL at year end of £0k. Included within trade debtors of OGSL at year end is the same amount owing from OGAT of £1k.

The Trust has been working with Humber UTC to support them in their first years of operating. The Trust has a representative on the Humber UTC board in Julie Slater under her National Leader of Education role. An agreed NLE school improvement contract has been drawn up between the Trust and Humber UTC and charges, at-cost, are made for staff time spent supporting the Humber UTC. The NLE contract came to an end on 31/08/2017.

The Trust has operated under an NLE contract with Redcar Academy over the last year prior to Redcar academy converting to the trust on 01/11/2017. Under the NLE recharges have been made at cost for staff time and any purchases made on behalf of Redcar.

The Trust has operated under an NLE contract with Easingwold School over the last year and continue to do so until conversion to the trust. Under the NLE agreement recharges have been made at cost for staff time and any purchases made on behalf of Easingwold.

The Trust has a Director (Mr Ralph Pickles) who is also a Member of Prince's Trust NE Development Committee. The Director has no financial interest in any arrangements between the Trust and Prince's Trust.

David Earnshaw, the chair of the board of OGAT became a member of the Board of the DfE in July 2016.

Martyn Oliver became a trustee on the board of FASNA on 6 September 2017.

**29. POST BALANCE SHEET EVENTS**

On 1st November 2017, Outwood Academy Redcar (formerly Redcar Academy) joined Outwood Grange Academies Trust.

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**30. PRINCIPAL SUBSIDIARIES**

**Outwood Grange Services Limited**

Subsidiary name	Outwood Grange Services Limited
Company registration number	07844668
Basis of control	100% owned by Outwood Grange Academies Trust
Equity shareholding %	100%
Total assets as at 31 August 2017	£ 338
Total liabilities as at 31 August 2017	£ (338)
Total equity as at 31 August 2017	£ -
Turnover for the year ended 31 August 2017	£ 793
Expenditure for the year ended 31 August 2017	£ (793)
Result for the year ended 31 August 2017	£ -

**31. 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.

**32. AGENCY ARRANGEMENTS**

The academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the Trust received £204k and disbursed £122k from the fund. An amount of £154k is included in other creditors relating to undistributed funds that is repayable to the ESFA.

Outwood Grange Services Limited acts as an agent in respect of grant funds from the National College of Teaching and Learning (NCTL) for school to school support and maths hub projects. In the year ended 31 August 2017 the trust received £11k of income and dispersed £17k with £1k recognised as income in the SOFA. An amount of £47k is included in other creditors relating to undistributed funds.

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**33. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST**

**Outwood Academy Danum**

	Value reporting by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
<b>Tangible fixed assets</b>			
Freehold property	12,821	-	12,821
Fixtures and fittings	368	-	368
Computer equipment	48	-	48
Debtors due within one year	146	-	146
<b>Liabilities</b>			
Creditors due within one year	(6)	-	(6)
<b>Pensions</b>			
Pensions - pension scheme assets	5,688	-	5,688
Pensions - pension scheme liabilities	(11,427)	-	(11,427)
<b>Net assets</b>	<u>7,638</u>	<u>-</u>	<u>7,638</u>