

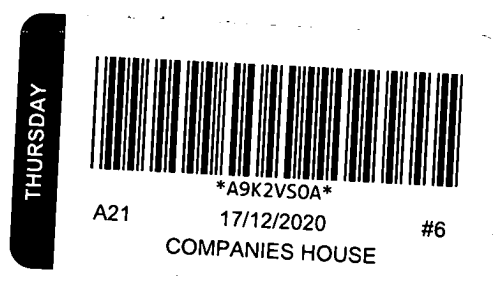
Registered number: 06995649 (England and Wales)

OUTWOOD GRANGE ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



OUTWOOD GRANGE ACADEMIES TRUST

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OUTWOOD GRANGE ACADEMIES TRUST
REFERENCE & ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2020

Members

Mr Roland Harden
Mr David Earnshaw CBE
Mr Steven Harness
Mr David Tibble

Trustees

Mr Christopher Dalzell, Trustee
Mr David Earnshaw CBE, NLG, Chair of Trustees
Mrs Sue Hague, NLG, Trustee
Mr Roland Harden, Vice Chair of Trustees
Mr Ralph Pickles, NLG, Trustee
Mr Martyn Oliver, NLE, Ex-Officio Trustee and Chief Executive/Accounting Officer

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, SLE

Chief Executive and Accounting Officer

Mr Martyn Oliver, NLE

Senior management team

Martyn Oliver, NLE Chief Executive and Accounting Officer
Julie Slater, NLE, Chief Executive Principal, Secondary
Lee Wilson, NLE, Chief Executive Principal, Primary
Katy Bradford, SLE, Company Secretary and Chief Operating Officer
Ben Waterman, SLE, CIMA, Chief Financial Officer
Mark Hassack, NLE and NLG, Executive Principal
Lynn James, Executive Principal
Dr Phil Smith OBE, NLE, Executive Principal
Plus Associate Executive Principals

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

Browne Jacobson LLP, Mowbray House, Castle Meadow Road, Nottingham NG2 1BJ

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

INTRODUCTION

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ending 31 August 2020. 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 37 to 43 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), (SORP 2015).

The Trust currently operates nine primary, one junior and twenty-three secondary academies across the East Midlands, Yorkshire and Humber and North East of England. For the purposes of this report, there were nine primary, one junior and twenty-two secondary academies in the financial year 2019-20.

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, amended on 18 August 2011 and amended again on 17 June 2019.

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). In addition, each academy may also be referred to by their individual name e.g. Outwood Academy Acklam and the Trust's trading subsidiary, Outwood Grange Services Limited trades as the Outwood Institute of Education.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a member. There are no indemnities awarded to any members or Trustees.

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").

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Method of Recruitment and Appointment of Trustees

The number of Trustees 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 permit the Members to appoint Trustees through such processes as it may determine and sets out the categories of Trustees and this includes the following:

The Chief Executive/Accounting Officer ex-officio

Up to eight Trustees appointed by Members

Up to eight Trustees appointed by the sponsor body

The Members may appoint co-opted Trustees

The number of Trustees who are employees of the Charitable Company shall not exceed one third of the total number of Trustees including the Chief Executive

The Members shall appoint the Trustees and may appoint co-opted Trustees

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new Trustees will be given the opportunity to have a tour of all the academies and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans, the governor handbook and other documents, including the Academies Financial Handbook and governor/director guidance documentation from the DfE/ESFA that they will need to undertake their role as Trustees.

Continuous Professional Development is undertaken throughout the year to ensure that Trustees are able to challenge and hold the Executive Board and Executive Team to account. The Board of Trustees have completed their annual skills audit in order to identify any significant skills gaps within the Board. An experienced Clerk has been appointed to support and advise the Board on matters of governance. The role maintains a level of independence from the Executive Team in order to facilitate challenge and continuous improvement from the Board.

Organisational Structure

The governance structure consists of five levels: the Members, the Board of Trustees, Academy Councils, the Executive and the Senior Leadership Teams within each academy. The aim of the governance 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 at least annually to review the performance of the Trust and ensure that the Trustees are working within the articles of association. The Members review the Board skills audit to address any deficiency in governance.

The Trustees, by the use of academic results and budgets, monitor and manage risks and make major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Trustees are responsible for setting general policy, adopting an annual plan and budget monitoring.

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Academy Councils act as advisory bodies to the OGAT Board.

The Executive is made up of the: Chief Executive & Accounting Officer, Chief Operating Officer, Chief Financial Officer, Chief Executive Principals – Secondary & Primary, three Regional Executive Principals (Secondary), Director of Executive Services, Executive Director of Curriculum, four Associate Executive Principals, Executive Director of the Outwood Institute of Education and Director of Business Services.

Academy Senior Leadership Teams vary depending on the size of the academy but typically consist of the following: 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 Manager, 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 Trustees 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 the selection panel for posts to the Executive Board always contain a Trustee - details of the levels of authority can be found in the Trust's Scheme of Delegation.

Arrangements for setting pay and remuneration of key management personnel

The process for establishing the remuneration of the Executive Team and Principals (Trustees are not remunerated) is set out in the Trust's Pay Policy which has been consulted on with our recognised trade unions as follows:

- 8.1 *For the Chief Executive, Chief Executive Principals, Executive Principals and Associate Executive Principals, OGAT will assign a seven point Individual Pay Range having regard to the complexities and responsibilities of the post, in particular the financial and resources responsibilities, the "category" of schools/academies we are supporting and to market factors for jobs of a similar status/responsibility.*
- 8.2 *For a Principal, OGAT will assign a seven point range having regard to the school group size. OGAT will ensure that there is no overlap of salary bands between the Principal and other leadership posts.*
- 8.3 *On appointment the Chief Executive/Chief Executive Principals/Executive Principal/Associate Executive Principal/Principal will be appointed on one of the first 4 points on the range.*
- 8.4 *Progression on the range for the Chief Executive/Chief Executive Principals/Executive Principal/Principal will be subject to automatic progression, unless issues of capability have been formally identified.*
- 8.5 *Where performance is not at the required level this will be addressed through OGAT's Performance Management process and possibly the Capability Procedure.*
- 8.6 *Where progression is withheld, they will be advised of the reasons and given the opportunity to appeal against the decision made. Staff development will also be provided to enable the member of staff to meet the standards required.*
- 8.7 *OGAT will ensure that reasons for setting the range at a given level are recorded and that the process for the determination of the Chief Executive/Chief Executive Principal/Executive Principal/Principals' salary/grade is fair and transparent.*

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The scheme of delegation requires that any pay recommendations for staff earning over the value of Leadership Scale point 18 must be approved by the Board on the recommendation of the Finance and Resources Committee. 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.

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. In considering executive pay, the committee benchmarks against external data available, including cost per pupil, cost per academy and ratio to lowest paid employee.

Trade union facility time

Facility time publication legislation requires public sector employers with more than 49 full-time equivalent employees to publish information every year about their usage and spend on trade union facility time. Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities as a trade union representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities).

The Trust meets its statutory obligations to provide facility time to trade union representatives by pooling resources with other schools and academies within the various local authorities in which the Trust's academies are located, to cover the time spent by trade union representatives across a number of different employers.

The Trust currently pays into facility time arrangements in the following local authorities:

• Derbyshire	• Redcar and Cleveland
• Sheffield	• Stockton-on-Tees
• Wakefield	• Doncaster
• Middlesbrough	• North Lincolnshire
• Nottinghamshire	• North Yorkshire

The Trust also has four academies in another local authority area, which does not allow academies to pay into the facilities time arrangements. The Trust therefore publishes facility time information as the total cost of contributions to pooled facility time, expressed as a percentage of the total pay bill for the relevant period.

The publication is for the period 1 April 2019 - 31 March 2020, when the Trust spent 0.07% of the total pay bill on facility time. This information has also been published on the Cabinet Office's facility time online reporting service.

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

However, for the purposes of the Trust's accounts, the period from 1 April 2020 – 31 August 2020 must also be accounted for. As well as paying into pooled facility time arrangements where possible, the Trust also had two employees who have been provided with time (i.e. full days) to undertake trade union duties. This time is recharged and paid for by the relevant Trade Union.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1 April 2019 - 31 March 2020	25.6
1 April 2020 - 31 August 2020	25.6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	27
1%-50%	0
51%-99%	1
100%	1

Percentage of pay bill spent on facility time

Total cost of facility time	£49k
Total pay bill	£116.3m

The percentage of the total pay bill spent on facility time for the year was 0.04%

Paid trade union activities

The number of hours spent on paid facility time is 1662. The number of hours spent on paid trade union activities is nil. The percentage of total paid facility time hours spent on paid TU activities was 0.00%.

Related Parties and other Connected Charities and Organisations

The Trust applies the policies 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 of £2k in membership fees paid to the Confederation of School Trusts (CST). As part of the Trust's commitment to the wider system, the CEO is a Director on the Board of Trustees for CST. This is a voluntary role for which the CEO receives no financial reward. The Trust is a paid member of CST and the Executive scrutinises the value for money that this membership brings.

During the year the Trust made the following recharges to Outwood Grange Services Limited, a wholly owned subsidiary company with a number of Trustees in common. No Directors, Trustees or senior management receive any additional compensation or a second salary as a result of this arrangement. The principal activity of Outwood Grange Services Limited was educational support services. During the year £277k (2019 £149k) recharge of costs were processed and at the year-end a balance of £nil (2019 £nil) was due to Outwood Grange Services Limited.

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

During the year Outwood Grange Services Limited made a gift aid donation of £0k (2019: £0k) to OGAT with a £7k gift aid balance outstanding at the year-end (2019 £239k).

David Earnshaw and Chris Dalzell are Trustees of Falcon Education Academies Trust. During 2019/20 Outwood Grange Academies Trust provided education services to Falcon and were remunerated at cost for these services to the value of £8k.

Two Trust employees are now the only Trustees of Wakefield South East Training and Enterprise Centre (WSETEC) with Outwood Academy Hemsworth being the only partner school. WSETEC is a charity set up to further education in the Wakefield area by making use of the large facilities leased to it on a peppercorn lease from the Local Authority. Previously WSETEC Trustees also included two employees from Minsthorpe Community College, also a partner school. During the year Minsthorpe withdrew from this arrangement and both Minsthorpe employees resigned as Trustees. Outwood Academy Hemsworth continued the commitment of partner schools to cover operational costs of WSETEC in order that it remains a going concern. In relation to this and the Trust's use of the building the Trust paid £75k to WSETEC in 2019/20. In 2020/21 both the Trust and WSETEC will review this arrangement and the options for use of the WSETEC building.

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 promote a curriculum that encourages children to embrace the challenges of creating a happy and successful adult life. We will enable pupils to build knowledge that will allow them to make informed decisions about their wellbeing, health and relationships and to build their self-efficacy. 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 employees, including financial and economic factors, are 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.

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

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 Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Objectives, Strategies and Activities

Objectives:

The objectives and aims 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 and the Regional Sustained Improvement Plans with a particular emphasis of embedding our Curriculum and then, as also set out in the Ofsted Summary Evaluation of the Trust: reducing pupil absence and persistent absence, continuing to further improve the outcomes for disadvantaged pupils and reducing the behaviours which lead to student fixed term exclusions (suspensions).

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"

Strategies:

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 coherent 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 (Nolan principles); and
5. A scheme of delegation which enables responsibility to sit with those who are accountable.

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Outwood transformative leadership:

All of the strands of transformation are delivered concurrently: each relies upon the others to facilitate school improvement. 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 shared 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. 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 family of schools.

Activities:

One new academy joined the Trust in the Academic year 2019/20: Outwood Academy Normanby. The Trust has made good use of an empty building at Normanby to create our first Alternative Provision centre: Outwood Alternative Provision, Eston. The Trust also undertook a school improvement contract with Doncaster Metropolitan Borough Council to support Woodlands Primary School.

On 1 September 2020 the Trust opened an 11-16 Free School in the Middlesbrough region - Outwood Academy Riverside (OARv) - and is in temporary accommodation in advance of the new school building which is expected to be ready for 2023 delivering 210 pupil places per year group.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The academic year 2019/20 was unprecedented with the Coronavirus pandemic closing all schools nationwide to all but vulnerable and key workers' children from 20 March 2020. External examinations were cancelled by the government with students' grades at key stage 4 and 5 being issued by a combination of Centre Assessed Grades and a calculated grade from Ofqual. The truncated year obviously impacted on attendance and persistent absence rates too (note in the tables below that attendance and persistent absence data for 2019-20 is only taken up to 20 March 2020). All academies further opened to children in June 2020 prior to the full return in September 2020. The Trust was appointed as an EdTech Demonstrator to support schools across the country in distance learning and, in partnership with Star Academies, Dixons Academies Trust, Inspiration Trust and the Leverage Leadership Institute (part of the Relay Graduate School in the United States, an Uncommon Schools partner), is delivering the Exemplary Leadership Programme: a ground-breaking and innovative new leadership programme delivered by a consortium of high performing academy trusts.

The Trust is making excellent progress in its desire to have all academies good or better with only one academy less than good. From their predecessor Ofsted grade, every academy has improved their grade (unless already Outstanding or Good). Only three Ofsted inspections took place in the shortened year, all three were already graded as Good and in their monitoring inspections retained this grade with two of the three being judged to show the possibility of being Outstanding and recommended for full inspection.

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Attendance showed signs of significant improvement until the Coronavirus pandemic began to affect attendance rates in February and March, furthermore, the attendance figures ending in March obviously include the Autumn and Winter attendance rates which are typically lower than the rates seen in Spring and Winter. Continuing to focus on attendance and persistent absence remains a key target for the Trust. Note, at the start of 2020/21, the rates of attendance, even in highly affected Covid areas, are at or above the rates reported nationally.

Four academies were awarded Inclusion Quality Marks for their practice, it is a target to attain this status in all academies. 14 academies were recognised for their Mental Health practice, again, it is a target to attain this in all academies.

The Trust grew by one secondary academy. There are a significant number of academies due to join the Trust in 2020/21. The Secondary academies showed yet another year of significant pupil number growth increasing by 454 students year on year. Both primary (24) and Post 16 (95) contracted in size: primary in part due to the roll-through of lower numbers prior to sponsorship. Growth at Post 16 is a key area for improvement.

The Trust also considers that further reducing fixed exclusions at secondary and continuing to increase the outcomes of disadvantaged children remain key areas for improvement: both of these areas saw significant improvement in 2019/20.

OUTWOOD GRANGE ACADEMIES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

KEY PERFORMANCE INDICATORS

Secondary Academies	Ofsted Grade pre OGAT	Current Ofsted	Basics (C+/4+)	Basics (B+/5+)	Attainment 8	Attendance	Unauthorised Absence
Outwood Grange	Outstanding	Outstanding	84.5%	70.7%	54.21	94.13%	1.26%
Adwick	Special Measures	Requires Improvement	63.7%	48.3%	43.55	91.07%	4.28%
Ripon	Satisfactory	Outstanding	76.7%	52.5%	48.18	92.67%	1.77%
Portland	Special Measures	Outstanding	88.5%	67.0%	53.02	93.38%	2.83%
Valley	Inadequate	Outstanding	85.1%	71.2%	54.84	95.35%	1.63%
Brumby	Special Measures	Good	79.0%	59.4%	48.52	92.70%	3.46%
Acklam	Special Measures	Good	68.1%	42.9%	44.64	92.08%	5.64%
City	Special Measures	Good	71.9%	56.1%	48.31	92.59%	3.88%
Foxhills	Special Measures	Good	69.2%	60.8%	46.83	93.53%	2.81%
Newbold	Special Measures	Good	75.5%	58.2%	52.18	93.20%	3.00%
Bydales	Special Measures	Outstanding	90.4%	76.9%	59.90	94.86%	1.27%
Shafton	Special Measures	Good	66.7%	47.1%	46.95	92.48%	3.92%
Ormesby	Special Measures	Good	62.5%	35.9%	40.63	89.05%	6.31%
Carlton	Good	Good	67.9%	49.7%	45.32	91.96%	3.66%
Danum	Requires Improvement	Good	69.8%	49.1%	46.65	91.31%	4.83%
Bishopsgarth	Requires Improvement	Good	57.7%	37.5%	40.17	91.65%	2.77%
Redcar	Requires Improvement	Awaiting Inspection	70.7%	42.7%	45.47	91.56%	2.63%
Easingwold	Special Measures	Awaiting Inspection	84.4%	69.7%	55.88	94.21%	1.08%
Freeston	Requires Improvement	Awaiting Inspection	72.6%	56.7%	48.11	92.31%	1.90%
Hemsworth	Requires Improvement	Awaiting Inspection	66.5%	45.0%	44.90	89.69%	3.91%
City Fields	Outstanding	Outstanding	64.2%	52.9%	45.05	93.08%	2.80%
Normanby	Special Measures	Awaiting Inspection	51.2%	33.9%	37.30	88.29%	5.23%

Primary Academies	Ofsted Grade pre OGAT	Current Ofsted	2018/19 Reading	2018/19 Writing	2018/19 Maths	Attendance	Unauthorised Absence
Ledger Lane	Satisfactory	Outstanding	77.0%	91.0%	91.0%	94.38%	2.14%
Kirkhamgate	Special Measures	Outstanding	74.0%	96.0%	81.0%	96.37%	0.82%
Lofthouse Gate	Good	Good	97.0%	97.0%	98.0%	96.79%	0.89%
Darfield	Requires Improvement	Good	89.0%	85.0%	85.0%	93.38%	1.80%
Littleworth Grange	Requires Improvement	Good	63.0%	87.0%	89.0%	93.94%	2.70%
Greystone	Special Measures	Awaiting Inspection	65.0%	75.0%	55.0%	95.31%	0.90%
Bell Lane	Good	Awaiting Inspection	79.0%	87.0%	95.0%	97.16%	0.91%
Park Hill	Requires Improvement	Awaiting Inspection	45.0%	64.0%	63.0%	94.11%	3.20%
Newstead Green	Requires Improvement	Awaiting Inspection	45.0%	68.0%	73.0%	95.56%	1.28%
Brumby Juniors	Special Measures	Awaiting Inspection	65.0%	80.0%	75.0%	95.55%	1.16%

Notes:

Academic achievement for Primary academies in 2018/19 provided due to no external assessment in 2019/20

Attendance data for 1st of September 2019 to 20th of March 2020 provided. See commentary above for further detail

OUTWOOD GRANGE ACADEMIES TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

ACADEMY CONTEXT

Secondary Academies	Joining Date	Years with Trust	URN	School ID	NLE Date	Conversion Route	Capacity	PAN
Outwood Grange	1/9/2009	11	135961	384/6905	1/9/2009	Converted	2200	360
Adwick	1/9/2009	11	135963	371/6907	1/6/2008	Sponsor	1300	210
Ripon	1/9/2011	9	137412	815/4203		Converted	782	150
Portland	1/6/2012	8	138248	891/4012	1/9/2011	Sponsor	1720	300
Valley	1/6/2012	8	138247	891/4011	1/6/2011	Sponsor	1700	300
Brumby	1/4/2013	8	139277	813/4001	1/9/2012	Sponsor	860	172
Acklam	1/9/2013	7	139823	806/4002	1/4/2013	Sponsor	1350	240
City	1/1/2014	7	140415	373/4006	1/4/2013	Sponsor	1200	240
Foxhills	1/9/2014	6	137004	813/4076	1/11/2013	Rebrokered	750	150
Newbold	1/1/2015	6	141377	830/4004	1/6/2014	Sponsor	1139	180
Bydales	1/2/2015	6	141399	807/4004	1/6/2014	Sponsor	800	150
Shafton	1/3/2015	6	139211	370/4003	1/6/2014	Sponsor	1500	270
Ormesby	1/9/2015	5	138711	806/4122		Sponsor	825	180
Carlton	1/2/2016	5	139210	370/4002	1/6/2014	Sponsor	1100	220
Danum	1/9/2016	4	143938	371/4007	20/6/2016	Rebrokered	1926	240
Bishopsgarth	1/11/2016	4	143146	808/4007	20/6/2016	Sponsor	602	120
Redcar	1/10/2017	3	145188	807/4010	1/9/2015	Rebrokered	862	150
Easingwold	1/4/2018	3	144976	815/4006	26/6/2017	Sponsor	1378	210
Freeston	1/5/2018	3	145937	384/4013		Rebrokered	1050	210
Hemsworth	1/5/2018	3	145938	384/4014		Rebrokered	1632	270
City Fields	1/7/2018	2	136394	384/4009		Rebrokered	750	150
Normanby	1/9/2019	1	147544	807/4013	1/7/2019	Rebrokered	1200	150

Primary Academies	Joining Date	Years with Trust	URN	School ID	NLE Date	Conversion Route	Capacity	PAN
Ledger Lane	1/12/2012	8	139108	384/2080	1/5/2012	Sponsor	300	60
Kirkhamgate	1/3/2013	8	139080	384/2003	1/4/2012	Sponsor	195	30
Lofthouse Gate	1/9/2013	7	140085	384/2078	41365	Converted	452	60
Darfield	1/4/2016	5	143940	370/2049		Rebrokered	210	30
Littleworth Grange	1/4/2016	5	143939	370/2044		Rebrokered	420	60
Greystone	1/1/2018	3	145411	815/2008	26/6/2017	Sponsor	174	30
Bell Lane	1/4/2018	3	145941	384/2036		Rebrokered	270	45
Park Hill	1/4/2018	3	145939	384/2030		Rebrokered	360	60
Newstead Green	1/5/2018	3	145940	384/2031		Rebrokered	262	30
Brumby Juniors	1/9/2018	2	146267	813/2008	4/6/2018	Sponsor	480	120

OUTWOOD GRANGE ACADEMIES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Going Concern

After making appropriate enquiries, the Trustees 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. In arriving at this position the Trustees have considered the impact of Covid-19. Whilst this is the source of ongoing disruption and is likely to increase the operational costs of the Trust in 2020/21 this will not materially impact the judgement of going concern due to the certainty of funding and the Trust's revenue reserves.

Promoting Success of the Company

The objects of the Trust are to advance, for the public benefit, education in the United Kingdom, by establishing, developing and managing Academies. Under section 172(1)(a) to (f) of the Companies Act 2006, Members and Trustees of OGAT always seek to act in a way most likely to promote the success of OGAT, and in doing so have regard to:

- The short and long term consequences of decision making by selecting appropriate KPIs to monitor and giving due consideration to the Trust's risk management strategy at all times. This includes identifying pertinent risks and corresponding risk management in decision making. These approaches are described in more detail in the Governance and Strategic Report
- The interests of the Trust's employees which the Trust has voluntarily protected by applying Teachers' Pay and Conditions and National Joint Council pay and conditions to all Teachers and Support Staff respectively. The Trust has also taken steps to reduce the Gender pay gap and ensure fair pay across all support staff by conducting a job evaluation exercise. This was completed in August 2020 and was only possible due to the Trust's excellent relationship with Unison and GMB and participation in the NJCC. The Trust remains committed to reducing workload and is investing in technology such as G-Suite to help achieve this aim. All teacher vacancies for September 2020 were filled with record numbers of applications for many posts
- The need to foster the Trust's relationships with parents, students and suppliers. The Trust does not take the positive relationship it enjoys with its students and parents for granted but is nonetheless very encouraged by the increasing student numbers which result from this. The impact of this can be seen in the Strategic Report. The Trust and its academies actively seek to engage with the wider community by social media, Student Voice and parent surveys which have all become even more critical in the era of Covid-19. The Trust has also developed strategic relationships with suppliers such as YPO (Yorkshire Purchasing Organisation) to improve the value for money the Trust obtains in its purchasing and develop procurement practice for the wider sector. In 2019/20 the Trust also entered into contract variations with key suppliers that were placed at risk during the Covid-19 disruption. This was carried out in line with guidelines from the DfE and PPN 02/20 and PPN 04/20 and vital to protect business continuity
- The impact of the Trust's operations on the community. This is most evident in the improvement in educational outcomes that the Trust provides but also in the provision of facilities for community use and environmental initiatives. In September 2020 the Trust was delighted to open new sports facilities at Outwood Academy Easingwold including a brand new Sports Hall and 5G football pitches. This was partly funded by Football Foundation Grants and the Trust is looking forward to Easingwold Town Football Club and other community groups making full use of these facilities when Covid-19 restrictions are lifted. In partnership with YPO, the Trust has created a battery recycling point at each one of its academies.
- The Trust's reputation for high standards. These extend to both educational outcomes and the financial security and assuredness that is derived from a strong governance and a sound system of internal controls

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

- The need to treat staff and students fairly across the Trust. With respect to staff this is ensured by consistent approach to pay, benefits and performance which are supported by robust policies to protect staff such as whistleblowing and grievances. The Trust, through both academy practice and in particular the OIE, invests very heavily in professional development recognising that developing staff and providing opportunity for advancement along with provision of good working conditions are key to staff retention. The Trust prides itself on achieving the best outcomes for all students and ensures that students have fair access to the Trust's schools by adopting the local authority admissions criteria for all academies. As a System Trust, the Trustees and Executives take seriously their responsibilities to not only advance education within the Trust but also the wider system

FINANCIAL REVIEW

Financial report for the year

The Trust's ongoing income is predominantly from the ESFA in the form of recurrent grants. The use of these grants is restricted to the provision of education. In the year, total income increased to £167.8m, up £12.7m from 2018/19. The increase is primarily driven by the addition of Outwood Academy Normanby, and increase in funded pupils and higher levels of capital grants received which are funding extensive capital projects.

During the year ended 31 August 2020, total expenditure of £159.6m was covered by recurrent grant funding together with other incoming resources. The excess of income over expenditure for the year was £8.3m (2019: £7.5m). The Trust generated £3.0m in cash from its operating activities (2019: £9.3m) and held a total of £30.3m in cash at 31 August 2020. In future years operating cash is expected to remain positive as the Trust benefits from increasing pupil numbers and a continued focus on cost. The in-year surplus, including the £4.6m of restricted revenue reserves spent on capital projects (2019: £4.4m), was £2.0m (2019: 1.7m). This £2.0m represents the movement on restricted and unrestricted reserves excluding pension reserve. The operating surplus of the Trust, excluding asset and pension adjustments, was £5.5m. The restricted and unrestricted reserves, excluding pension reserves, as at 31 August 2020 were £22.8m (2019: £20.8m).

Covid-19 drove additional revenue and capital costs during the period. These costs were primarily associated with making schools covid secure and purchasing additional IT equipment and software for students and staff. In 2019/20 these costs were more than offset by operational savings driven by the national restrictions on pupils attending school in the spring and summer. This position is expected to reverse in 2020/21 due to increased operating costs of keeping schools open whilst Covid-19 is still prevalent and catching up with the associated disruption to learning since March 2020.

The Trust is also continuing on its extensive capital investment programme with the aim of maintaining and improving the quality of its estate for future students, particularly where this is necessary to address issues at academies that have transferred to OGAT in a condition that is not fit for purpose.

At 31 August 2020, the net book value of tangible fixed assets was £216m, up £14m from 2019. This movement comprises £5m in donated assets, £6m of net depreciation and £15m in net additions. The latter is primarily driven by expenditure on the following projects: Ledger Lane nursery and extension, City Fields building improvements, Easingwold M&E and sports hall, Hemsworth school improvements, Normanby P16 conversion to Alternative Provision, Ormesby building improvements, Ripon Sports Hall and school improvements along with various site works for health and safety and safeguarding. The Trust has also continued its rolling programme of renewing computers, phone systems, networks and servers.

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

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 increased from £70.2m to £78.5m. This is primarily due to £1.9m pension liabilities transferring with Outwood Academy Normanby and a worsening position in the Teesside Pension Fund (TeesPF), West Yorkshire Pension Fund (WYPF), Nottinghamshire Pension Fund (NottsPF) and East Riding Pension Fund (ERPF), offset by an improvement in the South Yorkshire Pension Fund (SYPF) and North Yorkshire Pension Fund (NYPF).

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 facilities and equipment 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, lower funding levels or have recently joined the Trust having been in difficult circumstances and require additional resources. 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 to at least break even. The current forecast for the next three years, based on our current delivery model, shows an overall surplus position in each year.

Restricted General Reserves

Restricted Income Funds must be spent by the Trust on the provision of education. At 31 August 2020 these funds totalled £10.5m excluding Pension Reserves which the Trust Board intends to use to fund capital investment in the Trust's schools buildings and infrastructure. 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 within the aims and objectives of the Trust. 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 the year ended 31 August 2020, the unrestricted reserves of the Trust are £12.3m. The combined reserves of the Trust for restricted income funds and Unrestricted Income Funds are £22.8m. In line with its reserves policy the Trust has assessed it requires £9.1m contingency to fund any deficits, allow for any unforeseen conditions and sustain the Trust's effective delivery model.

In 2020/21 and beyond, the Trust plans to spend a further £0.8m on existing contractually committed capital projects, excluding those directly funded by the DfE, and has allocated £13m in further projects. This investment will be predominantly informed by condition surveys with £8m of this sum allocated to tackle the most urgent elements. The remaining sum of £5m has been allocated in accordance with the Trust's Capital Strategy. This will reduce the existing reserve position, excluding future income, to the DfE's recommended reserve level of 4 weeks' staffing expenditure or approximately £9.1m. In the long term the Trust expects to invest approximately £5m a year to maintain and improve the quality of its equipment and facilities across its existing academies.

Investment Policy

The general policy objective is to invest the surplus funds prudently and not expose the Trust to an inappropriate level of risk. 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.

This prohibits the Trust taking on capital risk i.e. investing in equities, but does allow the Trust to make fixed term deposits with banks.

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Principal Risks and Uncertainties

The Trustees regularly assess 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. In 2019/20 the Trust revised its approach to risk management to make a stronger and more dynamic link between strategic and operational risks, especially risks specific to a particular academy. To supplement this each academy within the Trust is actively maintaining a Covid-19 specific register that is routinely reviewed and updated as new guidance and, or, operational requirements become relevant.

Trustees have identified the risk appetite for each strategic risk which is then reflected in the risk management strategy of the operational risks that they comprise of. The strategic risks are identified as:

- Standards
- Safeguarding
- Governance
- Capability and Capacity (This is with respect to both human and financial resources)
- Political and External Environment
- Academy Sponsorship/Conversion

The Trustees have implemented a number of systems to assess risks that the Trust faces, especially in the operational areas (e.g. in relation to teaching, behaviour, 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. This has been of particular benefit during the Covid-19 pandemic where the RPA has covered a wide range of risks with more generous terms than typically found with commercial insurers. In particular with respect to school trips that were booked for spring and summer 2020 this has meant the Trust has been able to cancel trips and reimburse parents and carers relatively quickly. 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 23 - 25.

Fundraising

The Trust only participates in low level fundraising. The purpose of this is not to fund the Trust's core provision of education but support related activities and charities. This fundraising does not involve any professional fundraisers and is only based on voluntary donations from the Trust's stakeholders. As the Trust only participates in low levels of fundraising, Covid-19 has had little impact on this.

**OUTWOOD GRANGE ACADEMIES TRUST
TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020**

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption breakdown (kWh): • gas • electricity • transport fuel	26,315,641 12,309,581 933,728
Scope 1 emissions in metric tonnes CO2e: Gas consumption Owned transport – mini-buses Total scope 1	4,839 8 4,847
Scope 2 emissions in metric tonnes CO2e: Purchased electricity	2,870
Scope 3 emissions in metric tonnes CO2e: Business travel in employee owned vehicles	293
Total gross emissions in metric tonnes CO2e:	8,010
Intensity ratio: Tonnes CO2e per pupil	0.324

Quantification and Reporting Methodology:

The Trust has followed the 2019 HM Government Environmental Reporting Guidelines. The Trust has also used the GHG Reporting Protocol – Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting. The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency:

The Trust has approved an Environmental Sustainability Policy that requires all projects of the Trust, including capital projects, to consider how they can reduce our negative impact on the environment. As part of this strategy the Trust had begun investing in video conferencing technology prior to Covid-19 and used the subsequent lockdowns and restrictions on travel as a catalyst to permanently reduce the travel requirements for staff meetings and training. In conjunction with the Trust's uniform supplier Trutex, in excess of 600,000 plastic bottles were saved from landfill by recycling them to use in the Trust's blazer and trousers.

OUTWOOD GRANGE ACADEMIES TRUST TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

PLANS FOR FUTURE PERIODS

As a major sponsor of academies, OGAT will continue to develop its family of academies in order to continue to support children, some of whom are vulnerable. Our objectives are set out on page 10. In summary, 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. The past performance of the Trust gives Trustees reasonable assurance for future growth however, all new projects will come with a full business case including a detailed due diligence. Decisions on growth therefore will be made on a case by case basis.

Plans for the future include:

- Providing greater agency to regional leaders - supporting frontline teams with greater devolution of services from the centre to ensure that all academies are able to respond quickly to their community's needs
- Developing a new regional hub through expansion to sponsor schools in the North West
- Integrating an Enterprise Resource System to unify all major support service systems and in doing so provide analytics which will afford greater value for money for the taxpayer going forward
- Building back stronger - repairing the lost learning and disfluency caused by the impact of Coronavirus and sustaining improvement in all aspects of the Trust

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees 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.

APPROVAL

Trustees report, incorporating a strategic report, approved by order of the Board of Trustees as company Trustees on 14 December 2020 and signed on its behalf by:



Mr David Earnshaw, CBE
Chair of Trustees

OUTWOOD GRANGE ACADEMIES TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

SCOPE OF RESPONSIBILITY

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees held 14 meetings during the year, of these 7 were Ordinary General Meetings and 7 were Extraordinary Meetings in response to the Covid-19 situation and its impact on the running of schools. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr David Earnshaw, CBE, Chair of Trustees	14	14
Mrs Sue Hague, Vice Chair of Trustees	12	14
Mr Roland Harden, Trustee	11	14
Mr Ralph Pickles, Trustee	14	14
Mr Martyn Oliver, Ex Officio Trustee and Chief Executive/Accounting Officer	14	14
Mr Christopher Dalzell, Trustee	13	14

The composition of the Board of Trustees did not change during 2019/20 but David Tibble was added as a Member to strengthen independence between the Trustees and Members. The Board's effectiveness was reviewed in an Internal Audit on governance in 2017/18 and since then the Board has welcomed voluntary assessments of the Trust, and its governance, in the form of a Summary MAT Evaluation conducted by Ofsted and a Data Protection Audit conducted by the Information Commissioner's Office, both in 2019. The Board was pleased with the findings of both assessments. The Board has a continuous improvement mind-set which includes continuing to refine a comprehensive set of dashboards which allow the Board to manage and challenge the Executive robustly and on an exceptional basis. The Board is also mindful of skill gaps and invests in training and expert advice accordingly. Most recently the Board has undertaken training on Student Mental Health and Wellbeing to improve its knowledge and awareness.

Ofsted Summary evaluation of Outwood Grange Academies Trust June 2019:

"A sophisticated system is in place within the Trust to capture timely information which covers all aspects of a school's performance. This is routinely used by principals and academy councils to monitor and report on the school's successes and priorities. Trustees, the CEO and executive leaders make effective use of this information on a very regular basis to challenge leaders and to deploy bespoke support to address the needs of each school."

"Trustees set a clear direction for the work of the executive leaders and this has been underpinned by sound, strategic decisions to ensure that the Trust's growth has been sustainable."

OUTWOOD GRANGE ACADEMIES TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

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:

Trustee	Meetings Attended	Out of a possible
Mrs Sue Hague, Trustee	2	2
Mr Christopher Dalzell, Trustee	2	2

The Board of Trustees has considered the need for a specific internal audit function and appointed RSM 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 normally 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 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 Audit Committee 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:

Trustee	Meetings Attended	Out of a possible
Mr Ralph Pickles, Trustee	2	2
Mr Roland Harden, Trustee	2	2

OUTWOOD GRANGE ACADEMIES TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

REVIEW OF VALUE FOR MONEY

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

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

- Saving 7% on re-tendered energy supplies representing an annual saving of approximately £52k
- Investing £447k in new student and staff PC workstations as part of its annual IT renewal programme. This procurement saved 23% and £131k compared to benchmark pricing from the DfE
- Continued focus on staffing and in particular CLFP (Curriculum Led Financial Planning) metrics as part of the rolling planning cycle. Certainty over the base staffing requirements and other costs enabled the Trust to plan to increase its own expenditure by £2m, in addition to the £2m of increased expenditure funding by the Covid-19 Catch-up premium for 2020/21, to respond to the disruption caused by Covid-19. This included a substantial over recruitment to provide intervention and cover more cost effectively than relying on supply agencies and with the longer term benefit of providing future classroom teachers
 - The Trusts CLFP metrics for 2019/20 were 7.5% curriculum bonus and 0.78 contact ratio
 - 78% of the Trust's income was spent on staffing. Of this 52% was spent on teaching staffing and 26% on support staffing
- Completing the Job Evaluation of support staff. This was not a cost saving initiative and has in fact increased costs. However, this still represents an improvement in value for money by ensuring support staff are treated fairly across the Trust to the benefit of recruitment and retention. This has also significantly reduced the complexity of the Trust's pay arrangements and where previously there were 13 pay scales depending on the local authority, this has now been reduced to 2. This reduction in complexity will reduce administration costs and improve decision making across the Trust
- Removing cash from the daily activities of academies by rolling out a new cashless note 10system. This makes it more secure for students, parents and carers to top up and manage accounts online or at PayPoints, reduces the administrative burden and cost of handling cash in school, reduces the risk of fraud and errors, and in the Covid-19 era, reduces the risk of Covid-19 transmission.

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

OUTWOOD GRANGE ACADEMIES TRUST GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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 expert advice and performing a range of checks (internal audits) on the Trust's system of internal controls. The results of these audits are discussed in detail at the Audit Committee. In addition, and on an annual basis, the internal auditor reports to the Audit Committee on the overall findings and gives an opinion to the Trustees as to the overall effectiveness of the Trust's internal controls.

During the year RSM have conducted audits in the areas of:

- Key Financial Controls
- Safeguarding
- Health and Safety
- Business Continuity Planning
- Cyber Risk Management
- Educational Visits
- Procurement and Contract Management
- Risk Management
- Succession Planning
- 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.

OUTWOOD GRANGE ACADEMIES TRUST
GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020

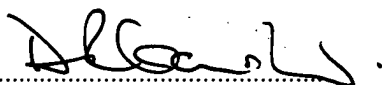
REVIEW OF EFFECTIVENESS

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 auditor;
- the financial management and governance self-assessment process; and
- 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 Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14 December 2020 and signed on their behalf, by:



Mr David Earnshaw, CBE
Chair of Trustees



Mr Martyn Oliver,
Chief Executive & Accounting Officer

OUTWOOD GRANGE ACADEMIES TRUST STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Directors (who also act as Trustees of Outwood Grange Academies Trust) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

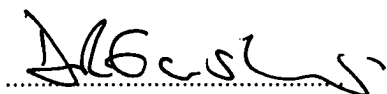
- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the Charities SORP 2015 (FRS 102) and the Academies Accounts Direction 2019 to 2020
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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 Trustees on 14 December 2020 and signed on its behalf by:



Mr David Earnshaw, CBE
Chair of Trustees

**OUTWOOD GRANGE ACADEMIES TRUST
STATEMENT OF 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 2019.

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 2019.

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
14 December 2020

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUTWOOD GRANGE ACADEMIES TRUST

OPINION

We have audited the financial statements of Outwood Grange Academies Trust for the year ended 31 August 2020 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', United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and of the parent charitable company as at 31 August 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, SORP 2015 and the Academies Accounts Direction 2019 to 2020 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 group and the parent charitable company 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 were:

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

OTHER INFORMATION

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUTWOOD GRANGE ACADEMIES TRUST

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 Trustees' Annual report which includes the Directors' Report and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements
- the Trustees' report which includes the Directors' Report and the 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report and strategic report.

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

- the group or parent charitable company 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 charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' 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 Trustees' responsibilities set out on page 26, the Directors (who are also the Trustees of the charitable company) 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 Trustees are responsible for assessing the groups and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF OUTWOOD GRANGE ACADEMIES TRUST

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that act.

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. The description forms part of our Auditor's report.

USE OF OUR REPORT

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.



.....
JONATHAN DAVIS (Senior Statutory Auditor)

For and on behalf of:
Saffery Champness LLP
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX
16/12/20

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY

In accordance with the terms of our engagement letter dated 14 July 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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.

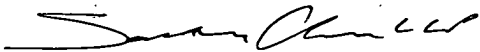
INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY

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

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
JONATHAN DAVIS (Reporting Accountant)

For and on behalf of:
Saffery Champness LLP
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

16/12/20

OUTWOOD GRANGE ACADEMIES TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

		2019/20	2019/20	2019/20	2019/20	2018/19
	Note	Unrestricted	Restricted	Restricted		
		Funds	General	Fixed Asset	Total	Total
		£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	3	-	-	11,871	11,871	8,788
Transfer from local authority on conversion	33	-	-	-	-	5,968
Transfer in from existing academy	33	1,150	(1,488)	4,913	4,575	-
Charitable activities:						
Funding for the academy trust's educational operations	4	46	149,140	-	149,186	137,902
Teaching schools	34	430	1,109	-	1,539	1,464
Other trading activities	5	409	52	-	461	698
Teaching schools	34	21	-	-	21	15
Investments	6	182	-	-	182	263
Total Income		2,238	148,813	16,784	167,835	155,098
Expenditure on:						
Charitable activities:						
Academy trust educational operations	8	322	150,740	6,963	158,025	146,124
Teaching schools	34	451	1,109	-	1,560	1,479
Total Expenditure		773	151,849	6,963	159,585	147,603
Net income / (expenditure)		1,465	(3,036)	9,821	8,250	7,495
Transfers between funds	20		(4,620)	4,620	-	-
Other recognised (losses) / gains:						
Actuarial (losses) / gains on defined benefit pension schemes	30	-	(127)	-	(127)	(23,979)
Net movement in funds		1,465	(7,783)	14,441	8,123	(16,484)
Reconciliation of funds						
Total funds brought forward		10,867	(60,314)	201,629	152,182	168,666
Total funds carried forward		12,332	(68,097)	216,070	160,305	152,182

All activities in the current and prior year relate to continuing activities.

OUTWOOD GRANGE ACADEMIES TRUST
CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2020

Company number: 06995649 England and Wales

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Intangible assets	14		178		181
Tangible assets	15		<u>215,892</u>		<u>201,448</u>
			216,070		201,629
Current assets					
Stock	16	12		10	
Debtors	17	6,944		6,540	
Cash at bank and in hand	27	<u>30,345</u>		<u>30,630</u>	
		37,301		37,180	
Liabilities					
Creditors: Amounts falling due within one year	18	<u>(14,506)</u>		<u>(16,361)</u>	
Net current assets			22,795		20,819
Total assets less current liabilities			<u>238,865</u>		<u>222,448</u>
Creditors: Amounts falling due after more than one year	19		<u>(11)</u>		<u>(18)</u>
Net assets excluding pension liability			238,854		222,430
Defined benefit pension scheme liability	30		<u>(78,549)</u>		<u>(70,248)</u>
Total net assets			<u>160,305</u>		<u>152,182</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	20	216,070		201,629	
Restricted income fund	20	10,452		9,934	
Pension reserve	20	<u>(78,549)</u>		<u>(70,248)</u>	
Total restricted funds			147,973		141,315
Unrestricted income funds	20		12,332		10,867
Total funds			<u>160,305</u>		<u>152,182</u>

The financial statements on pages 33 to 74 were approved by the Directors, and authorised for issue, on 14 December 2020 and are signed on their behalf, by:

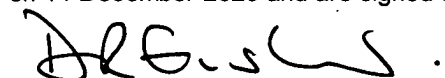

Mr David Earnshaw, CBE, Chair of Trustees

OUTWOOD GRANGE ACADEMIES TRUST
ACADEMY TRUST BALANCE SHEET AS AT 31 AUGUST 2020

Company number: 06995649 England and Wales

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Intangible assets	14		178		181
Tangible assets	15		<u>215,892</u>		<u>201,448</u>
			216,070		201,629
Current assets					
Stock	16	12		10	
Debtors	17	6,818		6,682	
Cash at bank and in hand		<u>29,948</u>		<u>29,930</u>	
		36,778		36,622	
Liabilities					
Creditors: Amounts falling due within one year	18	<u>(13,983)</u>		<u>(15,803)</u>	
Net current assets			22,795		20,819
Total assets less current liabilities			<u>238,865</u>		<u>222,448</u>
Creditors: Amounts falling due after more than one year	19		<u>(11)</u>		<u>(18)</u>
Net assets excluding pension liability			238,854		222,430
Defined benefit pension scheme liability	30		<u>(78,549)</u>		<u>(70,248)</u>
Total net assets			<u>160,305</u>		<u>152,182</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	20	216,070		201,629	
Restricted income fund	20	10,452		9,934	
Pension reserve	20	<u>(78,549)</u>		<u>(70,248)</u>	
Total restricted funds			147,973		141,315
Unrestricted income funds	20		12,332		10,867
Total funds			<u>160,305</u>		<u>152,182</u>

The financial statements on pages 33 to 74 were approved by the Directors, and authorised for issue, on 14 December 2020 and are signed on their behalf, by:



Mr David Earnshaw, CBE, Chair of Trustees

OUTWOOD GRANGE ACADEMIES TRUST
CONSOLIDATED STATEMENT OF CASH FLOWS AS AT 31 AUGUST 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	24	3,010	9,289
Net cash (used in) investing activities	26	(4,438)	(4,173)
Net cash provided by financing activities	25	1,143	243
Change in cash and cash equivalents in the reporting period		(285)	5,359
Cash and cash equivalents at 1 September 2019		30,630	25,271
Cash and cash equivalents at 31 August 2020	27 / 28	30,345	30,630

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

Basis of Preparation and consolidation

The financial statements of the Academy 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 2019 to 2020 issued by ESFA, 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.

The Academy Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account. The surplus of the Academy Trust for the period ended 31 August 2020 is £8,123k.

Going Concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees have considered the impact of Covid-19 on the ongoing performance of the Trust and have provided extra support in the budget for 2020/21 to cover any anticipated Covid-19 costs. These costs will be monitored closely on a monthly basis. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

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

Sponsorship Income

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

Donations

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

Other Income

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

Donated goods, facilities and services

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

Transfer on conversion

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

Transfer of existing academies into the Academy Trust

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within donations and capital grant income to the net assets acquired.

The assets and liabilities of Outwood Academy Normanby have transferred from Academies Enterprise Trust and have been valued at their fair value at the point the risks and rewards transfer to the Trust. Further details of the transactions are set out in note 32.

Donated fixed assets (excluding Transfers on conversion/into the Academy Trust)

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

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

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. All resources expended are inclusive of irrecoverable VAT.

Expenditure on Raising Funds

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

Charitable Activities

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

Intangible Fixed Assets

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

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software	25%	over 4 years
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Tangible Fixed Assets

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

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

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

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

Freehold buildings	2%	over 50 years
Long leasehold buildings	2%	over 50 years
Long leasehold land	0.8%	over 125 years
Motor vehicles	25%	over 4 years
Furniture and fixtures	10%	over 10 years
Computer equipment	25%	over 4 years
Plant and equipment	10%	over 10 years
Assets under construction	0%	no depreciation

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

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

Liabilities

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

Provisions

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

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

Leased Assets

Rentals under operating leases are charged to the Statement of Financial Activities (SOFA) on a straight line basis over the lease term.

Investments

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

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

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 17. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18 and 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 instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

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

Taxation

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

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.

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.

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.

Pensions Benefits

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

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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 substantial 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund Accounting

Unrestricted Income Funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose. Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the DfE and the ESFA.

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 any paid balances held are disclosed in note 31.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 30, 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 2020. 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 judgement

During the year ended 31 August 2020 one school converted to the Academy Trust from Academies Enterprise Trust. The judgement of fair value has been applied by considering the net book values of the land and buildings and supporting independent valuation.

2 General Annual Grant (GAG)

In previous years the Trust has received an exemption from the ESFA for the 12% GAG carried forward limit for Outwood Grange Academy, Adwick, Ripon, Portland and Valley. In 2018/19 the Trust updated the funding agreement for these academies so the restrictions and corresponding relaxation are no longer required for any academies within the Trust.

3 Donations and capital grants

	2019/20	2019/20	2019/20	2019/20	2018/19
	Un- restricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total Funds	Total
	£000	£000	£000	£000	£000
Capital Grants DfE/ESFA	-	-	11,049	11,049	8,636
Capital Grants Government	-	-	334	334	68
Other Capital Grants	-	-	364	364	-
Donation of Fixed Assets	-	-	124	124	84
	<u>-</u>	<u>-</u>	<u>11,871</u>	<u>11,871</u>	<u>8,788</u>
Total 2018/19	<u>-</u>	<u>-</u>	<u>8,788</u>	<u>8,788</u>	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
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4 Funding for the Academy Trust's educational operations

	2019/20	2019/20	2019/20	2018/19
	Un- restricted Funds	Restricted Funds	Total Funds	Total
	£000	£000	£000	£000
DfE / ESFA grants				
General Annual Grant (GAG)	-	127,020	127,020	119,956
Start Up Grants	-	14	14	-
Other DfE Group grants	-	16,084	16,084	11,616
National College Grants	40	1,089	1,129	914
	<u>40</u>	<u>144,207</u>	<u>144,247</u>	<u>132,486</u>
Other Government grants				
Local authority grants	-	3,534	3,534	3,198
Other government grants	-	61	61	75
	<u>-</u>	<u>3,595</u>	<u>3,595</u>	<u>3,273</u>
Other Income from the academy trusts educational operations				
Catering	-	1,865	1,865	2,749
Other income	436	220	656	858
	<u>436</u>	<u>2,085</u>	<u>2,521</u>	<u>3,607</u>
Exceptional Government Funding				
Coronavirus Exceptional Support	-	362	362	-
	<u>476</u>	<u>150,249</u>	<u>150,725</u>	<u>139,366</u>
Income for the Trust	46	149,140	149,186	137,902
Income for the Teaching School (Outwood Grange Services Ltd)	430	1,109	1,539	1,464
	<u>476</u>	<u>150,249</u>	<u>150,725</u>	<u>139,366</u>
Total 2018/19	<u>460</u>	<u>138,906</u>	<u>139,366</u>	

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 bikeability funding. Money has also been received in respect of the School's Sports Partnership. Outwood Grange Services Limited has received grants from the DfE (formerly National College for Teaching and Learning) for various projects which they carry out. There are no unfulfilled conditions or other contingencies for the grants recognised in the SOFA.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
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5	Other trading activities	2019/20	2019/20	2019/20	2018/19
		Un- restricted Funds	Restricted Funds	Total Funds	Total
		£000	£000	£000	£000
	Hire of facilities	122	-	122	177
	External fees	188	-	188	249
	Educational sales	120	52	172	287
		<u>430</u>	<u>52</u>	<u>482</u>	<u>713</u>
	Income for the Trust	409	52	461	698
	Income for the Teaching School (Outwood Grange Services Ltd)	21	-	21	15
		<u>430</u>	<u>52</u>	<u>482</u>	<u>713</u>
	Total 2018/19	<u>634</u>	<u>79</u>	<u>713</u>	
6	Investment income	2019/20	2019/20	2019/20	2018/19
		Un- restricted Funds	Restricted Funds	Total Funds	Total
		£000	£000	£000	£000
	Interest on short term deposits	182	-	182	263
	Total 2018/19	<u>263</u>	<u>-</u>	<u>263</u>	
7	Expenditure	Non Pay Expenditure			
		2019/20	2019/20	2019/20	2018/19
	Staff Costs	Premises	Other	Total Funds	Total
	£000	£000	£000	£000	£000
	Expenditure on raising funds:				
	Direct Costs	-	-	-	-
	Allocated Support Costs	-	-	-	-
	Academy's educational operations:				
	Direct Costs	79,366	-	16,120	95,486
	Allocated Support Costs	40,299	14,882	8,918	64,099
		<u>119,665</u>	<u>14,882</u>	<u>25,038</u>	<u>159,585</u>
	Total 2018/19	<u>107,745</u>	<u>13,762</u>	<u>26,096</u>	<u>147,603</u>

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Net income for the period includes:					2019/20	2018/19
					Total Funds	Total
					£000	£000
Operating lease rentals including PFI					6,886	5,945
Depreciation					5,944	6,606
Loss on disposal of fixed assets					913	20
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)					106	118
Internal audit fees					59	47
Fees payable to auditor for:						
- audit					52	50
- other services					21	17
8 Charitable Activities	2019/20	2019/20	2019/20	2019/20	2018/19	
	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total expenditure	Total Funds	
	£000	£000	£000	£000	£000	
Direct costs – educational operations	301	88,222	6,963	95,486	86,149	
Support costs – educational operations	472	63,627	-	64,099	61,454	
	773	151,849	6,963	159,585	147,603	
Expenditure for the Trust	322	150,740	6,963	158,025	146,124	
Expenditure for the Teaching School (Outwood Grange Services Ltd)	451	1,109	-	1,560	1,479	
	773	151,849	6,963	159,585	147,603	
Total 2018/19	792	140,067	6,744	147,603		

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

Analysis of support costs	2019/20	2019/20	2018/19
	Educational Operations	Total	Total
	£000	£000	£000
Bank interest and charges	80	80	94
Catering costs	3,033	3,033	3,530
Cleaning	1,878	1,878	1,634
Governance costs	144	144	143
Heat and Light	2,234	2,234	2,186
Insurance	494	494	523
Maintenance of premises and equipment	8,998	8,998	8,111
Marketing	92	92	99
Other support costs	1,551	1,551	1,489
Pension Interest cost (net)	1,279	1,279	1,060
Recruitment and support	215	215	511
Rent and Rates	892	892	862
Security and Transport	381	381	572
Staff Development	204	204	216
Support staff costs	40,299	40,299	38,085
Technology costs	2,095	2,095	2,132
Telephone costs	230	230	207
Total support costs	64,099	64,099	61,454
Total 2018/19	61,454	61,454	

9 Pension Interest	2019/20	2018/19
	£000	£000
Interest income on pension scheme assets	1,593	2,116
Interest on pension scheme liabilities	(2,872)	(3,176)
	(1,279)	(1,060)

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

10 Staff

a. Staff costs	2019/20	2018/19
	£000	£000
Wages and salaries	84,553	77,509
Social security costs	8,282	7,635
Pension costs	23,470	18,287
	<u>116,305</u>	<u>103,431</u>
Agency staff costs	3,234	3,973
Staff restructuring costs	126	341
	<u>119,665</u>	<u>107,745</u>
Staff restructuring costs comprise:		
Redundancy payments	122	260
Severance payments	4	81
	<u>126</u>	<u>341</u>

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £4,000 (2019: £81,078). Individually, the payments were as listed below:

The Trust has agreed settlement terms with 1 colleague in the 2019/20 academic year. In this case, the agreement reached was because it represented best value for the Trust and wherever possible agreements are restricted to the statutory amounts that the employee would be entitled to.

c. Staff numbers

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

	2019/20	2018/19
	No.	No.
Teachers	1,590	1,461
Administration and support	2,219	2,076
Management	12	58
	<u>3,821</u>	<u>3,595</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

d. Staff numbers

The average number of persons employed by the academy trust expressed as a full time equivalent during the year was as follows:

	2019/20	2018/19
	No.	No.
Teachers	1,409	1,272
Administration and support	1,211	1,125
Management	12	57
	<u>2,632</u>	<u>2,454</u>

e. Higher paid staff

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

	2019/20	2018/19
	No.	No.
£60,001 - £70,000	53	45
£70,001 - £80,000	17	11
£80,001 - £90,000	3	12
£90,001 - £100,000	15	5
£100,001 - £110,000	4	6
£110,001 - £120,000	4	2
£120,001 - £130,000	1	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	1
£170,001 - £180,000	1	-
	<u>99</u>	<u>83</u>

The increase in staff paid over £60k is primarily due to the nationally agreed increase in teachers' pay which took the L17 scale point over the £60k threshold. Other factors include the increment of staff up the pay grades and the transfer of Outwood Academy Normanby into the Trust.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
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f. Key management personnel

During the year ended 31 August 2020 97 (2019: 81) of the above staff participated in a pension scheme. 94 (2019: 77) were in the Teachers' Pension Scheme and 3 (2019: 4) were in the Local Government Pension Scheme whilst 2 were in no pension scheme (2019: 2). Employers pension contributions for the TPS amounted to £1,695k (2019: £969k) and for the LGPS £45k (2019: £50k). The teachers pension contributions have increased primarily due to the increase in the employers rate from 16.48% to 23.68% on 1 September 2019.

The key management personnel of the Trust is comprised of the Trustees and the senior management team as listed on page 1 plus the Associate Executive Principals. In prior years the Trust included Principals of each school and specialist Subject Directors in this list and note. The nature of these roles has not changed and remain as valuable as ever to the Trust. However, given the growth of the Trust, and the corresponding increase in the number of these roles, the Trust felt it was appropriate to revise this disclosure. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,915,000 (2019: £1,726,000 restated).

11 Central Services

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

- Payroll
- HR
- Finance
- Procurement
- Governance
- Capital project management and estates management
- IT services
- Continued professional development (CPD)
- School improvement
- Data management and compliance
- Website management and compliance
- Recruitment

The academy charges for these services was 5% of GAG income for all academies

OUTWOOD GRANGE ACADEMIES TRUST
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2020

a.	Charges For Central Services By Academy	2019/20	2018/19
		£000	£000
	Outwood Academy Outwood Grange	475	480
	Outwood Academy Valley	389	370
	Outwood Academy Danum	298	315
	Outwood Academy Portland	386	369
	Outwood Academy Acklam	380	362
	Outwood Academy Adwick	301	304
	Outwood Academy Shafton	324	297
	Outwood Academy Newbold	264	241
	Outwood Academy City	255	239
	Outwood Academy Carlton	282	248
	Outwood Academy Ormesby	239	232
	Outwood Academy Bydales	215	195
	Outwood Academy Easingwold	159	174
	Outwood Academy Brumby	199	183
	Outwood Academy Ripon	189	190
	Outwood Academy Bishopsgarth	147	157
	Outwood Academy Foxhills	173	154
	Outwood Academy Redcar	137	135
	Outwood Academy Freeston	186	185
	Outwood Academy Hemsworth	316	336
	Outwood Academy City Fields	196	189
	Outwood Academy Normanby	181	-
	Outwood Primary Littleworth Grange	96	94
	Outwood Primary Lofthouse Gate	73	74
	Outwood Primary Ledger Lane	60	57
	Outwood Primary Darfield	45	46
	Outwood Primary Kirkhamgate	34	34
	Outwood Primary Greystone	30	30
	Outwood Primary Bell Lane	52	51
	Outwood Primary Newstead Green	37	38
	Outwood Primary Park Hill	93	87
	Outwood Junior Brumby Junior	85	84
		6,296	5,950

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
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12 Related Party Transactions – Trustees’ remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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 staff members under their contracts of employment.

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

Martyn Oliver (Chief Executive Officer, Accounting Officer and trustee):

Remuneration £170,000 - £175,000 (2019: £165,000 - £170,000)

Employer’s pension contributions paid £40,000 - £45,000 (2019: £25,000 - £30,000)

During the period ended 31 August 2020, no Directors received any benefits in kind (2019 - no directors).

During the period ended 31 August 2020, travel and subsistence expenses totalling £1,037 were reimbursed or paid directly to 2 trustees (2019: £2,857 to 4 trustees).

13 Trustees 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 Intangible fixed assets: Consolidated and academy trust

	Computer Software £000	Total £000
Cost		
At 1 September 2019	677	677
Additions	105	105
Disposals	(72)	(72)
At 31 August 2020	<u>710</u>	<u>710</u>
Amortisation		
At 1 September 2019	496	496
Charged in year	106	106
Disposal	(70)	(70)
At 31 August 2020	<u>532</u>	<u>532</u>
Carrying amount		
At 31 August 2019	<u>181</u>	<u>181</u>
At 31 August 2020	<u>178</u>	<u>178</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

15 Tangible fixed assets: Consolidated	Freehold Land and Buildings	Leasehold Land and Buildings	Fixtures Equipment Vehicles	Computer Equipment	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2018	56,788	141,895	15,420	8,886	8,897	231,886
Acquisitions	-	4,913	-	124	-	5,037
Additions	20	1,751	2,224	1,365	10,903	16,263
Disposals	-	(1,009)	(118)	(68)	-	(1,195)
Transfers	1,173	6,046	1,164	-	(8,383)	-
At 31 August 2019	57,981	153,596	18,690	10,307	11,417	251,991
Depreciation						
At 1 September 2019	5,828	12,125	6,312	6,173	-	30,438
Acquisitions	-	-	-	-	-	-
Charged in year	991	2,462	1,159	1,332	-	5,944
Disposals	-	(146)	(72)	(65)	-	(283)
Transfers	-	-	-	-	-	-
At 31 August 2020	6,819	14,441	7,399	7,440	-	36,099
Net Book Values						
At 31 August 2019	50,960	129,770	9,108	2,713	8,897	201,448
At 31 August 2020	51,162	139,155	11,291	2,867	11,417	215,892

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

15 Tangible fixed assets: Academy Trust	Freehold Land and Buildings	Leasehold Land and Buildings	Fixtures Equipment Vehicles	Computer Equipment	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2019	56,788	141,895	15,420	8,881	8,897	231,881
Acquisitions	-	4,913	-	124	-	5,037
Additions	20	1,751	2,224	1,365	10,903	16,263
Disposals	-	(1,009)	(118)	(68)	-	(1,195)
Transfers	1,173	6,046	1,164	-	(8,383)	-
At 31 August 2020	57,981	153,596	18,690	10,302	11,417	251,986
Depreciation						
At 1 September 2019	5,828	12,125	6,312	6,168	-	30,433
Acquisitions	-	-	-	-	-	-
Charged in year	991	2,462	1,159	1,332	-	5,944
Disposals	-	(146)	(72)	(65)	-	(283)
Transfers	-	-	-	-	-	-
At 31 August 2020	6,819	14,441	7,399	7,435	-	36,094
Net Book Values						
At 31 August 2019	50,960	129,770	9,108	2,713	8,897	201,448
At 31 August 2020	51,162	139,155	11,291	2,867	11,417	215,892

Included within acquisitions are amounts donated on transfer from an academy trust of: £4,913k for Outwood Academy Normanby from AET, with the transfer of 125 year peppercorn lease from Middlesbrough Council.

Also included in donations is £124k of laptops donated to the whole Trust by the DfE to support home learning as part of the Covid response.

The disposals of assets relate to assets that have been demolished at Kirkhamgate, plus assets that have been fully written down and are no longer in use by the academy.

Included in freehold land and buildings is freehold land at valuation £9,044k (2019: £9,044k) which is not depreciated.

16 Stock	Group 2019/20 £000	Academy 2019/20 £000	Group 2018/19 £000	Academy 2018/19 £000
Clothing and catering	12	12	10	10
	12	12	10	10

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

17 Debtors	Group	Academy	Group	Academy
	2019/20	2019/20	2018/19	2018/19
	£000	£000	£000	£000
Trade Debtors	96	45	160	128
VAT recoverable	2,052	2,045	2,267	2,252
Other Debtors	3	3	88	88
Prepayments and Accrued Income	4,793	4,725	4,025	4,214
	6,944	6,818	6,540	6,682
18 Creditors: Amounts falling due within 1 year	Group	Academy	Group	Academy
	2019/20	2019/20	2018/19	2018/19
	£000	£000	£000	£000
Trade Creditors	2,587	2,555	4,915	4,901
Other Tax and Social Security	2,060	2,060	1,842	1,842
ESFA Creditor: Abatement of GAG	180	180	60	60
Other Creditors	3,029	2,999	2,463	2,433
Accruals and Deferred Income	6,650	6,189	7,081	6,567
	14,506	13,983	16,361	15,803
Deferred Income at 1 September 2019	855	618	847	700
Released from previous years	(855)	(618)	(847)	(700)
Resources deferred in the year	1,093	1,051	855	618
Deferred Income at 31 August 2020	1,093	1,051	855	618

At the balance sheet date the academy trust was holding funds received in advance for: Rates relief £294k, UIFSM £197k, Maths Hub Grant £182k, AFN/FNF (Notts SEN) Funding £116k, TV Careers Grant £82k, Sport England PE grant £59k, English Hub Grant £54k, Heppsy Grant £42k, School Games Organiser £28k, SEN (LA) £27k, Other grants and income £12k.

19 Creditors: Amounts falling due after more than 1 year	Group	Academy	Group	Academy
	2019/20	2019/20	2018/19	2018/19
	£000	£000	£000	£000
Other Creditors	11	11	18	18

Within creditors greater than 1 year is a Salix Loan with a total balance outstanding of £11k (2019: £18k), of which £7k is payable within 1 year. The interest rate on the loan is 0%. The loan will be fully repaid by 2023.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

	Balance at 1 September 2019	Income	Expenses	Gains / Losses / Transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000
20 Consolidated Funds					
Restricted General Funds					
General Annual Grant	9,934	127,020	(121,883)	(4,620)	10,451
Start Up Grant	-	14	(14)	-	-
Pupil Premium	-	8,140	(8,140)	-	-
Other Grants	-	12,990	(12,990)	-	-
Other Income	-	2,137	(2,137)	-	-
Pension Reserve	(70,248)	(1,488)	(6,685)	(127)	(78,548)
	(60,314)	148,813	(151,849)	(4,747)	(68,097)
Restricted fixed assets fund					
Transfer on conversion	166,754	4,913	(4,015)	-	167,652
DfE Group capital grants	20,413	11,049	(408)	-	31,054
Capital expenditure from GAG	14,312	-	(2,484)	4,620	16,448
Sponsorship	150	822	(56)	-	916
	201,629	16,784	(6,963)	4,620	216,070
Total restricted funds	141,315	165,597	(158,812)	(127)	147,973
Total unrestricted funds	10,867	2,238	(773)	-	12,332
Total Funds	152,182	167,835	(159,585)	(127)	160,305

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

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.

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.

£4,620k (2019: £4,436k) was transferred from restricted funds to restricted fixed assets funds to support the purchase of assets.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

Comparative information in respect of the preceding period is as follows :

	Balance at 1 September 2018	Income	Expenses	Gains / Losses / Transfers	Balance at 31 August 2019
	£000	£000	£000	£000	£000
Restricted General Funds					
General Annual Grant	9,003	119,956	(114,589)	(4,436)	9,934
Start Up Grant	-	-	-	-	-
Pupil Premium	-	7,605	(7,605)	-	-
Other Grants	-	8,157	(8,157)	-	-
Other Income	-	3,267	(3,267)	-	-
Pension Reserve	(39,644)	(176)	(6,449)	(23,979)	(70,248)
	<u>(30,641)</u>	<u>138,809</u>	<u>(140,067)</u>	<u>(28,415)</u>	<u>(60,314)</u>
Restricted fixed assets fund					
Transfer on conversion	165,220	5,894	(4,360)	-	166,754
DfE Group capital grants	12,017	8,636	(240)	-	20,413
Capital expenditure from GAG	12,010	-	(2,134)	4,436	14,312
Sponsorship	8	152	(10)	-	150
	<u>189,255</u>	<u>14,682</u>	<u>(6,744)</u>	<u>4,436</u>	<u>201,629</u>
Total restricted funds	<u>158,614</u>	<u>153,491</u>	<u>(146,811)</u>	<u>(23,979)</u>	<u>141,315</u>
Total unrestricted funds	<u>10,052</u>	<u>1,607</u>	<u>(792)</u>	<u>-</u>	<u>10,867</u>
Total Funds	<u>168,666</u>	<u>155,098</u>	<u>(147,603)</u>	<u>(23,979)</u>	<u>152,182</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

		Total	Total
		2020	2019
		£000	£000
Outwood Academy	Trust	5,408	5,388
	Acklam	5,641	3,972
	Adwick	3,572	3,160
	Bishopsgarth	239	423
	Brumby	447	299
	Bydales	262	42
	Carlton	(370)	(394)
	City	(458)	(523)
	City Fields	(350)	(205)
	Danum	(779)	(755)
	Easingwold	(2,704)	(1,278)
	Foxhills	(1,001)	(1,025)
	Freeston	(454)	(181)
	Hemsworth	(1,056)	(403)
	Newbold	(2,166)	(2,004)
	Normanby	733	-
	Outwood Grange	6,487	6,000
	Ormesby	(606)	(441)
	Portland	3,211	2,997
	Redcar	(656)	(434)
	Ripon	860	981
	Shafton	487	180
	Valley	2,727	2,104
Outwood Primary	Bell Lane	(65)	(62)
	Darfield	164	186
	Greystone	(190)	(118)
	Kirkhamgate	148	169
	Ledger Lane	584	619
	Littleworth Grange	1,060	927
	Lofthouse Gate	239	245
	Newstead Green	(140)	(76)
	Park Hill	777	409
Outwood Junior	Brumby	733	599
Total before fixed asset fund and pension reserve		22,784	20,801
Restricted Fixed Asset Fund		216,070	201,629
Pension reserve		(78,549)	(70,248)
Total funds		160,305	152,182

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

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

Name of Academy		Deficit	Deficit
		2020	2019
		£000	£000
Outwood Academy	Carlton	(370)	(394)
	City Fields	(350)	(205)
	City	(458)	(523)
	Danum	(779)	(755)
	Easingwold	(2,704)	(1,278)
	Foxhills	(1,001)	(1,025)
	Freeston	(454)	(181)
	Hemsworth	(1,056)	(403)
	Newbold	(2,166)	(2,004)
	Ormesby	(606)	(441)
	Redcar	(656)	(434)
Outwood Primary	Bell Lane	(65)	(62)
	Greystone	(190)	(118)
	Newstead Green	(140)	(76)

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 programme 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 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 long term. The academies above are expected to deliver surplus budgets in the long term.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

Analysis of Academies by cost for the year ended 31 August 2020

	Teaching and education staff costs	Other support staff costs	Education supplies	Other costs excl. depreciation	Total 2020
	£000	£000	£000	£000	£000
Acklam	4,446	1,059	465	1,075	7,045
Adwick	4,276	1,313	358	772	6,719
Bishopsgarth	2,478	572	182	351	3,583
Brumby	3,062	830	237	466	4,595
Bydales	3,145	388	155	992	4,680
Carlton	4,136	934	384	1,371	6,825
City Fields	3,881	1,147	294	762	6,084
City	2,986	755	229	696	4,666
Danum	4,468	1,005	417	913	6,803
Easingwold	2,918	547	137	644	4,246
Foxhills	2,555	625	215	606	4,001
Freeston	3,159	689	205	522	4,575
Outwood Grange	7,036	2,436	552	1,123	11,147
Hemsworth	4,799	1,295	439	861	7,394
Newbold	4,132	637	300	1,188	6,257
Normanby	3,040	500	239	1,050	4,829
Ormesby	3,573	629	299	883	5,384
Portland	5,039	951	453	1,903	8,346
Redcar	2,438	460	130	508	3,536
Ripon	2,630	620	131	517	3,898
Shafton	4,183	921	421	1,703	7,228
Valley	6,133	1,048	399	1,415	8,995
Bell Lane	955	188	38	173	1,354
Darfield	744	139	36	276	1,195
Greystone	606	140	32	115	893
Kirkhamgate	627	162	34	138	961
Ledger Lane	1,076	228	50	204	1,558
Littleworth Grange	1,415	292	62	528	2,297
Lofthouse Gate	1,351	236	55	256	1,898
Newstead Green	726	186	32	140	1,084
Park Hill	1,382	227	54	266	1,929
Brumby Junior	1,400	254	55	249	1,958
Trust	2,848	2,202	48	1	5,099
Outwood Grange Services Ltd	433	253	29	845	1,560
	98,076	23,868	7,166	23,512	152,622

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

Analysis of Academies by cost for the year ended 31 August 2019

	Teaching and education staff costs	Other support staff costs	Education supplies	Other costs excl. depreciation	Total 2019
	£000	£000	£000	£000	£000
Acklam	4,021	1,041	506	1,116	6,684
Adwick	4,016	1,280	443	829	6,568
Bishopsgarth	2,304	601	166	400	3,471
Brumby	2,694	785	187	445	4,111
Bydales	2,950	369	196	948	4,463
Carlton	3,598	1,008	323	1,344	6,273
City Fields	3,430	1,169	285	790	5,674
City	2,804	709	206	665	4,384
Danum	4,222	1,069	435	926	6,652
Easingwold	2,845	664	189	703	4,401
Foxhills	2,195	599	170	564	3,528
Freeston	2,844	758	262	489	4,353
Outwood Grange	5,025	1,445	507	949	7,926
Hemsworth	3,693	700	282	1,150	5,825
Newbold	6,539	2,278	570	1,314	10,701
Ormesby	3,115	606	446	878	5,045
Portland	4,626	830	541	1,721	7,718
Redcar	2,271	469	191	735	3,666
Ripon	2,488	677	164	501	3,830
Shafton	3,776	961	494	1,675	6,906
Valley	5,464	1,112	461	1,429	8,466
Bell Lane	936	206	50	169	1,361
Darfield	660	137	36	270	1,103
Greystone	548	117	29	128	822
Kirkhamgate	605	134	34	119	892
Ledger Lane	924	199	54	203	1,380
Littleworth Grange	1,337	273	66	536	2,212
Lofthouse Gate	1,222	224	64	244	1,754
Newstead Green	686	194	33	137	1,050
Park Hill	1,320	249	67	284	1,920
Brumby Junior	1,286	191	60	216	1,753
Trust	2,239	2,127	49	74	4,489
Outwood Grange Services Ltd	281	180	30	987	1,478
	86,962	23,362	7,598	22,940	140,859

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

21 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	178	178
Tangible fixed assets	-	-	215,892	215,892
Current assets	12,332	24,969	-	37,301
Current liabilities	-	(14,506)	-	(14,506)
Non-current liabilities	-	(11)	-	(11)
Pension scheme liability	-	(78,549)	-	(78,549)
Total net assets	12,332	(68,097)	216,070	160,305

Comparative information in respect of the preceding period is as follows :

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	181	181
Tangible fixed assets	-	-	201,448	201,448
Current assets	10,867	26,313	-	37,180
Current liabilities	-	(16,361)	-	(16,361)
Non-current liabilities	-	(18)	-	(18)
Pension scheme liability	-	(70,248)	-	(70,248)
Total net assets	10,867	(60,314)	201,629	152,182

22 Capital commitments

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	762	2,552

The main costs contracted for relate to: Ledger Lane nursery and dining extension at Ormesby.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

23 Commitments under operating leases

Operating leases

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

	Group	Academy	Group	Academy
	2020	2020	2019	2019
	£000	£000	£000	£000
Amounts due within one year	6,911	6,911	6,013	6,013
Amounts due between one and five years	26,765	26,765	23,129	23,129
Amounts due after five years	58,784	58,784	55,185	55,185
	<u>92,460</u>	<u>92,460</u>	<u>84,327</u>	<u>84,327</u>

24 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019/20	2018/19
	£000	£000
Net income for the reporting period (as per the statement of financial activities)	8,250	7,495
Adjusted for:		
Amortisation [note 14]	106	118
Depreciation [note 15]	5,944	6,606
Impairment	-	-
Loss on disposal of fixed assets	913	20
Capital grants from DfE and other capital income	(11,871)	(8,788)
Interest receivable [note 6]	(182)	(263)
Defined benefit pension scheme obligation inherited	1,488	176
Defined benefit pension scheme cost less contributions payable [note 28]	5,302	5,363
Defined benefit pension scheme finance cost [note 28]	1,384	1,086
Transfer in of assets from local authority on academy conversions and academy transfers	(6,063)	(6,144)
(Increase)/decrease in stocks	(2)	1
(Increase)/decrease in debtors	(404)	285
Increase/(decrease) in creditors	(1,855)	3,334
Net cash provided by Operating Activities	<u>3,010</u>	<u>9,289</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

25 Cash flows from financing activities

	2019/20	2018/19
	£000	£000
Repayments of borrowing	(7)	(7)
Cash inflows from new academies converting or transferring	1,150	250
Cash inflows from new borrowing	-	-
Net cash provided by financing activities	<u>1,143</u>	<u>243</u>

26 Cash flows from investing activities

	2019/20	2018/19
	£000	£000
Dividends, interest and rents from investments	182	263
Proceeds from sale of tangible fixed assets	1	-
Proceeds from sale of intangible fixed assets	-	-
Purchase of intangible fixed assets	(105)	(25)
Purchase of tangible fixed assets	(16,263)	(13,199)
Capital grants from DfE Group	11,049	8,636
Capital funding received from sponsors and others	698	152
Net cash (used in) investing activities	<u>(4,438)</u>	<u>(4,173)</u>

27 Analysis of cash and cash equivalents

	2019/20	2018/19
	£000	£000
Cash in hand and at bank	15,846	16,176
Notice deposits	14,499	14,454
Total cash and cash equivalents	<u>30,345</u>	<u>30,630</u>

28 Analysis of changes in net debt

	At 1 September 2019	Cash flows	Transfers in of new academies	At 31 August 2020
	£000	£000	£000	£000
Cash	30,630	(1,435)	1,150	30,345
Cash Equivalents	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-
	<u>30,630</u>	<u>(1,435)</u>	<u>1,150</u>	<u>30,345</u>
Loans falling due within one year	(7)	-	-	(7)
Loans falling due after more than one year	(18)	7	-	(11)
Finance lease obligations	-	-	-	-
Total	<u>30,605</u>	<u>(1,428)</u>	<u>1,150</u>	<u>30,327</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

29 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.

30 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by: the West Yorkshire Pension Fund (WYPF) (Outwood Grange Academy, Outwood Primary Academy Ledger Lane, Outwood Primary Academy Kirkhamgate and Outwood Primary Academy Lofthouse Gate, Outwood Primary Academy Bell Lane, Outwood Primary Academy Park Hill, Outwood Primary Academy Newstead Green, Outwood Academy Freeston, Outwood Academy Hemsworth, Outwood Academy City Fields), 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, Outwood Academy Easingwold, Outwood Primary Academy Greystone), the Nottinghamshire Pension Fund (NPF) (Outwood Academy Portland and Outwood Academy Valley), the East Riding Pension Fund (ERPF) (Outwood Academy Brumby, Outwood Academy Foxhills and Outwood Junior Academy Brumby), the Derbyshire Pension Fund (DPF) (Outwood Academy Newbold) and the Teesside Pension Fund (TPF) (Outwood Academy Acklam, Outwood Academy Bydales, Outwood Academy Ormesby, Outwood Academy Bishopsgarth, Outwood Academy Redcar and Outwood Academy Normanby). Both are multi employer defined benefit pension schemes.

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

Contributions amounting to £2,092k were payable to the schemes at 31 August 2020 (2019: £1,590k) and are included within creditors.

Teachers' Pension Scheme

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

OUTWOOD GRANGE ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The employer's pension costs paid to TPS in the period amounted to £13,132k (2019: £8,412k).

[A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.](#)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £6,373k (2019: £5,952k), of which employer's contributions totalled £4,893k (2019: £4,593k) and employees' contributions totalled £1,480k (2019: £1,359k). The agreed contribution rates for future years are an average of 19.54% across the Trust with the minimum being 13.74% and the maximum being 30.68% for employers and a sliding scale rate of between 5.5% and 12.5% per cent for employees.

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

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

Principal actuarial assumptions (average)	2020	2019
Rate of increase in salaries	3.20%	3.20%
Rate of increase for pensions in payment/inflation	2.20%	2.11%
Discount rate for scheme liabilities	1.70%	1.85%
Inflation assumption (CPI)	2.20%	2.10%
Commutation of pensions to lump sums	50.00%	50.00%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The average assumed life expectations on retirement age 65 are:

	2020	2019
<i>Retiring today</i>		
Males	21.4	22.1
Females	23.9	24.9
<i>Retiring in 20 years</i>		
Males	22.2	23.6
Females	25.1	26.8

Sensitivity analysis	2020	2019
	£000	£000
Discount rate +0.1%	(3,760)	(3,421)
Discount rate -0.1%	3,849	3,522
Mortality assumption – 1 year increase	4,503	4,505
Mortality assumption – 1 year decrease	(4,020)	5,132
CPI rate +0.1%	2,917	2,809
CPI rate -0.1%	(2,865)	2,613

The Trust operates within seven local authority pension schemes. This year the Trust has used one actuary, Pensions Watch, to prepare the Trusts actuarial pension assets and liabilities and the sensitivity assumptions now align with the disclosure requirement rates and the impact is shown above.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

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

	2020	2019
	£000	£000
Equities	52,544	55,924
Gilts / Government Bonds	7,226	8,556
Corporate bonds	6,118	3,597
Property	6,652	6,230
Cash and other liquid assets	3,599	3,410
Other	10,058	4,600
Total market value of assets	86,197	82,316

The actual return on scheme assets was:	(2,326)	4,350
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Amount recognised in the Statement of Financial Activities

	2020	2019
	£000	£000
Current service cost	10,423	7,349
Past service cost	(228)	2,607
Interest income	(1,593)	(2,116)
Interest cost	2,872	3,176
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Admin expenses	104	26
Total amount recognised in the SOFA	11,578	11,042

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

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

	2020	2019
	£000	£000
At 1 September	152,564	113,075
Conversion of academy trusts	-	612
Transferred in on existing academies joining the academy trust	3,377	-
Current service cost	10,423	7,349
Interest cost	2,872	3,176
Employee contributions	1,480	1,359
Actuarial (gain)	(3,792)	26,213
Benefits paid	(1,951)	(1,827)
Losses or gains on curtailments	-	-
Past service cost	(228)	2,607
Unfunded pension payments	-	-
Effect of non-routine settlements	-	-
At 31 August	164,745	152,564

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

	2020	2019
	£000	£000
At 1 September	82,316	73,431
Conversion of academy trusts	-	436
Transferred in on existing academies joining the academy trust	1,889	-
Interest income	1,593	2,116
Actuarial gain	(3,919)	2,234
Employer contributions	4,893	4,593
Employee contributions	1,480	1,359
Benefits paid	(1,951)	(1,827)
Effect of non-routine settlements	-	-
Admin Fees	(104)	(26)
At 31 August	86,197	82,316

31 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all agreements made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
2020

Expenditure Related Party Transactions

		2020	2019
Supplier	Service received	£000	£000
Outwood Grange Services Ltd	Recharge costs from Trust to OGSL	277	149
Confederation of School Trusts	Subscription fees	2	2
FASNA Commercial Ltd	Conference fees	-	9
WSETEC		75	-

Balances owed at 31 August 2020 within creditors

	2020	2019
	£000	£000
WSETEC	14	-

Income Related Party Transactions

		2020	2019
Customer	Service provided	£000	£000
Outwood Grange Services Ltd	Gift Aid donation	7	239
Confederation of School Trusts	Training delivery	-	2
Falcon Education Academies Trust		8	-
WSETEC		15	-

Balances owed at 31 August 2020 within debtors

	2020	2019
	£000	£000
Outwood Grange Services Ltd	34	239
WSETEC	1	-

Martyn Oliver is on the board of Confederation of School Trusts, formerly FASNA. This is an unpaid, non executive position.

David Earnshaw and Chris Dalzell are Trustees of Falcon Education Academies Trust. During 2019/20 Outwood Grange Academies Trust provided education services to Falcon and were remunerated at cost for these services.

Two Trust employees are now the only Trustees of Wakefield South East Training and Enterprise Centre (WSETEC) with Outwood Academy Hemsworth being the only partner school. WSETEC is a charity set up to further education in the Wakefield area by making use of the large facilities leased to it on a peppercorn lease from the Local Authority. Previously WSETEC Trustees also included two employees from Minsthorpe Community College, also a partner school. During the year Minsthorpe withdrew from this arrangement and both Minsthorpe employees resigned as Trustees. Outwood Academy Hemsworth continued the commitment of partner schools to cover operational costs of WSETEC in order that it remains a going concern. In relation to this and the Trust's use of the building the Trust paid £75k to WSETEC in 2019/20. In 2020/21 both the Trust and WSETEC will review this arrangement and the options for use of the WSETEC building.

OUTWOOD GRANGE ACADEMIES TRUST
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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 2020 the academy trust received £209k of funds (2019: £181k). £183k (2019: £108k) was disbursed from the fund. An amount of £342k (2019: £316k) 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 services and maths hub projects. In the year ended 31 August 2020 the trust received £nil of income and dispersed £nil with £nil recognised as income in the SOFA. An amount of £30k is included in other creditors relating to undistributed profits.

33 Transfer of existing academy into the trust

	Value reported by transferring Trust	Fair value adjustments	Transfer in recognised
	£000	£000	£000
Outwood Academy Normanby			
Tangible fixed assets			
Leasehold land and buildings	4,913	-	4,913
Cash in bank and in hand	1,150	-	1,150
Pensions			
Pensions – pension scheme assets	1,889	-	1,889
Pensions – pension scheme liabilities	(3,377)	-	(3,377)
Net assets	<u>4,575</u>	<u>-</u>	<u>4,575</u>

OUTWOOD GRANGE ACADEMIES TRUST
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34 Teaching school trading account

	2019/20 £000	2019/20 £000	2019/20 £000	2018/19 £000
	Unrestricted funds	Restricted funds	Total funds	Total funds
Income				
Direct Income				
DfE / ESFA grants	40	1,088	1,128	913
Other income	390	21	411	551
Other Income				
Fundraising and other trading activities	21	-	21	15
Total Income	<u>451</u>	<u>1,109</u>	<u>1,560</u>	<u>1,479</u>
Expenditure				
Direct costs				
Direct staff costs	124	295	419	268
Staff development	-	-	-	-
Education supplies	-	29	29	30
Security and Transport	-	14	14	13
Other direct costs	7	523	530	671
Total direct costs	<u>131</u>	<u>861</u>	<u>992</u>	<u>982</u>
Other costs				
Support staff costs	153	91	244	170
Depreciation	-	-	-	-
Technology costs	-	2	2	4
Recruitment and support	-	-	-	1
Staff development	-	1	1	4
Security and transport	-	-	-	1
Rent and Rates	-	51	51	49
Catering	-	15	15	22
Marketing Costs	-	7	7	9
Other support costs	167	72	239	233
Share of governance	-	9	9	4
Total other costs	<u>320</u>	<u>248</u>	<u>568</u>	<u>497</u>
Total Expenditure	<u>451</u>	<u>1,109</u>	<u>1,560</u>	<u>1,479</u>
Transfers between funds excluding depreciation			-	-
Surplus/(Deficit) from all sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Teaching school balances at 1 September 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Teaching school balances at 31 August 2020	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

OUTWOOD GRANGE ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST
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35 Events after the end of the reporting period

On 1 September 2020 Outwood Grange Academies Trust opened Outwood Academy Riverside, a new free school in Middleborough.

36 Principal Subsidiaries

Outwood Grange Services Limited

Subsidiary Name	Outwood Grange Services Limited	
Company registration number	07844668	
Basis of control	100% owned	
Equity Shareholding %	100%	
	2019/20	2018/19
	£000	£000
Total assets as at 31 August 2020	523	797
Total liabilities as at 31 August 2020	(523)	(797)
Total equity as at 31 August 2020	-	-
Turnover for the year ended 31 August 2020	1,560	1,479
Expenditure for the year ended 31 August 2020	(1,553)	(1,240)
Gift aid donation	(7)	(239)
Result for the year ended 31 August 2020	-	-