

Company Registration No. 11653378 (England and Wales)

OWN TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2019

OWN TRUST

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OWN TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Goode (appointed 01/11/2018)
C Moss (appointed 01/11/2018)
J Fisher (appointed 01/11/2018)

Trustees

M Clausen (Appointed 1 November 2018)
M Foreman (Chair of Trustees) (Appointed 1 November 2018)
S Mansell (Accounting Officer) (Appointed 22 January 2019)
D Perkins (Appointed 1 November 2018)
P Pike (Appointed 1 November 2018)
I Ramshaw (Appointed 1 November 2018)
R Waterman (Appointed 1 November 2018)
S Westwood (Appointed 1 November 2018)
M Woods (Appointed 1 November 2018)

Senior management team

- Headteacher - OWPS	S Eardley
- Headteacher - WPS	J Mitchell
- Headteacher - NVPS	S Mansell
- Deputy Headteacher - OWPS	C Marks
- Deputy Headteacher - WPS	T Goakes
- Deputy Headteacher - NVPS	N File
- Local Authority Literacy Development Teacher	J Tate
- Accounting Officer	S Mansell

Company secretary

J Neish

Company registration number

11653378 (England and Wales)

Principal address

c/o Nene Valley Primary School
Sugar Way
Peterborough
PE2 9RT

Registered office

c/o Nene Valley Primary School
Sugar Way
Peterborough
PE2 9RT

Academies operated

Orton Wistow Primary School
Woodston Primary School
Nene Valley Primary School

Location

Peterborough
Peterborough
Peterborough

Principal

S Eardley
J Mitchell
S Mansell

Independent auditor

Baldwins Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

OWN TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2019

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the period 1 November 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates three primary academies across Peterborough. Its schools have a combined pupil capacity of 1,365 and had a roll of 1,200 at the school census on the 3 October 2019. 2 of the 3 schools are expanding and are expected to reach full capacity within the next few years due to high demand for places and current oversubscription. There may be schools added to the Trust in future.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company operates as OWN Trust and includes the academies: Nene Valley Primary School, Orton Wistow Primary School and Woodston Primary School.

The trustees of OWN Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of trustees

The Trust Board shall comprise of trustees or directors of the Trust. The number of trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. All trustees, on their appointment or election, give a written undertaking to the trustees to uphold the objects of the Trust.

The company shall have the following trustees:

- up to 11 trustees,
- the Chief Executive Officer,
- and a minimum of two parent trustees elected in the event that no local governing bodies are established.

Currently the Trust does operate Local Governing Bodies and the Terms of Reference dictate that 2 parent governors should be part of the membership.

The members make any appointment of trustees following a recruitment and selection process undertaken by the trustees. This is based on the skills audit undertaken annually and suitable candidates' application via a curriculum vitae and interview.

The Articles outline that the trustees may appoint committees to be known as local governing bodies for each school.

OWN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

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 trustees are provided with copies of policies, procedures, minutes, accounts, budget plans and other documents that they will need to undertake their role as trustees, including guidance from the Charity Commission. All new trustees will receive a tour of the Trust's academies. As there are normally few new trustees in a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

OWN Trust is a multi-academy trust consisting of three constituent schools, namely:

- Nene Valley Primary School,
- Orton Wistow Primary School and
- Woodston Primary School.

Prior to conversion to academy status both Nene Valley Primary School and Woodston Primary School were Local Authority maintained schools and Orton Wistow Primary School was a Foundation School. All three schools were converter academies and currently there are no sponsored academies.

Each constituent school has a Local Governing Body (LGB) to which the Trust board delegates power, via the approved scheme of delegation. The LGBs have meetings each term and may form committees, alongside which they engage in the substantive work of the governance of each school. The activity of the LGB meetings of each constituent school are minuted and reported to the Trust Board each term. The composition of each LGB is determined by each school, reflecting key skill stakeholders of the school, and its membership is defined by the Terms of Reference. The scheme of delegation adopted by the Trust passes the responsibility for 100% of the budget allocation to each member school, therefore the LGBs are responsible for the financial management of their school. The budget plan for each school is proposed by the LGB for approval by the trustees whilst the day to day monitoring of this and other financial management matters are delegated to the LGB at each school.

The Trust Board is currently made up of seven trustees, the Chief Executive Officer and the Chair of the Board. The Trust Board meets 6 times a year to monitor the finances and educational progress of the pupils within each constituent school. The Trust Board has 2 sub-committees; the Finance and Audit committee and the HR committee. The Finance and Audit committee meet six times a year to review in detail the financial affairs of each constituent school. The role of the committee is to maintain an oversight of the Trust finances, governance, risk management and internal control, and value for money framework. It reports its findings at each meeting with the Trust Board.

Arrangements for setting pay and remuneration of key management personnel

Pay has been set down through the School Teachers Pay and Conditions (STPC) document. The proposed changes to each of the pay spines have been approved across all the pay ranges, and allowances for the September 2019 pay award are set out in the school teachers paying and conditions document 2019. Decisions about teachers' pay progression must be linked to the performance management policy and are based on criteria set out in the schools pay policy. The pay body will operate the pay policy as the 'relevant body', as defined in the STPCD and for the pay arrangements agreed for all support staff which will:

- grade posts appropriately within the conditions of employment identified in the current STPCD and the conditions of service for support staff employed by the pay body,
- take into account pay differentials between posts within the teachers of the pay body and support staff of the pay body;
- ensure that the annual appraisal of all teaching staff, including those absent from duty for any reason, is fairly and properly conducted in accordance with the schools appraisal policy by 31st of October at the latest; 31st of December for the headteacher.

Related parties and other connected charities and organisations

The Trust works alongside two other charities: Friends of Nene Valley Primary School and Kingfisher Kids out of School Club.

OWN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

No current related parties.

Objectives and activities

Objects and aims

- to advance for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age;
- to promote for the benefit of the inhabitants of Orton Wistow, Woodston, Nene Valley and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances.

Objectives, strategies and activities

The Trust was specifically founded to be a primary focused multi-academy trust and the schools within the Trust are able to share best practice, staffing expertise and common experiences within the primary sector.

OWN – Opportunity, Work together, Nurture: key words that underpin everything that OWN is about.

We are passionate about **nurturing** a lifelong love of learning, so that the children and families we serve have the best **opportunities** to thrive. We **work together** with parents, pupils, staff and the wider communities across the Trust, to put learners at the centre of everything we do. We want to excite and motivate those who work with us and create real joy around learning.

Members of OWN Trust share an absolute commitment to working together and utilising the collective expertise that we have within the Trust. All our schools, as well as organisations outside of OWN, work together to accomplish things that would not be possible alone, whilst maintaining each school's 'OWN' distinctive character. By **combining the unique character** of each school, we will work innovatively, share best practice and be accountable for **positive outcomes for all learners**.

A key driver is our focus on improvement. We continuously develop our staff, children and young people, to make us better and better. This **aspiration to achieve excellence** underpins all that we do.

The Trust is able to work collaboratively using expertise held within the Trust to share best practice, aiming to drive down costs through collective purchasing, investment in school estates, greater flexibility with staffing resources and career development. Over time, as we grow, it is expected that the greater centralisation of services will ensure increased efficiencies and internal expertise in specific areas, allowing school management to focus on teaching and learning and driving improved learning for pupils.

The Trust will need to grow to ensure financial viability. In order to achieve this the Trust is inviting like-minded primary schools to partner with the OWN Trust family, building on a culture of school independence and collaborative working.

Trust strategic objectives

OWN Trust has four strategic goals for this period

1. Educational excellence
2. Inspirational leadership
3. Operational efficiency
4. Strategic growth

OWN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1. Educational excellence

OWN Trust provides the best education for all trust pupils, of all abilities and backgrounds. We do this by:

- fostering a culture of outstanding performance, to deliver academic excellence
- utilising our best resources, skills and processes across the Trust
- retaining, recruiting and training skilled and talented people
- ongoing engagement with pupils, parents, governors and the Local Authority

2. Inspirational leadership

We aim to support and strengthen our team to provide outstanding and dynamic leadership across the Trust. We will do this by:

- empowering and developing our leaders to deliver this Trust strategy
- supporting the ongoing coaching and training of the leadership team
- mentoring at all levels for all staff, teaching and non-teaching
- promoting and rewarding best practice
- external benchmarking to drive improvement
- encouraging engagement with all key stakeholders

3. Operational excellence

We aim to operate to the highest standards and will achieve operational excellence by:

- achieving target Key Performance Indicators (KPIs)
- identifying opportunities to review all contracts utilising economies of scale
- pursuing appropriate revenue opportunities
- prudent financial management
- ongoing monitoring and review

4. Strategic growth

We aim to expand to 3000 pupils within five years by recruiting local like-minded primary schools. We will do this by:

- proactive networking with relevant stakeholders to drive the development of the Trust;
- researching and identifying schools who share our ethos and values,
- developing strong due diligence and on boarding processes;
- safeguarding the stability of the Trust;
- working alongside the senior leadership team to ensure they have the capacity and skills to develop and grow the Trust,
- growing the Trust in a measured way to ensure that standards are maintained and improved and that there is sufficient capacity to bring about transformation as required.

Activities

OWN Trust's activities, in the short period since conversion, have included:

- Developing governance systems, including the appointment of a Governance & Compliance Manager,
- Development of systems for rapid improvement, resulting in substantial gains at Nene Valley,
- Enabling all staff to have a greater understanding of the vision and values of OWN trust through whole Trust events,
- Building the team of highly skilled senior leaders and school staff to collaborate on school improvement, assessment and curriculum.

Public benefit

The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

The Trust's public benefit is incorporated into its objectives which are detailed on the principal activity section of the accounts report. The Trust considers that its aims are demonstrably to the public benefit. The Trust's aim is to advance for the public benefit the education of pupils in Peterborough and surrounding areas in particular, but without prejudice to, the generality of the foregoing by estimating, maintaining, carrying on, managing and developing schools offering a broad curriculum.

Schools within the Trust provide facilities for recreational and other leisure time occupation for the community at large, in the interests of social welfare and with the interest of improving the life of the community.

OWN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

The Trust performed well overall in 2018-19, following its conversion on 1 March 2019.

Nene Valley Primary School

The school achieved well this year particularly in the area of reading and in combined reading, writing and mathematics.

Pupils achieving the expected level for reading, writing and mathematics combined was 76% compared to 65% nationally. Pupils achieving the expected level for reading was 78% compared to 73% nationally. Pupils achieving at the expected level for writing was 89% compared to 78% nationally. Pupils achieving at the expected level for mathematics was 78% compared to 79% nationally. Following a dip in results in 2018 a rapid improvement plan increased the percentage of children achieving reading, writing and maths combined at age-related expectations, improved from 59% to 76%.

Pupils achieving greater than expected level for reading, writing and mathematics combined was 17% compared to 11% nationally. Pupils achieving greater than expected level for reading was 35% compared to 27% nationally. Pupils achieving greater than expected levels for writing was 22% compared to 20% nationally. Pupils achieving greater than expected levels for mathematics was 24% compared to 27% nationally.

The percentage of children passing the phonics check in year one in 2019 was 91%, compared to 82% nationally.

Orton Wistow Primary School

Pupils achieving the expected level for reading, writing and mathematics combined was 67% compared to 65% nationally. Pupils achieving the expected level for reading was 69% compared to 73% nationally. Pupils achieving at the expected level for writing was 84% compared to 78% nationally. Pupils achieving the expected level for Mathematics was 85% compared to 79% nationally.

Pupils achieving greater than expected level for reading, writing and mathematics combined was 4% compared to 11% nationally. Pupils achieving greater than expected level for reading was 16% compared to 27% nationally. Pupils achieving greater than expected levels for writing was 13% compared to 20% nationally. Pupils achieving greater than expected levels for mathematics was 29% compared to 27% nationally.

The percentage of children passing the phonics check in year one in 2019 was 95%, compared to 82% nationally.

Woodston Primary School

Pupils achieving the expected level for reading, writing and mathematics combined was 56% compared to 65% nationally. Pupils achieving the expected level for reading was 64% compared to 73% nationally. Pupils achieving at the expected level for writing was 66% compared to 78% nationally. Pupils achieving at the expected level for mathematics was 73% compared to 79% nationally.

Pupils achieving greater than expected level for reading, writing and mathematics combined was 7% compared to 11% nationally. Pupils achieving greater than expected level for reading was 15% compared to 27% nationally. Pupils achieving greater than expected levels for writing was 12% compared to 20% nationally. Pupils achieving greater than expected levels for mathematics was 27% compared to nationally.

The percentage of children passing the phonics check in year one in 2019 was 82%, compared to 82% nationally.

OWN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Key performance indicators

The main KPI for each of the schools in the Trust is the OFSTED framework for inspection. Inspectors must judge the quality of education provided by each school. This is an overarching judgement made by inspecting and reporting on the following areas:

- The quality of education,
- Behaviour and attitudes,
- Personal development
- Leadership and management,
- Early years provision.

Performance against the key performance indicator of assessment results is included in the previous section

Financial KPIs

The trust operates in line with the requirements of its funding agreement with the ESFA and manages its reserves in line with the policies set out within this document.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Most of the Trust income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, use of which is restricted to particular purposes. The grants received from the ESFA during the period ending the 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period, the schools within the trust received total income of £2,887,384 compared to total resources expended of £3,013,501 to give a deficit for the period of £126,117.

Taking into account the surplus brought forward inherited from the former local authority and foundation schools, the Trust has £9,515,431 accumulated reserves carried forward. The trustees consider an appropriate level of reserves to be as defined in the reserves policy, to insulate the trust in the event of the ESFA funding becoming interrupted, and the carry forward at 31 August 2019 is considered to be in line with this objective.

OWN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Reserves policy

Introduction

OWN Trust has established this reserves policy to protect its activities by providing financial buffers against an unpredictable environment and to make sufficient provision for future cash flow requirements. The policy also provides the framework for future strategic planning and decision-making. An effectively implemented reserves policy will mitigate the impact of any risk upon the continuing operations of OWN caused by funding uncertainty.

This policy and the establishment of reserve targets should be based on a continual assessment of the internal and external operating environment .

The policy takes into account the Academies Financial Handbook (AFH) and guidance from the Charity Commission.

Trusts should use their allocated GAG funding for the full benefit of their current pupils. If a trust has a substantial surplus they should have a clear plan for how it will be used to benefit their pupils, for example, a long-term capital project. The ESFA will report to the DfE any trusts where it has serious concerns about a long-term substantial surplus with no clear plans for its use.

The Charity Commission reminds trustees that:

- charity law requires any income received by the Trust to be spent within a reasonable period of receipt;
- a good reserves policy takes into account the Trust's financial circumstances and other relevant factors;
- it is good practice to monitor the level of reserves throughout the year.

Types of reserves

Reserves are the representation of the cash balance available at the period end in charity accounts, which are used for academies. This cash is transferred into fund balances. These balances can be for 'restricted' or 'unrestricted' purposes, depending on their source.

Unrestricted reserves

Unrestricted reserves are derived from income funds, grants or donations that can be spent at the discretion of trustees in furtherance of any of the Trust's objectives. If part of an unrestricted income fund is earmarked for a particular project it may be designated as a separate fund. However, the designation has an administrative purpose only and does not place restrictions on how the fund is eventually spent. Unrestricted reserves will be generally achieved through operating efficiencies and from trading company profits.

Restricted reserves

Restricted reserves are mainly derived from government grant funding through the ESFA (Education and Skills Funding Agency) but may also include other grants or donations provided for a specific purpose. Restricted reserves must be used in accordance with the limitations outlined in the original funding (in the case of ESFA funding this is as detailed in the Trust's funding agreements).

Key policy principles

The following principles underpin the Trust's approach to reserves management:

- the Trust will endeavour to set a balanced in-year revenue budget every year for the following financial year;
- two and three year projections will not be subject to the need to be balanced as work will be undertaken to mitigate against deficit budgets prior to being set for the following year;
- the Trust's reserves balance should only decrease due to capital investment and or other organisational needs which shall at all times be approved by the Finance and Audit Committee;
- the Trust's general reserves balance may be comprised of restricted or unrestricted reserves.

OWN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Trust general reserves balance

The Trust general reserves balance will be maintained at a level equivalent to between 5% and 10% of combined General Annual Grant for all schools. Therefore, if the combined GAG for the following year is forecast to be £10m the Trust reserves balance should be £1 million, but can remain between £500,000 and £1 million. This is the percentage that trustees regard as an appropriate level of reserves given the current operating environment. A general reserves balance higher than this figure must be supported by an appropriate plan, for example for expenditure on school improvement or capital works or to mitigate a specific foreseen risk.

School in year surplus balances

A school in year surplus balance over and above its agreed reserves contribution may normally be spent as determined by the school once the previous year's accounts have been closed. Schools may designate these reserves to specific short-term projects that will be completed within two years, but reserves may not be carried forward for more than two years without the express approval of the Finance and Audit Committee.

Joiner schools

A surplus balance brought forward into the Trust by a joining school shall be deployed as follows, in priority order:

- to address urgent compliance and health and safety issues at the time of conversion as well as other urgent requirements determined by due diligence, e.g. school improvement, compliance and health and safety. Issues will normally be determined by a condition survey commissioned by the Trust;
- 90% of any remaining balance brought forward will be designated to the school to be spent at its discretion and 10% or the current percentage actual recharge costs will be added to the Trusts general reserves.

Expenditure against reserves balances

Trustees may temporarily decide to increase the reserves balance over the percentage of GAG target, for example to fund a specific school improvement initiative. Expenditure that subsequently draws on reserves must be approved in advance by the Finance and Audit Committee. In exceptional cases, for example where expenditure is necessary to comply with a statutory requirement, reserves may be spent without prior approval (but subject to purchasing authority limits within the finance regulations) but must be reported at the next Finance and Audit Committee meeting.

At the 31 August 2019 total funds comprised:

Unrestricted		£484,975
Restricted:	Fixed asset funds	£11,667,341
	Pension reserve	(£2,701,000)
	General	£64,115
Total		£9,515,431

Investment policy

OWN Trust aims to spend public money with which it has been entrusted for the direct educational benefit of pupils as soon as is prudent. The trustees do not consider the investment of surplus funds as a primary activity, rather as a good result of sound financial management as and when circumstances allow. The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations whilst protecting the real long-term value of any surplus cash balances against inflation.

Each school within the Trust will prepare such budgets and cash flow forecasts as required to ensure viability and sustainability for the activities of each school.

OWN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Principal risks and uncertainties

The trustees of OWN Trust have overall responsibility and ultimate decision-making authority for all the work of the company including the establishment and running of schools. This is largely exercised through strategic planning and the setting of policy. It is managed through business planning, monitoring the budgets, performance management, the setting of standards and the implementation of quality assurance processes. The trustees have the power to direct change where required.

The trustees have delegated authority for the running of each of its constituent schools to Local Governing Bodies who, in turn, also fulfil a largely strategic role in the conduct of their schools by further delegating authority to a headteacher and senior leadership team who are responsible for the internal organisation management and control of the school on a day-to-day basis.

Based on the above process the Finance and Audit Committee undertakes a comprehensive review of the risks to which the Trust is exposed by regularly reviewing the risk management policy and risk register. The committee identifies systems and procedures, including specific preventable actions, which should mitigate any potential negative impact on any of the individual schools. An up to date assessment of risk is carried out as part of the agenda at all committee, LGB and Leadership group meetings.

The internal controls for managing risks deemed as medium and high are incorporated into an annual risk management action plan. The effectiveness of the Trust internal controls in managing the risks identified is regularly monitored at all levels

A thorough appraisal will be undertaken in the year of the existing risks and any emerging risks, for example those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Finance and Audit Committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the Trust.

A risk register covering low, medium and high level risks is maintained at Trust level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low medium and high using a consistent scoring system.

The Trust's approach to risk management raises awareness of risk throughout the whole of the Trust. In addition, headteachers incorporate risk management their reports and local school improvement plans. Outlined below is a description of the principal risk factors that may affect the Trust. However, not all factors are within the Trust's control and other factors besides those listed below may also adversely affect Trust.

1. Government funding

The Trust has considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA) and the Local Authority.

The risk has, and will be mitigated in a number of ways

- funding is derived through a number of indirect arrangements;
- considerable focus and investment are placed on maintaining and managing key relationships with various funding bodies;
- ensuring the school is focused on these priority sectors which will continue to benefit from public funding;
- contingency planning embedded into the school budget process.

2. Maintain adequate funding of pension liabilities

The financial statements report share of the local government pension scheme deficit on the Trust's balance sheet is in line with the requirements of our FRS 102.

3. Pupil strategy

The Trust seeks to maintain its popularity within each school with current and prospective pupils by;

- ensuring the school delivers high-quality education and training;
- maintaining outstanding success rates and good inspection outcomes, and
- investing in its teaching staff and resources.

OWN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

With ongoing commitment to quality the Trust provides up-to-date and well resourced learning environments including resources that support and enrich a broad curriculum. Technology and mobile technology resources are deployed widely, ensuring good pupil access. This places the Trust in an excellent position to attract new pupils into schools.

Financial and risk management objectives and policies

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational risks of the Trust and its finances. The trustees have implemented a number of systems to assess risks that the Trust's schools face, especially in the operational areas e.g. in relation to teaching, health and safety and leadership, and in relation to the control of finance. The trustees are introducing systems including operational procedures of internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover.

Fundraising

OWN trust is compliant with the recognised standards of fundraising set out in the Code of Fundraising Practice. OWN Trust does not use professional fundraisers and there have been no complaints received by the Trust about fundraising activities carried about by the Trust in the year.

Plans for future periods

OWN Trust will continue to improve the levels of performance for all children and young people in terms of their academic outcomes, how they are able to look after their own well-being, and the contribution they make to society. OWN Trust schools use thorough self-evaluation to ensure there is a very good understanding about strengths and areas for improvement. The self-evaluation mechanisms are based on rigorous analysis of data, effective monitoring of teaching and learning by pupils in lessons, and through detailed learning scrutiny. In addition, the Trust seeks the views of all stakeholders, with a key focus on the views and opinions of pupils. OWN Trust makes good use of external validation from a range of partners to secure accurate judgements on the quality of provision and subsequent outcomes achieved.

Own trust has identified key areas for strategic improvement in the coming year and adequate resources will be targeted to meet these aims:

- optimising talent and leadership capacity across the Trust to impact outcomes for children and young people;
- enabling trust schools to achieve the highest OFSTED grade possible in the current inspection framework;
- developing governance so that at all levels it is the most effective it can be in challenging school leaders and rigorously holding them to account;
- focussing on well-being and workload for all staff so unnecessary tasks are removed;
- ensuring the curriculum provided across the whole Trust meets the needs of the children attending the schools and their local communities.

New academies will be added as part of the Trust expansion. These new academies will subscribe to the Trust ethos, aims and objectives, particularly when common principles are seen by the Board to benefit the pupils, parents and staff of the Trust.

OWN TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Auditor

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.

Baldwins Audit Services was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12/12/19 and signed on its behalf by:



M Foreman

Chair of Trustees

OWN TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2019

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between OWN 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 has formally met 3 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
M Clausen (Appointed 1 November 2018)	2	3
M Foreman (Chair of Trustees) (Appointed 1 November 2018)	3	3
S Mansell (Accounting Officer) (Appointed 22 January 2019)	3	3
D Perkins (Appointed 1 November 2018)	3	3
P Pike (Appointed 1 November 2018)	2	3
I Ramshaw (Appointed 1 November 2018)	3	3
R Waterman (Appointed 1 November 2018)	3	3
S Westwood (Appointed 1 November 2018)	3	3
M Woods (Appointed 1 November 2018)	1	3

The Trust conducted a skills audit for trustees in November 2019 as a preliminary to a wider self-evaluation planned for Spring 2020. A skills audit for local governing body members is ongoing. Depending on the outcomes the Trust will consider if there is a need for an external review, additional training, or recruitment at Trust and/or LGB level. The Trust has also received grant funding to access 'Leading Governance: Development for Boards' in the coming academic year.

The finance and audit committee is a sub-committee of the main board of trustees.

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
S Mansell (Accounting Officer) (Appointed 22 January 2019)	4	4
D Perkins (Appointed 1 November 2018)	4	4
I Ramshaw (Appointed 1 November 2018)	4	4
R Waterman (Appointed 1 November 2018)	4	4

Review of value for money

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

OWN TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- developing systems for support and challenge across the Trust and all of its component schools;
- close collaboration of the leadership team at all levels within the Trust to develop expertise;
- where possible, having Trust wide service level agreements with external providers for facilities such as sports provision and educational psychology support;
- reducing costs, through the establishment of newly negotiated contracts and service level agreements for a range of support services;
- establishing robust financial controls and procedures throughout the Trust, specifically directed at achieving value for money; for example, by competitive tendering for auditors;
- commissioning high-quality advice and support for evaluation of administrative procedures.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in OWN Trust for the period 1 November 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy 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 academy trust's significant risks that has been in place for the period 1 November 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

The academy 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 finance and audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function.

The meeting of the Board of Trustees 09/07/19 referred discussion on internal audit to the Finance and Audit Committee which met 30/09/19. Following discussion, it was agreed the CEO and CFO would explore how best to accomplish this either by outsourcing or a swap with other local trusts with a view to establishment at the start of spring 2020. In the meantime, current financial support advisors are providing sufficient internal audit for a newly established Trust.

OWN TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal reviewer;
- the work of the external auditor;
- the work of the external finance advisor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 finance and audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 12/12/19 and signed on its behalf by:



M Foreman
Chair of Trustees



S Mansell
Accounting Officer

OWN TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD ENDED 31 AUGUST 2019

As accounting officer of OWN Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2018.

I confirm that I and the academy trust's 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 2018.

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



S Mansell
Accounting Officer

12/12/19

OWN TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 AUGUST 2019

The trustees (who are also the directors of OWN Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on12/12/19..... and signed on its behalf by:



M Foreman
Chair of Trustees

OWN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OWN TRUST FOR THE PERIOD ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of OWN Trust for the period ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

OWN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OWN TRUST (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial period for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

OWN TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OWN TRUST (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Use of our report

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



Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

13/12/19
.....

Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

OWN TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OWN TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY FOR THE PERIOD ENDED 31 AUGUST 2019

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

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

Respective responsibilities of OWN Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of OWN Trust's funding agreement with the Secretary of State for Education dated 26 February 2019 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 November 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Governors' and Trustee's meetings.

OWN TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OWN TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

Conclusion

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



Reporting Accountant

Baldwins Audit Services
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Dated: 13/12/19

OWN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £
Income and endowments from:					
Donations and capital grants	3	43,910	3,000	129,858	176,768
Donations - transfer from local authority on conversion	25	537,700	(2,183,000)	11,647,848	10,002,548
Charitable activities:					
- Funding for educational operations	4	134,287	2,514,297	-	2,648,584
Other trading activities	5	61,619	-	-	61,619
Investments	6	413	-	-	413
Total		777,929	334,297	11,777,706	12,889,932
Expenditure on:					
Charitable activities:					
- Educational operations	9	86,292	2,816,844	110,365	3,013,501
Total	7	86,292	2,816,844	110,365	3,013,501
Net income/(expenditure)		691,637	(2,482,547)	11,667,341	9,876,431
Transfers between funds	18	(206,662)	206,662	-	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	20	-	(361,000)	-	(361,000)
Net movement in funds		484,975	(2,636,885)	11,667,341	9,515,431
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		484,975	(2,636,885)	11,667,341	9,515,431

OWN TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£
Fixed assets			
Tangible assets	14		11,573,860
Current assets			
Debtors	15	207,908	
Cash at bank and in hand		757,358	
		<u>965,266</u>	
Current liabilities			
Creditors: amounts falling due within one year	16	(322,695)	
Net current assets			<u>642,571</u>
Net assets excluding pension liability			<u>12,216,431</u>
Defined benefit pension scheme liability	20	(2,701,000)	
Total net assets			<u>9,515,431</u>
Funds of the academy trust:			
Restricted funds	18		
- Fixed asset funds			11,667,341
- Restricted income funds			64,115
- Pension reserve			<u>(2,701,000)</u>
Total restricted funds			<u>9,030,456</u>
Unrestricted income funds	18		<u>484,975</u>
Total funds			<u>9,515,431</u>

The accounts on pages 23 to 44 were approved by the trustees and authorised for issue on 12/12/19 and are signed on their behalf by:



M Foreman

Chair of Trustees

Company Number 11653378

OWN TRUST

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2019

	Notes	2019 £	£
Cash flows from operating activities			
Net cash provided by operating activities	21	118,289	
Cash funds transferred on conversion		542,774	
		<hr/>	661,063
Cash flows from investing activities			
Dividends, interest and rents from investments		413	
Capital grants from DfE Group		129,858	
Purchase of tangible fixed assets		(33,976)	
		<hr/>	
Net cash provided by/(used in) investing activities			96,295
			<hr/>
Net increase in cash and cash equivalents in the reporting period			757,358
Cash and cash equivalents at beginning of the year			<hr/>
			-
Cash and cash equivalents at end of the year			<hr/> <hr/>
			757,358

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

The accounts 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

OWN Trust meets the definition of a public benefit entity under FRS 102.

These accounts have been prepared for the period 1 November 2018 to 31 August 2019 which is a period of less than twelve months. Academy trusts are required by the Education & Skills Funding Agency to report annually to 31 August and the academy trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

1.2 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 charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Orton Wistow Primary School, Woodston Primary School and Nene Valley Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

1.4 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.

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.

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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.5 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 are 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.

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Governance costs

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

1.6 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold land and buildings	50 years straight line
Leasehold land and buildings	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	3 years straight line

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.

1.7 Liabilities

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

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 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. Prepayments are not financial instruments.

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

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.10 Taxation

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

1.11 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The 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 are 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.

1.12 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 Department for Education Group.

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £
Capital grants	-	129,858	129,858
Other donations	43,910	3,000	46,910
	<u>43,910</u>	<u>132,858</u>	<u>176,768</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £
DfE / ESFA grants			
General annual grant (GAG)	-	2,173,976	2,173,976
Other DfE group grants	-	274,971	274,971
	<u>-</u>	<u>2,448,947</u>	<u>2,448,947</u>
Other government grants			
Local authority grants	-	65,350	65,350
	<u>-</u>	<u>65,350</u>	<u>65,350</u>
Other funding			
Other incoming resources	134,287	-	134,287
	<u>134,287</u>	<u>-</u>	<u>134,287</u>
Total funding	<u>134,287</u>	<u>2,514,297</u>	<u>2,648,584</u>

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £
Hire of facilities	4,531	-	4,531
Catering income	56,078	-	56,078
Other income	1,010	-	1,010
	<u>61,619</u>	<u>-</u>	<u>61,619</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £
Short term deposits	413	-	413
	<u>413</u>	<u>-</u>	<u>413</u>

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £
Academy's educational operations				
- Direct costs	1,842,053	-	162,431	2,004,484
- Allocated support costs	560,307	262,578	186,132	1,009,017
	<u>2,402,360</u>	<u>262,578</u>	<u>348,563</u>	<u>3,013,501</u>

Net income/(expenditure) for the period includes:

	2019 £
Fees payable to auditor for:	
- Audit	7,895
- Other services	1,500
Operating lease rentals	4,082
Depreciation of tangible fixed assets	102,890
Net interest on defined benefit pension liability	30,000
	<u>146,367</u>

8 Central services

The academy trust has provided the following central services to its academies during the period:

- financial services;
- legal services;
- educational support services.

The academy trust charges for these services on the following basis:

- Apportionment of each individual school's GAG allocation compared to total GAG allocation.

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

8 Central services

(Continued)

The amounts charged during the period were as follows:

	2019
	£
Orton Wistow Primary School	22,899
Woodston Primary School	28,784
Nene Valley Primary School	18,777
	<u>70,460</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £
Direct costs			
Educational operations	32,758	1,971,726	2,004,484
Support costs			
Educational operations	53,534	955,483	1,009,017
	<u>86,292</u>	<u>2,927,209</u>	<u>3,013,501</u>

Analysis of costs

	2019
	£
Direct costs	
Teaching and educational support staff costs	1,842,053
Staff development	9,898
Technology costs	3,676
Educational supplies and services	91,896
Other direct costs	56,961
	<u>2,004,484</u>
Support costs	
Support staff costs	560,307
Depreciation	102,890
Maintenance of premises and equipment	76,880
Cleaning	1,557
Energy costs	37,947
Rent, rates and other occupancy costs	31,378
Insurance	11,926
Security and transport	1,892
Catering	63,519
Finance costs	30,000
Other support costs	81,326
Governance costs	9,395
	<u>1,009,017</u>

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

10 Governance costs

	Total 2019 £
All from restricted funds:	
Amounts included in support costs	
Auditor's remuneration	
- Audit of financial statements	7,895
- Other audit costs	1,500
	<hr/> 9,395 <hr/>

11 Staff

Staff costs

Staff costs during the period were:

	2019 £
Wages and salaries	1,787,191
Social security costs	143,507
Pension costs	460,706
	<hr/>
Amounts paid to employees	2,391,404
Agency staff costs	10,956
	<hr/>
Amounts paid to staff	2,402,360
Staff development and other staff costs	9,898
	<hr/>
Total staff expenditure	2,412,258 <hr/>

Staff numbers

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

	2019 Number
Teachers	54
Administration and support	129
Management	9
	<hr/>
	192 <hr/>

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

11 Staff

(Continued)

Higher paid staff

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

	2019 Number
£60,000 - £70,000	2
£70,000 - £80,000	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. 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 academy trust was £253,457.

12 Trustees' remuneration and expenses

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

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

Mr S Mansell (Chief Executive Officer)

Remuneration £35,000 - £40,000

Employer's pension contributions £5,000 - £10,000

There have been no expenses reimbursed to Trustees during the period.

13 Trustees and officers insurance

The academy 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 trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

14 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 November 2018	-	-	-	-	-
Transfer on conversion	2,709,534	8,933,240	-	-	11,642,774
Additions	-	-	3,700	30,276	33,976
At 31 August 2019	2,709,534	8,933,240	3,700	30,276	11,676,750
Depreciation					
At 1 November 2018	-	-	-	-	-
Charge for the period	23,591	79,299	-	-	102,890
At 31 August 2019	23,591	79,299	-	-	102,890
Net book value					
At 31 August 2019	2,685,943	8,853,941	3,700	30,276	11,573,860

Included within the leasehold land and buildings net book value is £1,003,299 of land which is not depreciated. There is a further £350,433 of land which is not depreciated included within the net book value of freehold land and buildings.

15 Debtors

2019
£

Trade debtors	27,801
VAT recoverable	68,910
Prepayments and accrued income	111,197
	207,908

16 Creditors: amounts falling due within one year

2019
£

Trade creditors	140,497
Other creditors	6,734
Accruals and deferred income	175,464
	322,695

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

17	Deferred income	2019
		£
	Deferred income is included within:	
	Creditors due within one year	151,716
	Resources deferred in the period	151,716
	Deferred income at 31 August 2019	151,716

Deferred income includes amounts received in advance relating to Universal Infant Free School Meals and trips.

18	Funds			Gains, losses and transfers	Balance at 31 August 2019
		Income	Expenditure	£	£
		£	£		
	Restricted general funds				
	General Annual Grant (GAG)	2,173,976	(2,316,523)	206,662	64,115
	Other DfE / ESFA grants	274,971	(274,971)	-	-
	Other government grants	65,350	(65,350)	-	-
	Other restricted funds	3,000	(3,000)	-	-
	Pension reserve	(2,183,000)	(157,000)	(361,000)	(2,701,000)
		<u>334,297</u>	<u>(2,816,844)</u>	<u>(154,338)</u>	<u>(2,636,885)</u>
	Restricted fixed asset funds				
	Inherited on conversion	11,647,848	(102,890)	(5,074)	11,539,884
	DfE group capital grants	129,858	(7,475)	(28,902)	93,481
	Capital expenditure from GAG	-	-	33,976	33,976
		<u>11,777,706</u>	<u>(110,365)</u>	<u>-</u>	<u>11,667,341</u>
	Total restricted funds	<u>12,112,003</u>	<u>(2,927,209)</u>	<u>(154,338)</u>	<u>9,030,456</u>
	Unrestricted funds				
	General funds	771,621	(85,067)	(206,662)	479,892
	School fund - Nene Valley	6,308	(1,225)	-	5,083
		<u>777,929</u>	<u>(86,292)</u>	<u>(206,662)</u>	<u>484,975</u>
	Total funds	<u>12,889,932</u>	<u>(3,013,501)</u>	<u>(361,000)</u>	<u>9,515,431</u>

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

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

Other DFE / ESFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education for pupils from a disadvantaged background.

Local Government Grants include funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy Trust's share of the Local Government Pension Scheme deficit. This is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund.

General Annual Grant must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

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.

Total funds analysis by academy

	2019 £
Fund balances at 31 August 2019 were allocated as follows:	
Orton Wistow Primary School	65,291
Woodston Primary School	352,061
Nene Valley Primary School	117,173
Central services	14,565
Total before fixed assets fund and pension reserve	549,090
Restricted fixed asset fund	11,667,341
Pension reserve	(2,701,000)
Total funds	9,515,431

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

18 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019
	£	£	£	£	£
Orton Wistow Primary School	587,480	178,001	48,672	130,400	944,553
Woodston Primary School	745,018	140,167	25,024	166,952	1,077,161
Nene Valley Primary School	496,055	115,105	18,200	116,854	746,214
	<u>1,828,553</u>	<u>433,273</u>	<u>91,896</u>	<u>414,206</u>	<u>2,767,928</u>

19 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds: General	Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	11,573,860	11,573,860
Current assets	602,049	269,736	93,481	965,266
Creditors falling due within one year	(117,074)	(205,621)	-	(322,695)
Defined benefit pension liability	-	(2,701,000)	-	(2,701,000)
Total net assets	<u>484,975</u>	<u>(2,636,885)</u>	<u>11,667,341</u>	<u>9,515,431</u>

20 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 Cambridgeshire County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](#).

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £167,123.

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 22.5% for employers and 5.5 to 12.5% for employees.

As described in note 25 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2019 £
Employer's contributions	167,000
Employees' contributions	42,000
Total contributions	209,000

Principal actuarial assumptions	2019 %
Rate of increase in salaries	2.6
Rate of increase for pensions in payment/inflation	2.3
Discount rate for scheme liabilities	1.9

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

	2019 Years
Retiring today	
- Males	21.5
- Females	23.5
Retiring in 20 years	
- Males	22.4
- Females	24.9

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2019 £
0.5% decrease in Real Discount Rate	605,000
0.5% increase in the Salary Increase Rate	81,000
0.5% increase in the Pension Increase Rate (CPI)	513,000

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

2019
Fair value
£

Equities	1,461,750
Bonds	253,370
Property	214,390
Other assets	19,490
Total market value of assets	1,949,000

The actual return of scheme assets was £165,000.

Amount recognised in the Statement of Financial Activities

2019
£

Current service cost	275,000
Past service cost	19,000
Interest income	(23,000)
Interest cost	53,000
Total operating charge	324,000

Changes in the present value of defined benefit obligations

2019
£

Obligations acquired on conversion	3,758,000
Current service cost	275,000
Interest cost	53,000
Employee contributions	42,000
Actuarial loss	503,000
Past service cost	19,000
At 31 August 2019	4,650,000

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2019

20 Pension and similar obligations (Continued)

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

	2019 £
Assets acquired on conversion	1,575,000
Interest income	23,000
Actuarial gain	142,000
Employer contributions	167,000
Employee contributions	42,000
At 31 August 2019	<u>1,949,000</u>

21 Reconciliation of net income to net cash flow from operating activities

	2019 £
Net income for the reporting period (as per the statement of financial activities)	9,876,431
Adjusted for:	
Net surplus on conversion to academy	(10,002,548)
Capital grants from DfE and other capital income	(129,858)
Investment income receivable	(413)
Defined benefit pension costs less contributions payable	127,000
Defined benefit pension scheme finance cost	30,000
Depreciation of tangible fixed assets	102,890
(Increase) in debtors	(207,908)
Increase in creditors	322,695
Net cash provided by operating activities	<u><u>118,289</u></u>

22 Commitments under operating leases

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

	2019 £
Amounts due within one year	6,169
Amounts due in two and five years	9,892
	<u><u>16,061</u></u>

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

23 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 12.

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 AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

25 Conversion to an academy

On 1 March 2019 the Orton Wistow Primary School, Woodston Primary School and Nene Valley Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to OWN Trust from the Cambridgeshire Local Authority for £nil consideration.

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

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

Academy	Location	Date of conversion
Orton Wistow Primary School	Peterborough	1 March 2019
Woodston Primary School	Peterborough	1 March 2019
Nene Valley Primary School	Peterborough	1 March 2019

	2019 £
Net assets transferred:	
Leasehold land and buildings	11,642,774
Cash	542,774
Pension scheme deficit	(2,183,000)
	<u>10,002,548</u>

OWN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2019

25 Conversion to an academy

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	11,647,848	11,647,848
LA budget funds	537,700	-	-	537,700
LGPS pension funds	-	(2,183,000)	-	(2,183,000)
	<u>537,700</u>	<u>(2,183,000)</u>	<u>11,647,848</u>	<u>10,002,548</u>