
OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	C Waspe M Hainsworth J Robinson
Trustees	R Gibson G Grant S Hall J Norfolk L West J Woods J Cripps, (appointed 10 October 2019) (resigned 14 October 2020) S Greene (appointed 15 October 2020) K Armstrong (appointed 15 October 2020) M Sherburn, (appointed 15 October 2020) (resigned 18 November 2020) K Wilkinson (appointed 15 October 2020)
Company registered number	11188252
Company name	Owlcotes Multi Academy Trust
Principal and registered office	Pudsey Primrose Hill Primary School Primrose Hill Stanningley Pudsey LS28 6AB
Chief executive officer	L West
Senior management team	L West K Spence J Parker K Dickson
Independent auditors	Sagars Accountants Ltd Gresham House 5-7 St Paul's Street Leeds LS1 2JG
Bankers	LLoyds Bank 65-68 Briggate Leeds LS1 6LH
Solicitors	Stone King LLP 1 Aire Street Leeds LS1 4PR

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CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2020

The Chair presents her statement for the year.

Our second full year of operation as a multi academy trust has focused on developing systems and improving processes to ensure consistent operational models across the trust. Strong leadership and good communication are vital in ensuring we find the best ways to meet the needs of all the children in our trust. The CEO, CFO and trustees have been focusing on developing accountability frameworks and policies to support governance at both the trust and school level as we grow.

The trust operates four primary schools in Leeds, close to the border with Bradford. Two founding schools and two sponsored academies. Throughout the year, there has been continued collaboration between the four schools to ensure that staff are supported to ensure our provision has the maximum impact on children's outcomes. This has involved staff working together to share best practice.

We were identified as the preferred sponsor for Armley Primary School and we welcomed them into the trust on 1st December 2019. Although still in our early stages, we are confident that we are building a resilient and successful trust.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The academy trust operates four primary schools in the LS28 (Pudsey) and LS12 (Armley) districts of Leeds. The schools have a combined pupil capacity of 1403 FTE pupils and had a roll of 1312 FTE in the May 2020 census.

The four schools in the trust are:

- Pudsey Primrose Hill Primary School, LS28 6AB - Joined 1st March 2018
- Pudsey Waterloo Primary School, LS28 7SR – Joined 1st March 2018
- Calverley Parkside Primary School, LS28 5PQ – Joined 1st November 2018
- Armley Park Primary School, LS12 2LY – Joined 1st December 2019

Structure, governance and management

a. Constitution

The academy trust is a charitable 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 Trustees of Owlcotes Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Owlcotes Multi Academy Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

The academy trust is a member of the DfE Academy Risk Protection scheme which provides cover to protect Trustees from claims arising against negligent acts, errors or omissions whilst on academy trust business.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Articles of Association and Funding agreement are the primary documents that govern the appointment of Trustees. These allow for members to appoint up to nine trustees to the board of the academy trust. There are seven Trustees appointed.

The academy trust operates Local Governing Boards (LGBs) within its schools and each of these must have a minimum of two parent governors. Were the academy trust to amend its structure so that Local Governing Boards were no longer established in its schools, then article 53 requires that two parent Trustees shall be appointed to the trust board by way of an appropriate election process.

Article 58 permits the Trustees to co-opt further Trustees to the board subject to the eligibility criteria. In the period covered by these statements there were no co-opted Trustees appointed.

The term of office for any Trustee shall be four years. This time limit shall not apply to the CEO. Any Trustee may be re-appointed or re-elected in accordance with the Articles of Association.

The trust, on identifying a need to recruit an additional or replacement Trustee will identify requirements based on a skills audit of the current trustees. Candidates will be sought from within local communities and through external support agencies including Academy Ambassadors.

Any new Trustee will be proposed by the Chief Executive Officer and Chair of Trustees following interview. The candidate will then be presented to the Members and Board of Trustees who will vote on whether to accept them.

All new Trustees will be required to complete an Enhanced Disclosure (through the Disclosure Barring Service) before the selection is confirmed.

e. Policies adopted for the induction and training of Trustees

An induction programme will be provided to all new trustees. This will be informed by their existing experience. Where necessary, induction and training will be provided on educational, legal and financial matters.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets and other necessary documents that they will need to undertake their role as Trustees.

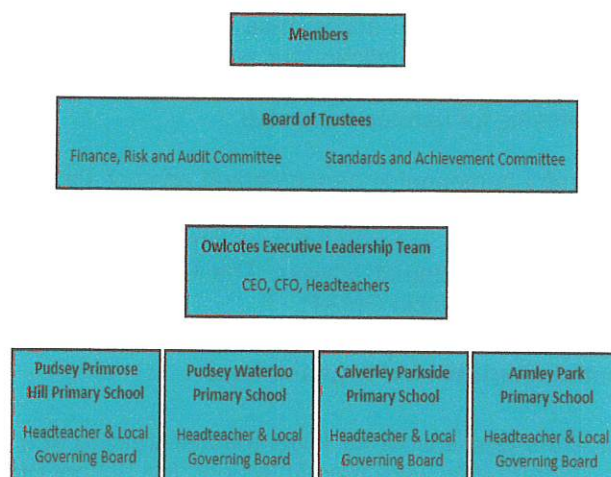
Trustees are invited to any appropriate training provided by the trust and are encouraged to access training as and when required provided by external agencies.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

f. Organisational structure



The academy trust operates an organisational structure that consists of four levels. Founder Members; the board of Trustees and the associated individual committees (Finance Risk and Audit and Standards and Achievement); The Executive Leadership Team; the schools' LGB and Headteachers.

The Trustees are responsible for the overall strategic direction of the academy trust. They are required to ensure that the academy trust complies with: Company Law & Regulations; Charity Law & Regulations; Statutes and Regulations issued by National Government via the DfE, ESFA and other relevant agencies. Trustees must ensure that the academy trust operates in a manner that delivers an appropriate and effective stewardship of public funds. Trustees achieve this by developing appropriate policies, procedures and practices which are implemented by the executives of the trust.

The executive team is led by the CEO, who is also the accounting officer. The executive team comprises of the CEO, the CFO and Headteachers of schools in the academy trust. The CEO and CFO have cross MAT responsibility for delivering on the strategic plans.

Local Governing Boards and Headteachers have delegated responsibilities and must ensure they meet the challenge of meeting their statutory duties and regulations and continuously improving children's outcomes. There are regular opportunities for communication between governors, leaders and trustees.

The Board of Trustees monitors the performance of the academy trust and its compliance with relevant laws and regulations through:

- Regular meetings of the Board of Trustees
- Regular written reports to the Trustees from the CEO
- The engagement of external third parties to undertake independent review and verification (e.g external audit; external consultant)

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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

Arrangements for setting pay and remuneration are in accordance with the academy trust pay policy which is agreed by the board of trustees. The academy trust follows the pay arrangements for maintained schools in England and Wales for teachers. The academy trust's pay is based on nationally agreed pay scales for teaching staff and Local Government pay arrangements for non-teaching staff.

Pay and remuneration for key management personnel is benchmarked against similar roles taking into account external advice from HR. Any changes to pay and remuneration takes place through the formal performance management process. The trustee performance management committee is responsible for reviewing the performance of the CEO with advice from an external adviser. The CEO provides advice to LGB appraisal committees on the performance of Headteachers within OMAT.

h. Related parties and other connected charities and organisations

Pudsey Primrose Hill Primary School is the lead school for initial teacher training in a consortium of schools in Leeds and Bradford. During the year, 22 graduates were trained through the School Direct programme. The HEI provider is Educate Teacher Training.

The Headteacher of Pudsey Primrose Hill Primary School is a strategic partner (but not the lead school) in the Noctua Teaching School Alliance which provides school improvement, continuing professional development, and leadership development to schools in Leeds and Bradford.

i. Trade union facility time

The trust has one employee who is a relevant union official. During the period 1st September 2019 to 31st August 2020, the employee did not spend any time on official union activities. During this period however, OMAT contributed to a local arrangement for the provision of trade union support for the trust. The total cost of these contributions was £6,508.

j. Engagement with Employees

The trust 'buys in' to Leeds City Council Union Facilities time and has engaged with unions representing staff via a JCC. New policies in Owlcoates trust are shared with staff and union representatives for comment and local agreement.

School staff at all levels are fully involved in decision making. Leaders seek the views of staff during regular staff meetings, questionnaires / written feedback from staff and informally by other means.

Performance data and factors affecting data is regularly shared with staff and this data forms a key element of the MAT Development plan and each school's annual improvement plan.

Objectives and activities

a. Objects and aims

The Owlcoates Multi Academy Trust was formed on 5th February 2018 with two schools; Pudsey Primrose Hill Primary School and Pudsey Waterloo Primary School converting to join the MAT on 1st March 2018. Calverley Parkside converted and joined the MAT on 1st November 2018 and Armley Park Primary School converted and joined the MAT on 1st December 2019.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

Our mission at Owlcotes Multi Academy trust is to improve provision and outcomes for all our pupils by sharing expertise through collaborative practice. Our aims are as follows:

- To develop inclusive schools, sharing a common purpose to provide excellent education and improved outcomes for pupils.
- To provide high-quality education for all children within the local community by inspiring innovation, creativity and aspiration through an enriched curriculum.
- To ensure co-operation and collaboration between schools with a strong focus on staff development.
- To preserve of the unique identity of all schools within the trust.

b. Values

To build a strong network of schools, working collaboratively to provide excellent teaching and learning and curriculum opportunities.

- To maintain and establish excellent schools in local communities so that all schools within the trust are good or better according to Ofsted criteria.
- To keep learning, attainment and progress at the heart of each school. Developing shared accountability for the outcomes of pupils within the trust.
- To focus on making teaching as good as it can be, sharing best practice through a range of CPD opportunities.
- To develop people by attracting and retaining excellent staff, offering promotion within the trusts so that quality staff are retained.
- To ensure good value for money, making the most effective use of resources and staffing.

c. Objectives, Strategies and Activities

The key objectives for this year were to:

- Embed robust structures policies and processes for operation of the multi academy trust.
- Successfully integrate the second newly sponsored school into the trust.
- Embed the strong, collaborative approach to school improvement and curriculum development and establish consistent operational models across the trust.
- Develop governance systems and structures to meet the needs of the trust.

The academy trust recognises its important role in supporting schools to flourish and as such is committed to considering other schools who may wish to join. OMAT will act as a sponsor for schools as directed by the RSC.

The OMAT has a transparent leadership structure, clear levels of accountability with three separate boards.

1. Local Governing Board (each school)
2. Board of Trustees
3. Board of Members

Every member of each board is recruited for the skills and expertise they bring to the academy trust and the difference they can make towards ensuring its success. The leadership structure ensures that there is an appropriate focus on school improvement and financial accountability.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

The responsibilities for each board are clearly defined in the Owlcotes Multi Academy Trust's scheme of delegation. This scheme takes into account the requirements of the founder schools who are both 'convertor' academies and also the requirements of sponsored schools as the board recognise that the needs of schools joining later may differ depending on their position at the time of conversion.

d. Public benefit

The academy trust's aims are set out in this report and are undertaken to further its charitable purposes for the public benefit. The trustees have referred to the guidance on public benefit provided by the Charities Commission when establishing the trust's key aims and objectives.

All the schools within the Academy Trust provide an inclusive curriculum for the pupils within their local community. Both schools work with other local primary schools, sharing collaborative approaches to school improvement within the wider community, and with their local secondary schools to ensure a smooth transition into secondary education for all pupils.

Strategic report

Achievements and performance

a. Key performance indicators

Context

All schools in the academy trust are geographically close, located within 15 minutes travel distance of each other. Two of the schools are two form entry and the remaining two schools are one form entry. All schools have a nursery class and all offer 'wrap around' before and after school care for pupils of statutory school age. Pupil numbers are stable across the three schools sponsored by the trust at the end of the 2019 academic year. Armley Park Primary has historically had issues with inconsistent pupil numbers due to high mobility in the catchment area and lower numbers attending the nursery provision. Attendance across the trust is above national. The schools are diverse and the contexts range from schools where there are fewer pupils eligible for free school meals or for pupil premium funding than national, schools broadly in line with national and one school where the number of disadvantaged pupils is well above national. Although below national across the trust, there is an increasing number of pupils who have English as an additional language and one school where numbers are well above national.

Performance

Early Years Foundation Stage

Children typically enter the EYFS broadly in line or below levels of children of similar age. They are given a good start in the Foundation Stage in our schools. Outcomes at the end of EYFS are reported as a 'Good Level of Development' (GLD). There is no EYFS data for the end of the academic year 2020. Taking into account the schools' contexts, data in 2019 showed a strong performance when compared to national. Baseline assessments for EYFS will begin again in October 2020.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Early Years Foundation Stage	% GLD			Average Point Score		
	2018	2019	2020	2018	2019	2020
Armley Park						
All Pupils	25	69	N/A	30.6	31.9	N/A
Disadvantaged	15	71	N/A	31.0	31.4	N/A
Calverley Parkside						
All Pupils	77	77	N/A	39	37.8	N/A
Disadvantaged	0	No PP pupils	N/A	33	No PP pupils	N/A
Pudsey Primrose Hill						
All Pupils	78	78	N/A	36.9	36.9	N/A
Disadvantaged	63	67	N/A	33	32.9	N/A
Pudsey Waterloo						
All Pupils	72	77	N/A	35.6	34.8	N/A
Disadvantaged	71	75	N/A	35	34.5	N/A
National	72	72	N/A	34.5	34.8	N/A

Year 1 Phonics

Outcomes for phonics at the end of National Curriculum Year One has been a strength of the academy trust. Over the last two years, attainment was above or in line with national in all schools that were part of the MAT by the end of the academic year 2019. There is no phonics data for the end of the academic year 2020.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Year 1 Phonics	% Achieving the Standard		
	2018	2019	2020
Armley Park			
All Pupils	76.0	27	N/A
Disadvantaged	69.2	27	N/A
Calverley Parkside			
All Pupils	90.3	90	N/A
Disadvantaged	33.3	100	N/A
Pudsey Primrose Hill			
All Pupils	93	90	N/A
Disadvantaged	100	57	N/A
Pudsey Waterloo			
All Pupils	83	89	N/A
Disadvantaged	67	88	N/A
National	83	82	N/A

Attainment at the end of Key Stage 1

Attainment at the end of KS1 in all schools that were part of the MAT by the end of the academic year 2019 was strong and has remained stable. There is no data for the end of the academic year 2020.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Key Stage 1	% of pupils MEETING the expected standard											
	Reading			Writing			Maths			RWM Combined		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Armley Park												
All Pupils	55	52	N/A	48	52	N/A	55	52	N/A	41	52	N/A
Disadvantaged	54	33	N/A	54	33	N/A	62	33	N/A	46	33	N/A
Calverley Parkside												
All Pupils	83	77	N/A	73	71	N/A	86.7	77.4	N/A	73	68	N/A
Disadvantaged	100	0	N/A	50	0	N/A	100	0	N/A	50	0	N/A
Primrose Hill												
All Pupils	82	86	N/A	77	74	N/A	85	86	N/A	75	73	N/A
Disadvantaged	67	78	N/A	50	67	N/A	50	78	N/A	50	67	N/A
Pudsey Waterloo												
All Pupils	78	72	N/A	72	72	N/A	83	74	N/A	68	69	N/A
Disadvantaged	57	46	N/A	50	39	N/A	57	54	N/A	42	39	N/A
National	76	76	N/A	70	70	N/A	76	77	N/A	65	66	N/A

Key Stage 1	% of pupils EXCEEDING the expected standard											
	Reading			Writing			Maths			RWM Combined		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Armley Park												
All Pupils	7	4	N/A	0	0	N/A	7	7	N/A	0	0	N/A
Disadvantaged	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
Calverley Parkside												
All Pupils	30	32	N/A	13	16	N/A	33	36	N/A	10	16	N/A
Disadvantaged	50	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
Primrose Hill												
All Pupils	28	23	N/A	17	15	N/A	23	24	N/A	15	8	N/A
Disadvantaged	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A
Pudsey Waterloo												
All Pupils	25	21	N/A	15	16	N/A	22	19	N/A	12	10	N/A
Disadvantaged	7	0	N/A	8	0	N/A	25	8	N/A	8	0	N/A
National	26	25	N/A	16	16	N/A	22	22	N/A	12	11	N/A

There is a significant variation in the numbers of disadvantaged pupils in KS1 across the trust. Very small numbers of disadvantaged pupils in the cohort in some schools mean that the data is statistically not significant.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

There is no national comparison data available to compare the attainment of disadvantaged pupils across the trust with that of this cohort nationally. As a trust we are focusing school improvement work on raising the attainment of pupils from disadvantaged backgrounds.

Outcomes at the end of Key Stage 2

Outcomes at the end of KS2 for 2019 were generally improved when compared to 2018 for the three schools sponsored by the MAT at the end of the academic year 2019. In 2019, Primrose Hill attainment of pupils meeting the expected standard was higher than the previous year in all subjects except writing, which was still above national. At Pudsey Waterloo, outcomes for pupils meeting the expected standard was broadly in line in all subjects. Calverley Parkside results demonstrated a significant improvement when compared to the previous two years. At Armley Park, end of year data prior to conversion was below national in all areas. There is no data for the end of the academic year 2020.

Key Stage 2	% of pupils MEETING the expected standard														
	Reading			Writing			Maths			RWM Combined			GPaS		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Armley Park															
All Pupils	54	50	N/A	58	73	N/A	67	65	N/A	50	42	N/A	67	62	N/A
Disadvantaged		8	N/A		50	N/A		42	N/A	50	25	N/A	58	33	N/A
Calverley Parkside															
All Pupils	63	76	N/A	77	86	N/A	63	86	N/A	53	66	N/A	77	90	N/A
Disadvantaged	40	67	N/A	20	67	N/A	40	67	N/A	20	67	N/A	20	67	N/A
Primrose Hill															
All Pupils	73	81	N/A	90	86	N/A	69	91	N/A	63	79	N/A	77	83	N/A
Disadvantaged	70	60	N/A	80	80	N/A	60	60	N/A	60	60	N/A	67	80	N/A
Pudsey Waterloo															
All Pupils	84	73	N/A	70	80	N/A	77	88	N/A	67	66	N/A	74	78	N/A
Disadvantaged	78	22	N/A	52	72	N/A	61	27	N/A	48	50	N/A	57	72	N/A
National	75	73	N/A	78	78	N/A	75	79	N/A	64	65	N/A	77	78	N/A

At Primrose Hill, there were significant successes relating to the percentage of pupils who achieved higher levels in all subjects in 2019.

At Waterloo there was an improvement in the percentage of pupils 'exceeding' in Writing and in GPaS in 2019.

At Calverley Parkside, reading, maths and GPaS at higher levels has improved in 2019. Attainment in writing declined slightly and was below national.

At Armley Park, attainment at higher levels in all areas was below national in 2019.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

Key Stage 2	% of pupils EXCEEDING the expected standard														
	Reading			Writing			Maths			RWM Combined			GPaS		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Armley Park															
All Pupils	17	19	N/A	0	0	N/A	13	12	N/A	0	0	N/A		27	N/A
Disadvantaged	0	0	N/A	0	0	N/A	0	0	N/A	0	0	N/A		17	N/A
Calverley Parkside															
All Pupils	27	31	N/A	17	14	N/A	20	31	N/A	13	7	N/A	33	45	N/A
Disadvantaged	0	50	N/A	0	17	N/A	0	33	N/A	0	17	N/A	0	17	N/A
Primrose Hill															
All Pupils	25	38	N/A	23	26	N/A	23	48	N/A	17	17	N/A	25	48	N/A
Disadvantaged	10	60	N/A	10	20	N/A	20	20	N/A	10	20	N/A	20	60	N/A
Pudsey Waterloo															
All Pupils	31	22	N/A	11	17	N/A	28	27	N/A	8	9	N/A	21	19	N/A
Disadvantaged	23	17	N/A	5	11	N/A	9	11	N/A	5	0	N/A	9	11	N/A
National	28	27	N/A	20	20	N/A	24	27	N/A	10	11	N/A	34	36	N/A

Progress between KS1 and KS2

Progress at Primrose Hill was above national in all subjects in 2019. At Waterloo progress was broadly in line with national for reading and writing and above national in maths and at Calverley Parkside progress in reading and writing was below national and broadly in line in maths. At Armley Park, although progress remained below average in all subjects, there was an improvement in progress across the board in 2019. The most successful subject in terms of progress made across the trust is maths, where all schools used the White Rose Maths which gives consistency of approach. The main challenge for trustees in the coming years is to continue to focus on pupil progress across all subjects, so that pupils are making good progress, bearing in mind the challenges associated with school closures, ongoing absences related to the pandemic, and the focus on supporting children to catch up. The long term plans for reading across the MAT and curriculum development work undertaken will support schools with this work. There is no data for the end of the academic year 2020.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

OMAT	Progress between KS1 and KS2								
	Reading			Writing			Maths		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Armley Park	-5.54	-2.44		-5.96	-0.53		-3.6	-2.69	
Calverley Parkside	-2.6	-2.44		-1.6	-2.75		-2.7	0.8	
Primrose Hill	-0.9	2.94		1.4	2.27		-0.6	4.43	
Pudsey Waterloo	0.3	-0.21		-2.6	0.41		0.2	1.33	

b. 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 they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

Financial review

a. Overview

The majority of the Trust's income is obtained from the Education Funding Agency (ESFA) in the form of recurrent grants. The use of which is restricted to particular purposes. The grants received during the period ended 31st August 2020 and the associated expenditure are shown under restricted funds in the Statement of Financial Activities.

In September 2020 the trust received £27k from the local authority, representing the surplus balance transferred on conversion of Armley Park Primary School.

Assets transferred from the Local Authority on conversion also include land and buildings at £2,580k for Armley Park Primary School.

OMAT took on the Local Government Pension Scheme liability for its non-teaching employees. The deficit on the Local Government pension scheme is recognised on the balance sheet.

The reserves position at 31st August 2020 is as follows:
 Restricted funds excluding pension reserve £16,290k.
 Unrestricted funds (General Fund) £1,918k.

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Financial review (continued)

b. Reserves policy

The trustees will review the level of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income and commitments and the nature of the reserves. The Trustees will take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

Trustees will set an overall target for levels of reserves held in each school and centrally and a policy which outlines the restrictions on the use of the reserves to enable any investment decisions to be made across the trust as a whole. This will be developed once the trust has been in operation for a full year and after building plans have been completed. Trustees are aware that it will be necessary to ensure that the level of free reserves should provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or building plans.

The level of free reserves at 31st August 2020 was £1,918k.

c. Investments policy

The academy trusts funds are held in low risk bank accounts. Trustees have agreed an Investments Policy which has the following key objectives:

- To achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- To only invest funds surplus to operational need or expansion based on all financial commitments being met without the academy trust or individual school banks account becoming overdrawn.
- To ensure that all investment decisions are exercised with care and skill and consequently in the best interests of the academy trust, commanding broad public support.

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

d. Principal risks and uncertainties

The trustees have established a robust risk management process across the Trust. This has highlighted 3 major risks at this point:

i. Future funding levels

The main risk to the trust going forward is uncertainty about funding levels, with rising costs and pay increases for staff and pupil numbers on roll, particularly at Armley Park where pupil mobility is an issue. Additionally, pressure within Leeds on high needs funding has meant that the costs of supporting pupils with additional needs is significantly higher than the funding received in all three schools. This underfunding is set to continue which contributes to the pressure on the school budgets. Measures in place to control this risk include:

- Scenario budget planning for 1; 3 and 5 years.
- Marketing school places via social media and online initiatives (necessary due to coronavirus).
- Reducing costs by implementing some shared staff across the academy trust.
- Reducing costs by sharing resources across the academy trust.
- Review of costings on renewal of key contracts for services and purchasing resources. This is an area of continued focus.

ii. Failure to meet legal and statutory obligations

The trustees have also identified the risk from legal action if the trust fails to meet its legal obligations. This is mitigated by the following:

- Establishment and implementation of appropriate policies.
- Training on GDPR legislation and employing the services of a data protection officer
- Support from specialists including health & safety, finance, legal and HR via appropriate service level agreements
- Working with a consultant from an established academy trust to provide support on statutory financial and legal obligations.

iii. Decline in results

A decline in results over a period of time could impact Ofsted ratings, the reputation of the Trust and its capacity to grow. Mitigating actions include:

- Focus of the Executive Leadership Team on continuous improvement in teaching and learning
- Establishment of the Trust Development Team to support school improvement across the trust including accurate self-assessment and validation of school improvement interventions.
- Prioritisation on key areas for development in each school in the academy trust with appropriate funding.
- Planning for and funding blended learning/remote learning/catch-up interventions to ensure pupils have the best chance of making progress during this challenging period.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The academy trust does not use any professional fundraiser or commercial participator to carry out activities on its behalf. Due to the low levels of fundraising the trust undertakes, the trust is not a participator of any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising for the activities carried out on behalf of the trust. Fundraising has not been significantly affected by the coronavirus pandemic, with the exception of a reduction in the PTA activities and related funding across the trust.

Plans for future periods

The academy trust is committed to the development of inclusive schools which provide a broad, balanced and relevant curriculum. The academy trust aspires to ensure equality of opportunity for all pupils and staff. Our plans for the next year include a focus on five key objectives which are:

1. For our schools demonstrate excellence in teaching and learning with strong outcomes for children.
2. To develop leadership at all levels across OMAT
3. For all our schools provide safe, stimulating and aspirational environments where children access the best resources and technologies.
4. For staff and pupils to belong to a wider community of schools where they feel valued and supported and able to access opportunities across OMAT.
5. For Trustees and Governors to have confidence in our decision-making, accountability and policy frameworks.

To improve pupil outcomes, key priorities have been agreed at the school level and are being implemented through the school evaluation and improvement plans. This includes developments to teaching strategies and curriculum planning in light of Ofsted's new focus on a broad and ambitious knowledge based curriculum and a key and enduring focus on raising standards in reading.

Our employees are key to the success of the trust and we are committed to developing people within the trust. We have made some key senior leadership appointments at trust level which will support our drive to develop leadership at all levels, this includes a school improvement leader an estates manager and additional admin support.

CPD is given a high priority for all staff in school through a planned programme of external courses, online CPD, in-school training, coaching, mentoring and peer support, particularly for teachers early in their career through the ElevatED programme. Each school has an annual monitoring and CPD calendar which is costed and linked to specific timescales from the school improvement plan.

We are at the early stages of developing shared opportunities and experiences for children across the academy trust. The Owlcotes Cup events, debating competitions, shared curriculum focus weeks and the joint Shakespeare in School's Festival were established in 2018/19. However, these shared opportunities have been paused due to coronavirus restrictions. We have worked collaboratively to plan and implement an Owlcotes curriculum with a number of non-negotiable experiences and opportunities for pupils in our 'elements curriculum'. Shared Focus weeks across the trust are continuing to provide additional opportunities for staff and pupils to collaborate across the trust.

At the start of the academic year 2019, staff within the academy trust were working collaboratively to raise standards and improve provision through working with a Local Learning Alliance of Owlcotes schools and other schools within the Local Authority. Inter-school planning, moderation and shared training opportunities were provided through this alliance and we are keen to resume this when possible.

We have grown the academy trust in 2019/20 by sponsoring Armley Park Primary School (1st December 2019). Work is also ongoing to further strengthen governance at all levels including embedding new processes and providing training.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods (continued)

Funds held as a Custodian Trustee on Behalf of Others

The Financial Statements do not include any balances on funds that the trust is holding as a custodian on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9 December 2020 and signed on its behalf by:



J Norfolk
Chair of Trustees

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Owlcotes Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Leadership and management of schools within the academy trust

This is undertaken on a day-to-day basis by the Headteachers and senior staff in each school. The Headteachers, led by the CEO, determine the strategic issues in each school which are identified through the school improvement priorities. The Headteachers are subject to annual appraisal as is the CEO.

The role of school staff

Middle leaders and all staff contribute to the school improvement process. Different groups of staff meet both within and across the schools in the academy trust to ensure that each school's improvement priorities are identified and to ensure that appropriate CPD is in place.

There is a clear line management structure which is linked to the appraisal process with accountability at all levels. Teachers and support staff are subject to annual appraisal which is in line with the agreed policy. Individual objectives are linked to the wider school improvement agenda.

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GOVERNANCE STATEMENT (CONTINUED)

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 4 times during the year. Two meetings scheduled during April and June were cancelled due to the coronavirus pandemic and email was used to provide information, including financial information, to trustees on these two occasions. There have been no changes to the composition of the board of trustees.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Gibson	4	4
G Grant	3	4
S Hall	3	4
J Norfolk	4	4
L West	4	4
J Woods	4	4
J Cripps, (appointed 10 October 2019)	1	4
S Greene	0	0
K Armstrong	0	0
M Sherburn, (appointed 15 October 2020)	0	0
K Wilkinson	0	0

Review of Governance

The Owlcotes Multi-Academy Trust was established on 5th Feb 2018 with the core purpose of development of providing excellent education and improved outcomes for pupils in the local community.

At the outset, founder members and trustees with relevant experience of education, finance, business and the local community were selected. Trustees, the CEO and Headteachers at each school are committed to the core purpose of the academy trust and are continuing to develop and implement plans to deliver the aims and objectives.

Trust Board Effectiveness

Since the formation of Owlcotes Multi-Academy Trust in February 2018, the trustees have faced a number of key challenges which have included the sponsoring of a second inadequate school within the timeframe of one year. Due diligence for both of these schools and all subsequent school improvement work to stabilise both schools both before and after conversion have been time intensive.

Significant and positive steps during this year have included; establishing a fully functioning accounting system across the trust; a successful SRMA assessment which coincided with end of year accounts and the conversion deadline for Armley Park Primary School; the implementation of trust wide procedures and policies including financial policies and a comprehensive risk register; two successful sponsorship applications within one year. The establishment of Owlcotes Elements shared curriculum, and shared planning and resources to support consistency of teaching across schools in the trust.

All trustees have completed an online financial management training package and as a result have a good understanding of their financial roles and responsibilities. The CFO has reported on all financial aspects and budget monitoring to the full trust board. As a result, the full trust board has reviewed the academy trust revenue budget, received periodic budget monitoring reports; set and agreed the accounting and financial policies; ensured compliance with the Academies Financial Handbook; advised and agreed the appointment of external auditors; approved and monitored the risk assessment policy and risk register.

The CEO reports to the board of trustees to keep all trustees informed of developments within each school and across the trust, including key priorities, standards and achievement and staffing and recruitment issues and a

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

comprehensive trust improvement plan, supported by detailed school improvement plans is maintaining the focus on improving outcomes across all schools.

Regular 'keep in touch' meetings between the CEO, Chair and vice chair of trustees have been beneficial in planning the work of the board of trustees and in ensuring trustee meetings have addressed issues of compliance during the year.

Future review of effectiveness of the trust board

During the period 1st September 2019 to 31st August 2020 the Trustees undertook a comprehensive review of the effectiveness of governance, and advertised for additional trustees to increase the number of trustees on the board in line with identified skills gaps. We are expecting that these vacancies will be filled during 2020/21.

The scheme of delegation identifies that a system of sub-committees with delegated responsibilities will operate (Finance, Risk & Audit and Standards & Achievement). Each committee membership was confirmed including the election of chairs of each committee.

Review of value for money

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

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

- Working to maximize areas of expertise across the academy trust so as to reduce inefficiencies.
- Adapting staffing structures in each school as appropriate to reflect trust wide developments.
- Sharing resources, including staff, across the trust to maximize value for money.
- Using expertise from established MATs to develop the efficiency and expertise of staff within the central team.
- Tight budgetary control to ensure that all purchases are approved by Headteachers.

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 Owlcotes Multi Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

OWLCOTES MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees and the risk register is a standing agenda item at all trustee meetings.

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

The SRMA is a CFO of a similar sized MAT and the remit of the work carried out was considered by the board as greater than a standard peer review and therefore this work covered the internal scrutiny requirements for the year.

Leeds City Council Finance Department provide internal audit services to the trust. Due to the impact of Covid 19 the planned visit in the year was delayed until post year end and has now taken place. The planned work of Leeds City Council Finance Department has been informed by the outcome of the SRMA visit.

Review of effectiveness

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

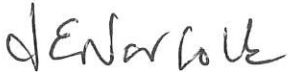
- The financial management and governance self-assessment process including outcomes from the review carried out by the ESFA auditor in November 2019;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 board of trustees and a plan to ensure continuous improvement of the system is in place.

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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees and signed on their behalf by:



J Norfolk
Chair of Trustees
Date: 9 December 2020



L West
Accounting Officer

OWLCOTES MULTI ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Owlcotes Multi Academy 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 2019.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

L West

L West
Accounting Officer
Date: 9 December 2020

OWLCOTES MULTI ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction 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 financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 9 December 2020 and signed on its behalf by:

J Norfolk
Chair of Trustees



OWLCOTES MULTI ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
OWLCOTES MULTI ACADEMY TRUST**

Opinion

We have audited the financial statements of Owlcotes Multi Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements 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 financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
OWLCOTES MULTI ACADEMY TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Other information includes the Trustees' report including the Strategic report, the Governance statement and the Accounting officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other 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 Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
OWLCOTES MULTI ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 academy trust or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

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



Susan Seaman BA FCA CIOT (senior statutory auditor)

for and on behalf of

Sagars Accountants Ltd

Gresham House

5-7 St Paul's Street

Leeds

LS1 2JG

9 December 2020

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OWLCOTES
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 18 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Owlcotes Multi Academy Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Owlcotes Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Owlcotes Multi Academy Trust's funding agreement with the Secretary of State for Education dated 27 February 2018 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 our conclusions includes:

- Review of the systems and assessment of the design and operational effectiveness of the internal controls
- Detailed testing based on our assessment of risk of income and expenditure
- Making appropriate enquires of the Accounting Officer

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Sagars Accountants Ltd
Gresham House
5-7 St Paul's Street
Leeds
LS1 2JG

Date: 9 December 2020

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations and capital grants:	3					
Transfer on conversion		27	(357)	2,580	2,250	1,627
Other donations and capital grants		4	-	116	120	60
Charitable activities	4	467	6,017	-	6,484	5,611
Other trading activities	5	5	-	-	5	2
Investments	6	2	-	-	2	1
Total income		505	5,660	2,696	8,861	7,301
Expenditure on:						
Charitable activities	8	201	6,428	286	6,915	5,572
Total expenditure		201	6,428	286	6,915	5,572
Net movement in funds before other recognised gains/(losses)		304	(768)	2,410	1,946	1,729
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(649)	-	(649)	(953)
Net movement in funds		304	(1,417)	2,410	1,297	776
Reconciliation of funds:						
Total funds brought forward		1,614	(2,377)	13,838	13,075	12,299
Net movement in funds		304	(1,417)	2,410	1,297	776
Total funds carried forward		1,918	(3,794)	16,248	14,372	13,075

The Statement of financial activities includes all gains and losses recognised in the year.

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The notes on pages 36 to 62 form part of these financial statements.

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11188252

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	15	23	-
Tangible assets	16	16,208	13,748
		<u>16,231</u>	<u>13,748</u>
Current assets			
Debtors	17	156	261
Cash at bank and in hand		2,299	1,864
		<u>2,455</u>	<u>2,125</u>
Creditors: amounts falling due within one year	18	(478)	(405)
Net current assets		<u>1,977</u>	<u>1,720</u>
Total assets less current liabilities		<u>18,208</u>	<u>15,468</u>
Net assets excluding pension liability		<u>18,208</u>	<u>15,468</u>
Defined benefit pension scheme liability	25	(3,836)	(2,393)
Total net assets		<u><u>14,372</u></u>	<u><u>13,075</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	19	16,248	13,838
Restricted income funds	19	42	16
Restricted funds excluding pension asset	19	<u>16,290</u>	<u>13,854</u>
Pension reserve	19	(3,836)	(2,393)
Total restricted funds	19	<u>12,454</u>	<u>11,461</u>
Unrestricted income funds	19	1,918	1,614
Total funds		<u><u>14,372</u></u>	<u><u>13,075</u></u>

The financial statements on pages 31 to 62 were approved by the Trustees, and authorised for issue on 09 December 2020 and are signed on their behalf, by:

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11188252

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020



J Norfolk
Chair of Trustees

The notes on pages 36 to 62 form part of these financial statements.

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	21	501	758
Cash flows from investing activities	22	(66)	61
Change in cash and cash equivalents in the year		435	819
Cash and cash equivalents at the beginning of the year		1,864	1,045
Cash and cash equivalents at the end of the year	23	<u>2,299</u>	<u>1,864</u>

The notes on pages 36 to 62 form part of these financial statements

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Owlcotes Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

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 academy trust 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 financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the statement of financial activities in the 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 'Stocks' and 'Income from Other Trading Activities'. Upon sale, the value of the stock is charged against 'Income from Other Trading Activities' and the proceeds are recognised as 'Income from Other Trading Activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from Other Trading Activities'.

• **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Donated fixed assets (excluding transfers on conversion or into the academy trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included

OWLCOTES MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income (continued)

in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

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

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

1.7 Intangible assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Intangible assets (continued)

Amortisation is provided on the following basis:

Computer software	-	33 %
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1.8 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	2%
Furniture and equipment	-	20%

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

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

1.9 Debtors

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

1.10 Cash at bank and in hand

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

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.11 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.

1.12 Provisions

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

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

1.13 Operating leases

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

OWLCOTES MULTI ACADEMY TRUST
(A company limited by guarantee)

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

1. Accounting policies (continued)

1.14 Pensions

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.

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.15 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 Armley Park 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 Income from Donations and Capital Grants 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 24.

OWLCOTES MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.16 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 the 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.

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy trust 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

OWLCOTES MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Donations	4	-	-	4	-
Capital Grants	-	-	116	116	60
Transfer on conversion	27	(357)	2,580	2,250	1,627
	<u>31</u>	<u>(357)</u>	<u>2,696</u>	<u>2,370</u>	<u>1,687</u>
<i>Total 2019</i>	<u>115</u>	<u>(93)</u>	<u>1,665</u>	<u>1,687</u>	

OWLCOTES MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the academy trust's direct costs

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,390	4,390	3,687
Universal Free School Meal	-	141	141	134
Pupil Premium	-	308	308	255
Sports Grant	-	64	64	38
Other DfE/EFA grants	-	384	384	109
	-	5,287	5,287	4,223
Other Government grants				
Early years funding	-	556	556	589
Local authority grants	-	23	23	26
Initial teacher training	-	151	151	83
	-	730	730	698
Other income from the academy trust's educational operations	467	-	467	690
	467	6,017	6,484	5,611
<i>Total 2019</i>	690	4,921	5,611	

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Lettings income	5	5	2

OWLCOTES MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Bank interest	2	2	1

7. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000	<i>Total 2019 £000</i>
Academy trust's educational operations					
Direct costs	4,630	-	351	4,981	3,945
Allocated support costs	636	563	735	1,934	1,627
	<u>5,266</u>	<u>563</u>	<u>1,086</u>	<u>6,915</u>	<u>5,572</u>
<i>Total 2019</i>	<u>4,144</u>	<u>523</u>	<u>905</u>	<u>5,572</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Academy trust's educational operations	201	6,714	6,915	5,573
<i>Total 2019</i>	<u>61</u>	<u>5,512</u>	<u>5,573</u>	

OWLCOTES MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £000	Support costs 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Academy trust's educational operations	4,981	1,934	6,915	5,572
<i>Total 2019</i>	<u>3,945</u>	<u>1,627</u>	<u>5,572</u>	

Analysis of support costs

	Activities 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Staff costs	636	636	485
Depreciation	286	286	241
Other support costs	717	717	498
Premises costs	277	277	282
Governance costs	18	18	121
	<u>1,934</u>	<u>1,934</u>	<u>1,627</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	<i>2019 £000</i>
Operating lease rentals	16	9
Depreciation of tangible fixed assets	285	241
Fees paid to auditors for:		
- audit	<u>10</u>	<u>10</u>

OWLCOTES MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Wages and salaries	3,779	<i>3,082</i>
Social security costs	269	<i>265</i>
Pension costs	1,151	<i>755</i>
	5,199	<i>4,102</i>
Agency staff costs	19	<i>14</i>
	5,218	<i>4,116</i>

b. Staff numbers

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

	2020	<i>2019</i>
	No.	<i>No.</i>
Teachers	69	<i>66</i>
Administration and support	125	<i>101</i>
Management	15	<i>13</i>
	209	<i>180</i>

c. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>1</i>
In the band £80,001 - £90,000	-	<i>1</i>
In the band £100,001 - £110,000	1	<i>-</i>

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management

OWLCOTES MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff costs (continued)

d. Key management personnel (continued)

team. 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 £198,091 (2019: £169,087).

12. Central services

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

- Payroll
- HR Services
- CEO/CFO
- Audit fees
- Finance system

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

5% of GAG and Early Years Funding

The actual amounts charged during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Pudsey Primrose Hill Primary School	75	74
Pudsey Waterloo Primary School	74	75
Calverley Primary School	38	32
Armley Park Primary School	32	-
Total	219	<i>181</i>

13. Trustees' remuneration and expenses

One or more 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. The value of Trustees' remuneration and other benefits was as follows:

		2020	<i>2019</i>
		£000	<i>£000</i>
L West (Headteacher, trustee and CEO)	Remuneration	100 - 105	<i>85 - 90</i>
	Pension contributions paid	20 - 25	<i>65 - 70</i>

During the year ended 31 August 2020, expenses totalling £408 were reimbursed or paid directly to 1 Trustee (2019 - £NIL to Trustee).

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

14. 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 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 membership.

15. Intangible assets

	Computer software £000
Cost	
Additions	28
At 31 August 2020	28
Amortisation	
Charge for the year	5
At 31 August 2020	5
Net book value	
At 31 August 2020	23
At 31 August 2019	-

16. Tangible fixed assets

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Total £000
Cost or valuation				
At 1 September 2019	14,080	-	17	14,097
Additions	-	135	26	161
Transfer on conversion	2,580	-	-	2,580
At 31 August 2020	16,660	135	43	16,838

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

16. Tangible fixed assets (continued)

	Long-term leasehold property £000	Assets under construction £000	Furniture and equipment £000	Total £000
Depreciation				
At 1 September 2019	345	-	4	349
Charge for the year	276	-	5	281
At 31 August 2020	<u>621</u>	<u>-</u>	<u>9</u>	<u>630</u>
Net book value				
At 31 August 2020	<u>16,039</u>	<u>135</u>	<u>34</u>	<u>16,208</u>
At 31 August 2019	<u>13,735</u>	<u>-</u>	<u>13</u>	<u>13,748</u>

The academy trust's transactions relating to land and buildings included the acquisition of the leasehold on Armley Park Primary School which was transferred on conversion to the academy trust at a value of £2,580,000.

17. Debtors

	2020 £000	2019 £000
Due within one year		
Other debtors	51	40
Prepayments and accrued income	105	221
	<u>156</u>	<u>261</u>

18. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	169	218
Other creditors	69	-
Accruals and deferred income	240	187
	<u>478</u>	<u>405</u>

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

18. Creditors: Amounts falling due within one year (continued)

	2020	<i>2019</i>
	£000	<i>£000</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Deferred income at 1 September 2019	102	<i>149</i>
Resources deferred during the year	90	<i>102</i>
Amounts released from previous periods	(102)	<i>(149)</i>
	<hr/> 90 <hr/>	<hr/> <i>102</i> <hr/>

At the balance sheet date, the academy trust was holding funds received in advance for free school meals and trip income that has been deferred to the next accounting period.

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

19. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds					
General Funds - all funds	1,614	505	(201)	-	1,918
Restricted general funds					
General Annual Grant (GAG)	-	4,390	(4,390)	-	-
Pupil Premium	-	308	(308)	-	-
Sports Grant	-	64	(22)	-	42
Initial Teacher Training	-	151	(151)	-	-
Other grants	-	1,104	(1,104)	-	-
Other grants transferred on conversion	16	-	(16)	-	-
Pension reserve	(2,393)	(357)	(437)	(649)	(3,836)
	<u>(2,377)</u>	<u>5,660</u>	<u>(6,428)</u>	<u>(649)</u>	<u>(3,794)</u>
Restricted fixed asset funds					
Transfer on conversion	13,764	2,580	(96)	-	16,248
DfE Group capital grants	74	116	(190)	-	-
	<u>13,838</u>	<u>2,696</u>	<u>(286)</u>	<u>-</u>	<u>16,248</u>
Total Restricted funds	<u>11,461</u>	<u>8,356</u>	<u>(6,714)</u>	<u>(649)</u>	<u>12,454</u>
Total funds	<u>13,075</u>	<u>8,861</u>	<u>(6,915)</u>	<u>(649)</u>	<u>14,372</u>

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 academies. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Other restricted funds relate to specific grants or funding received and will be spent in accordance with the funding agreement.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes.

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

19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Pudsey Primrose Hill Primary School (included ITT)	1,005	<i>901</i>
Pudsey Waterloo Primary School	409	<i>450</i>
Calverley Primary School	202	<i>128</i>
Armley Park Primary School	56	<i>-</i>
Central Services	288	<i>151</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,960	<i>1,630</i>
Restricted fixed asset fund	16,248	<i>13,838</i>
Pension reserve	(3,836)	<i>(2,393)</i>
	<hr/>	<hr/>
Total	14,372	<i>13,075</i>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000	Total 2019 £000
Pudsey Primrose Hill Primary School (included ITT)	1,468	256	98	457	2,279	2,146
Pudsey Waterloo Primary School	1,443	260	90	348	2,141	1,980
Calverley Primary School	619	142	65	163	989	773
Armley Park Primary School	444	93	55	201	793	-
Central services	29	75	6	317	427	432
Academy trust	4,003	826	314	1,486	6,629	5,331

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds				
General Funds - all funds	918	808	(112)	1,614
Restricted general funds				
General Annual Grant (GAG)	-	3,687	(3,687)	-
Pupil Premium	-	255	(255)	-
Sports Grant	-	38	(38)	-
Initial Teacher Training	-	83	(83)	-
Other grants	-	858	(858)	-
Other grants transferred on conversion	-	16	-	16
Pension reserve	(1,033)	(109)	(298)	(2,393)
	<u>(1,033)</u>	<u>4,828</u>	<u>(5,219)</u>	<u>(2,377)</u>
Restricted fixed asset funds				
Transfer on conversion	12,397	1,605	(238)	13,764
DfE Group capital grants	17	60	(3)	74
	<u>12,414</u>	<u>1,665</u>	<u>(241)</u>	<u>13,838</u>
Total Restricted funds	<u>11,381</u>	<u>6,493</u>	<u>(5,460)</u>	<u>11,461</u>
Total funds	<u><u>12,299</u></u>	<u><u>7,301</u></u>	<u><u>(5,572)</u></u>	<u><u>13,075</u></u>

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

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	16,208	16,208
Intangible fixed assets	-	-	23	23
Current assets	2,396	42	17	2,455
Creditors due within one year	(478)	-	-	(478)
Provisions for liabilities and charges	-	(3,836)	-	(3,836)
Total	1,918	(3,794)	16,248	14,372

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	-	13,748	13,748
Current assets	2,020	16	90	2,126
Creditors due within one year	(405)	-	-	(405)
Provisions for liabilities and charges	-	(2,393)	-	(2,393)
Total	1,615	(2,377)	13,838	13,076

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

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

	2020	2019
	£000	£000
Net income for the period (as per statement of financial activities)	1,946	1,729
Adjustments for:		
Amortisation	5	-
Depreciation	281	241
Capital grants from DfE and other capital income	(116)	(60)
Interest receivable	(7)	(1)
Defined benefit pension scheme obligation inherited	357	109
Defined benefit pension scheme cost less contributions payable	389	269
Defined benefit pension scheme finance cost	48	29
Decrease in debtors	105	149
Increase/(decrease) in creditors	73	(132)
Transfer of fixed assets on conversion	(2,580)	(1,575)
Net cash provided by operating activities	501	758

22. Cash flows from investing activities

	2020	2019
	£000	£000
Dividends, interest and rents from investments	7	1
Purchase of intangible assets	(28)	-
Purchase of tangible fixed assets	(161)	-
Capital grants from DfE Group	116	60
Net cash (used in)/provided by investing activities	(66)	61

23. Analysis of cash and cash equivalents

	2020	2019
	£000	£000
Cash in hand	2,299	1,864
Total cash and cash equivalents	2,299	1,864

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NOTES TO THE FINANCIAL STATEMENTS
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24. Conversion to an academy trust

On 1st December 2019 Armley Park Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Owlcotes Multi Academy Trust from West Yorkshire 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 value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	2,580	2,580
Current assets				
Cash - representing budget surplus on LA funds	27	-	-	27
LGPS pension surplus/ (deficit)	-	(357)	-	(357)
Net assets/(liabilities)	<u>27</u>	<u>(357)</u>	<u>2,580</u>	<u>2,250</u>

25. Pension commitments

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

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

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

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

25. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £421,947 (2019 - £298,602).

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

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

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

25. Pension commitments (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 contribution made for the year ended 31 August 2020 was £331,000 (2019 - £257,000), of which employer's contributions totalled £247,000 (2019 - £187,000) and employees' contributions totalled £ 84,000 (2019 - £70,000). The agreed contribution rate for future years is 15.9 per cent for employers.

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.

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.45	3.25
Rate of increase for pensions in payment/inflation	2.20	2.00
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.20	2.00

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.8	22.2
Females	24.6	25.4
<i>Retiring in 20 years</i>		
Males	22.5	23.2
Females	25.7	27.2

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	7,007	4,873
Discount rate -0.1%	7,418	5,122
Mortality assumption - 1 year increase	7,469	4,834
Mortality assumption - 1 year decrease	6,949	5,160
CPI rate +0.1%	7,245	5,045
CPI rate -0.1%	7,173	4,948

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

	At 31 August 2020	<i>At 31 August 2019</i>
	£000	<i>£000</i>
Equities	2,624	2,112
Gilts	327	286
Corporate bonds	169	122
Property	145	120
Cash and other liquid assets	57	52
Other	51	30
Total market value of assets	3,373	<i>2,722</i>

The actual return on scheme assets was £122,000 (2019 - £355,000).

The amounts recognised in the Statement of financial activities are as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Current service cost	(636)	(337)
Past service cost	-	(119)
Interest cost	(48)	(29)
Total amount recognised in the Statement of financial activities	(684)	<i>(485)</i>

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

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	5,115	<i>3,024</i>
Conversion of academy trusts	817	285
Current service cost	636	337
Interest cost	109	92
Employee contributions	84	70
Actuarial losses	466	1,245
Benefits paid	(18)	(57)
Past service costs	-	119
At 31 August	7,209	<i>5,115</i>

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

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

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	2,722	<i>1,991</i>
Conversion of academy trusts	460	<i>176</i>
Interest income	61	<i>63</i>
Actuarial (losses)/gains	(183)	<i>292</i>
Employer contributions	247	<i>187</i>
Employee contributions	84	<i>70</i>
Benefits paid	(18)	<i>(57)</i>
	3,373	<i>2,722</i>
At 31 August	3,373	<i>2,722</i>

26. Operating lease commitments

At 31 August 2020 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Not later than 1 year	20	<i>8</i>
Later than 1 year and not later than 5 years	54	<i>39</i>
	74	<i>47</i>
	74	<i>47</i>

27. Members' liability

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

28. Related party transactions

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

