

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members The Chelmsford Diocese Educational Trust
Chair (ex officio position)
Rev David Tomlinson

Trustees Mr L Tobin (appointed 4 September 2019)
Mr A Armour
Mr D Boatman, Vice Chair
Mr G Benn
Mrs M Challinor
Mr J Luke
Mrs S Mitchell
Mr A Taylor, Chair

**Company registered
number** 07769026

**Registered and principal
office** School Street
Great Chesterford
Saffron Walden
Essex
CB10 1NN

Company Secretary Mrs Barbara Benn

Chief Executive Officer Mrs Sarah Mitchell

**Senior Leadership
Team** Sarah Mitchell, Executive Headteacher
Louise Gurney, Headteacher
Barbara Benn, Business Manager
Sharon Dyster, MAT Office Manager

Independent Auditors Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Bankers Lloyds Banking Group
3 King Street
Saffron Walden
Essex
CB10 1HF

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Great Oak Multi Academy Trust (The Trust or the Charitable Company) for the year ended 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates 2 primary academies (the Academies are the Schools) serving a catchment area in Uttlesford. The Academies have a combined capacity of 371 and had a roll of 303 in the 2019 school census.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- Great Chesterford C. of E. Primary Academy (GCPA) converted 9 September 2011.
- Debden C. of E. Primary Academy (DPA) converted and joined the Trust on 1 January 2017.

The operation of the Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through regular Board meetings. Throughout this report the Board of Trustees is referred to as the Main Governing Body (MGB). Each Academy has appointed Local Governing Bodies (LGB) who have delegated authority to administer their Academy within agreed budgets.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this report, the term Trustee refers to a member of the MGB and the term Governor to a member of an LGB. Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Members, Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. Details are included in note 12 of the financial statements.

Method of Recruitment and Appointment or Election of Trustees

The arrangements for the appointment of Trustees are as set out in the Articles of Association and Funding Agreement. Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the MGB. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 9 Trustees plus the CEO.

Policies and Procedures Adopted for the Induction and Training of Trustees and Governors

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end The Trust encourages continued professional development to maintain and improve skills by providing in-house training in addition to sign posting external provision (both on-line and face to face). The induction programme would involve a tour of the relevant Academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake with particular emphasis on the committee work that they will undertake.

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FOR THE YEAR ENDED 31 AUGUST 2019

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The MGB, meets on at least 4 occasions per year. The MGB is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Governors within their LGB's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy and monitoring performance against that budget and authorised capital limits.

The Senior Leadership Teams (SLT's) control the Academies at an executive level implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their Academy, in conjunction with the CEO, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The Trust's CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the appropriate sub-committee and ratified by the MGB.

Trade union facility time

There is no trade union facility time to report.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from the local area, it is inevitable that from time to time transactions will take place with organisations in which Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction, where the Trustee may have a pecuniary interest, is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- All Saints' Church, Great Chesterford
- Ashdon Nursey, Ashdon
- Bell Day Nursery, Saffron Walden
- Bentfield Primary School, Stansted
- Bright Horizons, Hinxton
- Busy Bees Pre-School, Carver Barracks, Wimbish
- Carver Barracks, Wimbish
- Chelmsford Diocese

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- 1st Chesterford Scouts
- Chesterfords' Pre-School, Great Chesterford
- Crocus, Saffron Walden County High School, Saffron Walden
- Debden Pre-school, Debden
- Freedom Day Nursery, Great Dunmow
- Great Chesterford Parish Council
- Joyce Frankland Academy, Newport
- Katherine Semar Schools, Saffron Walden
- RA Butler Academy Infant and Junior Schools, Saffron Walden
- Royal British Legion
- Saffron Schools Network
- Saffron Walden County High School, Saffron Walden
- Saffron Walden Nursery, Shirehill, Saffron Walden
- Saint Mary's Nursery, Saffron Walden
- Saint Mary's The Virgin and All Saints Church, Debden
- St Thomas More Catholic Primary School, Saffron Walden
- Saplings Nursery, Henham
- Sunhill Montessori Day Nursery, Granta Park
- The Saffron Alliance
- The Windmill Nursery, Thaxted
- Uttlesford Consortium
- Uttlesford Schools Sports Partnership
- Wendens Ambo Pre-school, Wendens Ambo

The Trust does not have a formal sponsor.

Objectives and Activities

Objectives and Aims

The Trust's principal activities are the provision of a free primary education to children of the ages 4 to 11 years, in a caring and Christian community, promoting high standards of attainment, extra-curricular activities and personal development. Our vision is to prepare children for their role in the wider world, to promote resilience and develop their skills to allow them to be valued members of society.

The Trust's object is specifically restricted to the following: to advance the public benefit of education in the United Kingdom, in particular but without prejudice to the work of GCPA and DPA by establishing, maintaining, carrying on and developing Schools with a designated Church of England religious character offering a broad and balanced curriculum. This will be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular to arranging for religious education and daily acts of worship (as required by the Funding Agreement), and in having regard to the advice of the Diocesan Board of Education.

Objectives, Strategies and Activities

During the year, the Trust has worked towards these aims by the following specific objectives:

- To continue to strengthen the quality of teaching across the School by ensuring that the agreed assessment systems are consistent and fit for purpose across all subjects. (GCPA)
- To review and develop the teaching of computing across the School to ensure that children are digitally literate. (GCPA)
- To ensure the School's environment is engaging, safe and inspirational to all learners. (GCPA)
- To provide a positive learning / working Christian community for pupils and all stakeholders, underpinned by our core values. (GCPA)
- To strengthen the effectiveness of the MAT. (GCPA)
- To strengthen leadership and management. (DPA)
- To improve the quality of teaching and learning. (DPA)
- To review and develop the teaching of English throughout the School. (DPA)
- To develop assessment throughout the School for the benefit of all learners. (DPA)

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- To ensure that the curriculum meets the needs of all learners. (DPA)
- To continue to strengthen personal development, behaviour and welfare; to improve the learning behaviour of children in lessons. (DPA)

Our success in fulfilling our aims can be measured by:

- GCPA outcomes were excellent and highlights are listed under achievements and performance.
- Staff morale at GCPA remains high with little staff turnover.
- Numbers of pupils at GCPA is currently at 211. All classes have waiting lists.
- Increased number of pupils in Reception Class, 2019-2020, despite low birth year.
- Appointment of new Head of School at DPA following a strong field of applicants.
- Outcomes at DPA have improved, particularly at KS1, and highlights are listed under achievements and performance.
- Staff at both Academies are working together on activities such as moderation, assessment and subject leadership.
- Restructuring of MAT business staff has facilitated effective financial monitoring for leaders of all levels at each Academy.
- Both Academies are fully staffed despite issues with national teacher recruitment and retention.

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. The public benefit provided by the Trust has been recognised through its academic results and its contribution to the community.

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their Academy.

GOMAT and National data:

Early Learning Foundation Stage 2019

Percentage achieving the Good Level of Development

National	71.8%
DPA	77%
GCPA	69%

Year 1 Phonics Check

Percentage achieving the expected standard in phonics

National	82%
DPA	88%
GCPA	90%

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Key Stage 1		% At the Expected Standard +	% Working at a Greater Depth
Reading	National	75%	25%
	DPA	85%	38%
	GCPA	93%	45%
Writing	National	69%	15%
	DPA	85%	8%
	GCPA	86%	28%
Maths	National	76%	22%
	DPA	77%	23%
	GCPA	93%	45%
RWM	National	65%	11%
	DPA	77%	8%
	GCPA	86%	24%

Key Stage 2		% At the Expected Standard +	% Working at a Greater Depth
Reading	National	73%	27%
	DPA	73%	20%
	GCPA	93%	50%
Writing	National	78%	20%
	DPA	73%	26%
	GCPA	93%	37%
GPS	National	78%	36%
	DPA	66%	33%
	GCPA	97%	57%
Maths	National	79%	27%
	DPA	86%	27%
	GCPA	90%	47%
RWM	National	65%	11%
	DPA	66%	13%
	GCPA	90%	30%

Specific achievements were as follows:

Academic achievements at GCPA:

- 90% of children were successful in passing the Year One Phonics Check.
- 93% of children achieved expected standard in Reading at the end of KS1.
- 86% of children achieved expected standard in Writing at the end of KS1.
- 93% of children achieved expected standard in Maths at the end of KS1.
- 86% of children achieved expected standard in Reading, Writing and Maths at the end of KS1.
- 45% of children achieved greater depth in Reading at the end of KS1.
- 28% of children achieved greater depth in Writing at the end of KS1.
- 45% of children achieved greater depth in Maths at the end of KS1.
- 24% of children achieved greater depth in Reading, Writing and Maths at the end of KS1.
- 93% of children achieved expected standard in Reading at the end of KS2.
- 50% of children achieved greater depth in Reading at the end of KS2.
- 93% of children achieved expected standard in Writing at the end of KS2.
- 37% of children achieved greater depth in Writing at the end of KS2.
- 90% of children achieved expected standard in Maths at the end of KS2.
- 47% of children achieved greater depth in Maths at the end of KS2.
- 97% of children achieved expected standard in SPAG at the end of KS2.
- 57% of children achieved greater depth in SPAG at the end of KS2.
- 90% of children achieved expected standard in Reading, Writing and Maths at the end of KS2.
- 30% of children achieved greater depth in Reading, Writing and Maths at the end of KS2.

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Academic achievements at DPA:

- 77% of children achieved GLD at the end of EYFS (+ 5.6%).
- 88% of children were successful in passing the Year One Phonics Check.
- 85% of children achieved expected standard in Reading at the end of KS1 (+ 22%).
- 85% of children achieved expected standard in Writing at the end of KS1 (+27%).
- 77% of children achieved expected standard in Maths at the end of KS1 (+3%).
- 77% of children achieved expected standard in Reading, Writing and Maths at the end of KS1 (+24%).
- 38% of children achieved greater depth in Reading at the end of KS1 (+17%).
- 23% of children achieved greater depth in Maths at the end of KS1 (+7%).
- 20% of children achieved greater depth in Reading at the end of KS2.
- 26% of children achieved greater depth in Writing at the end of KS2.
- 86% of children achieved expected standard in Maths at the end of KS2.
- 27% of children achieved greater depth in Maths at the end of KS2.
- 33% of children achieved greater depth in GPS at the end of KS2.

Attendance at both Academies is high: 96.30% (GCPA) 96.43% (DPA)

Additional achievements:

GCPA :

Gold Sports Mark Award 2019

Excellent grading for SIAMS Inspection (March 2019)

DPA :

Gold Sports Mark Award 2019

General feedback from Year 7 pupils has been very positive; pupils at all secondary destinations have made excellent transitions and most continue to play an active role in all aspects of School life (Feedback from pupils, parents and secondary schools).

Key Performance Indicators

The Trustees receive regular information at each MGB to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Total pupil numbers for 2019 per the census were 303.

Another key financial performance indicator is staffing costs as a percentage of total income (excluding capital grants). For 2018/19 this was 70.5%. The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structures all approved by the MGB.

The Finance and Premises Committees also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within the parameters set by the MGB.

Going Concern

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

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Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2019 the Trust's income (excluding capital and donation in kind) was £1,501,635. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. The Trust brought forward from 17/18, £106,969 restricted funds (excluding pension and fixed assets) and £264,901 unrestricted funding. There is an in-year deficit of £30,050 on restricted funds and £8,031 surplus on unrestricted funds. The carry forward for 18/19 is £76,919 restricted funding (excluding pension and fixed assets) and £272,932 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £665,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £272,932.

The Trust's balance on restricted general funds (excluding pension reserve, donation in kind and fixed assets) plus the balance on unrestricted funds at 31 August 2019 was £349,851.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £436,320. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the committee Business Manager reports.

Investment Policy

An Investment Policy was approved by the MGB on the 22 May 2017; this policy was updated and approved by the MGB on 4 September 2019.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The Trust maintains a central risk register identifying the major risks, to which it is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the MGB as a whole. In addition, each individual Academy maintains its own specific Risk Register and reports to the MGB on monitoring and changes. The internal control systems and the exposure to identified risks will be monitored on behalf of the Trustees at each Audit and Risk Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

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The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- each Academy within the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline;
- staffing - the success of the Academies is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Trust has appointed Sarah Smith to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and each Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. The risk register maintained by the Trust categorises the risks to which it is exposed, and identifies actions and procedures to mitigate those risks. The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA and recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Fundraising

The Trust only held small fundraising events during the year including: non-uniform days, film nights, fetes, cake sales and discos. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year, no complaints or issues have arisen as a result of the fundraising events.

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TRUSTEES' REPORT (CONTINUED)
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Plans for Future Periods

The key objective for the Trust is to strengthen the effectiveness of the MAT with the centralised financial and personnel services; review staffing structure across the MAT to ensure value for money.

Specific objectives for the forthcoming year are as follows:

GOMAT:

- monitoring of Academy performance;
- induction of new Head of School at DPA; and
- further development / expansion of the MAT.

DPA:

- to continue to improve the strength and consistency of teaching and learning across the School;
- to further develop the School's curriculum offer, ensuring that it is ambitious, coherent, broad and balanced;
- to improve students' progress and attainment in both reading and writing across the School; and
- to further develop the impact of middle leadership across the School.

GCPA:

- to continue to strengthen the quality of educational provision across the School by ensuring that the curriculum remains broad and balanced with strong subject leadership;
- to review and develop the teaching of STEM subjects across the School;
- to ensure the School's environment is engaging, safe and inspirational to all learners;
- to provide a positive learning / working Christian community for pupils and all stakeholders, underpinned by our core values; and
- to strengthen the effectiveness of governance.

Funds Held as Custodian Trustee on Behalf of Others

No funds held.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating the Strategic Report, was approved by the Board of Trustees on 3 December 2019 and signed on its behalf by:

Mr A Taylor
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Great Oak 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 Executive Headteacher, 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 Great Oak 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.

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.

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

Trustee	Meetings attended	Out of a possible
Mr L Tobin	0	0
Mr A Armour	0	0
Mr G Benn	4	4
Mrs M Challinor	3	4
Mr J Luke	3	4
Mrs S Mitchell	3	4
Mr A Taylor, Chair	2	4

The Board's membership has been stable throughout the year. Key challenges for the Board this year have been managing a long-term absence from a member of the Trust's management team and the appointment of a new head of School at DPA whilst ensuring that performance and reputations remain unaffected.

Challenge has also been in the development of an effective Audit Committee ensuring that role and responsibilities are clear between this Committee, each LGB and each Finance and Personnel Committee. Additional challenge has been managing the LGB roles at DPA with vacancies and management absence. DPA has full membership for the forthcoming academic year.

The Board must now ensure that all new Governors at both Academies understand their roles and responsibilities in line with the Financial Handbook and the Trust's scheme of delegation.

Key challenge for the Trust will be maintaining high quality of education for all pupils whilst facing budget challenge linked to raising staff costs in both Academies and decreased numbers at DPA.

Self-evaluation remains a key element of the Board and an additional Trustee has been appointed for the next academic year to ensure that there is a direct link between DPA's LGB and the Board.

The Board meets 4 times per year but is supported in its financial monitoring by the Audit Committee; both governing bodies and both Finance and Premises Committees.

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 four times during the year. The Board met fewer than six times during the year. The Board is satisfied that through the use of sub-committees, being the Audit Committee, both LGB's and both Finance and Premises Committees, it maintains effective oversight of funds. Details are of the Audit Committee are noted below.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Financial management is dealt with by the Board of Trustees.

The Audit Committee is a sub-committee of the Board of Trustees. Its purpose is to:

- Monitor the Trust's overall financial condition. It will review high level reporting on budgets and any deviation from the agreed annual budget, the consistency of and any changes to accounting policies and practices, and whether the appropriate accounting standards have been followed.
- Monitor the probity of the financial systems. It will review the audit management letter and the Trust's response to the Auditors' findings and recommendations, and the Trust's risk management systems and reporting,
- Monitor expenditure for probity and value. It will review the delegation and responsibility for budgets and internal controls including expenditure approval, cheque signatory limits.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Luke	3	3
Mrs M Challinor	2	3
Mr A Armour	3	3
Mrs U Lyons – Independent	3	3
Mr P Gray - Independent	3	3

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Ensuring value for money comparisons for purchased items, examples include:
 - Reviewing alternative purchasing options to find the best value.
 - Monitoring providers and leases across the Trust to ensure value for money and check if further savings can be made when ordering / purchasing for two Academies.
 - Careful consideration has always been made as to whether the purchase is absolutely necessary and this ethos is being encouraged at DPA.
 - Tender processes for major purchases and contracts.
 - Collaboration with other schools to secure better value for bulk buying of common products; provision of training and educational service personnel.
 - Collaborative purchasing and sharing of resources within the Trust.
- Regular monitoring of financial governance by the Board of Trustees, each LGB and their committees. They receive regular CEO Reports, Headteacher reports and SDP updates, and ask relevant questions as recorded in minutes. The work of these committees is further informed by termly Responsible Officer visits and reports.
- Reviewing controls and managing risk. Budget reports are reviewed by the Board of Trustees, Finances and Premises Committee, as well as budget holders, in order to ensure that spending is within budget. Actions taken to manage risk include the purchase of an appropriate level of insurance cover. Professional advice (eg. HR and legal) has also been sought as necessary for staffing and personnel challenges.
- Ensuring that resources are directed where they are most needed and most effective in meeting educational requirements.
- Targeting resources in key subjects areas (English and maths) – particularly: maths resources; intervention staff and KS2 booster groups.
- Monitoring the needs of particular pupils and ensuring that the support they receive is relevant to them – one to one support in KS1 and KS2; one to one targeted tuition across Key Stage 2; one to one targeted tuition in Year 2.
- Using resources to ensure pupils are inspired to learn through a broad and balanced curriculum – demonstrated to our stakeholders through Theme Weeks; STEM Days; Open Mornings/Afternoons.
- Curriculum leads working across the Trust to ensure curriculum coverage and the introduction of a robust assessment system at DPA.

Areas of future focus:

- exploring further ways to save money across the Trust and by working collaboratively with a wider range of schools.
- promoting and marketing both the Trust and DPA to the wider community.
- ensuring standards continue to improve at DPA with the appointment of a new Head of School.

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 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 Great Oak Multi Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has appointed Sarah Smith as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- Bank Arrangements: Internal Control, Bank Reconciliations.
- Financial Limits: Borrowing, Write-offs and entering into liabilities, Special Payments.
- Payroll & Expenses: Payroll Processing, Authorisation, Additional Hours, Segregation of Duties, Payroll Sample.
- Purchasing: Authorisation and Approval, Value for Money, Expenditure Sample, Purchase Cards, VAT.
- Audit Arrangements.

On a termly basis, the Internal Auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

A financial management checklist is worked through and extra tasks may be requested by Board of Trustees.

The Internal Auditor has delivered her schedule of works as planned and no material control issues have arisen.

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

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

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

Approved by Board of Trustees on 3 December 2019 and signed on their behalf by:

Mr A Taylor
Chair of Trustees

Mrs S Mitchell
Accounting Officer

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Great Oak Multi Academy Trust I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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

Mrs S Mitchell
Accounting Officer

Date: 3 December 2019

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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 2015 and the Academies Accounts Direction 2018 to 2019;
- 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; and
- 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 Board of Trustees on 3 December 2019 and signed on its behalf by:

Mr A Taylor
Chair of Trustees

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GREAT OAK MULTI ACADEMY TRUST

Opinion

We have audited the financial statements of Great Oak Multi Academy Trust (the 'Trust') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 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 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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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.

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

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 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.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the Charitable Company 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

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 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 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 Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

6 December 2019

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 5 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Great Oak Multi Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to Great Oak 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 Great Oak 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 Great Oak Multi Academy Trust and ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of Great Oak Multi Academy Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Great Oak Multi Academy Trust's funding agreement with the Secretary of State for Education dated 23 December 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Date: 6 December 2019

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	As restated Total funds 2018 £
Income from:						
Donations and capital grants	3	348	147,116	82,015	229,479	206,921
Charitable activities	4	47,477	1,402,025	-	1,449,502	1,390,078
Other trading activities	5	18,806	-	-	18,806	17,262
Investments	6	1,863	-	-	1,863	3,089
Total income		68,494	1,549,141	82,015	1,699,650	1,617,350
Expenditure on:						
Charitable activities	7	60,463	1,634,290	52,615	1,747,368	2,098,108
Total expenditure		60,463	1,634,290	52,615	1,747,368	2,098,108
Net income/ (expenditure)		8,031	(85,149)	29,400	(47,718)	(480,758)
Transfers between funds	18	-	(20,901)	20,901	-	-
Net movement in funds before other recognised gains/(losses)		8,031	(106,050)	50,301	(47,718)	(480,758)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(112,000)	-	(112,000)	142,000
Net movement in funds		8,031	(218,050)	50,301	(159,718)	(338,758)
Reconciliation of funds:						
Total funds brought forward		264,901	(370,031)	22,453	(82,677)	256,081
Net movement in funds		8,031	(218,050)	50,301	(159,718)	(338,758)
Total funds carried forward		272,932	(588,081)	72,754	(242,395)	(82,677)

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 48 form part of these financial statements.

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07769026

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	As restated 2018 £
Fixed assets			
Tangible assets	14	68,962	58,126
Current assets			
Debtors	15	420,703	397,712
Cash at bank and in hand		436,320	516,338
		857,023	914,050
Creditors: amounts falling due within one year	16	(261,756)	(351,853)
Net current assets		595,267	562,197
Total assets less current liabilities		664,229	620,323
Creditors: amounts falling due after more than one year	17	(241,624)	(226,000)
Net assets excluding pension liability		422,605	394,323
Defined benefit pension scheme liability	23	(665,000)	(477,000)
Total net assets		(242,395)	(82,677)
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	72,754	22,453
Restricted income funds	18	76,919	106,969
		149,673	129,422
Restricted funds excluding pension liability	18	149,673	129,422
Pension reserve	18	(665,000)	(477,000)
Total restricted funds	18	(515,327)	(347,578)
Unrestricted income funds	18	272,932	264,901
Total funds		(242,395)	(82,677)

The financial statements on pages 23 to 48 were approved by the Trustees on 3 December 2019 and are signed by

Mr A Taylor
Chair of Trustees

The notes on pages 26 to 48 form part of these financial statements.

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	20	(50,023)	(386,019)
Cash flows from investing activities	21	(29,995)	(10,431)
Change in cash and cash equivalents in the year		(80,018)	(396,450)
Cash and cash equivalents at the beginning of the year		516,338	912,788
Cash and cash equivalents at the end of the year	22	<u>436,320</u>	<u>516,338</u>

The notes on pages 26 to 48 from part of these financial statements

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The Trust's functional and presentational currency is Pounds Sterling.

The financial statements have been restated to reallocate the Right to Occupy fund to a creditor on the balance sheet. This creditor has been split in to amounts payable within 1 year and over 1 year.

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

1.3 Company status

The Trust is a Company limited by guarantee. The Members are noted on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member. The Registered Office is School Street, Great Chesterford, Saffron Walden, Essex, CB10 1NN.

1.4 Fund accounting

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

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.5 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year 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 year it is receivable and to the extent the Trust has provided the goods or services.

1.6 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 Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.8 Interest receivable

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

1.9 Tangible fixed assets

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

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

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, as follows:

Depreciation is provided on the following basis:

Furniture and equipment	-	10%
Computer equipment	-	20%

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.

1.10 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.

1.11 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.

1.12 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 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.

GREAT OAK MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.14 Operating leases

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

1.15 Pensions

Retirement benefits to employees of the 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 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 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.

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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 Trustees make 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	348	31,116	31,464	50,350
Notional rent	-	116,000	116,000	113,000
Capital grants	-	82,015	82,015	43,571
Total 2019	<u>348</u>	<u>229,131</u>	<u>229,479</u>	<u>206,921</u>
Total 2018	<u>12,263</u>	<u>194,658</u>	<u>206,921</u>	

In 2018, income from donations was £50,350 of which £12,263 was unrestricted and £38,087 restricted.

In 2018, income from notional rent of £113,000 was restricted.

In 2019, capital grants of £82,015 (2018 - £43,571) were in relation to restricted fixed assets.

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4. Funding for the Trust's Educational Operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	1,242,653	1,242,653	1,200,435
Other DfE/ESFA grants	-	142,553	142,553	129,136
	-	1,385,206	1,385,206	1,329,571
Other government grants				
Local Authority grants	-	16,819	16,819	20,362
	-	16,819	16,819	20,362
Other income				
Catering income	47,477	-	47,477	40,145
Total 2019	<u>47,477</u>	<u>1,402,025</u>	<u>1,449,502</u>	<u>1,390,078</u>
Total 2018	<u>40,145</u>	<u>1,349,933</u>	<u>1,390,078</u>	

In 2018, income from DFE/ESFA grants was £1,329,571 of which all was restricted.

In 2018, income from other government grants was £20,362 of which all was restricted.

In 2018, income from catering was £40,145 of which all was unrestricted.

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	As restated Total funds 2018 £
Swimming income	6,816	6,816	7,610
Other activities	11,990	11,990	9,652
Total 2019	<u>18,806</u>	<u>18,806</u>	<u>17,262</u>

In 2018, swimming income was £7,610 of which all was unrestricted.

In 2018, other income was £9,652 of which all was unrestricted.

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6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	1,863	1,863	3,089
	1,863	1,863	3,089

In 2018, all investment income was in relation to unrestricted funds.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision for Education:					
Direct costs	1,001,124	-	64,113	1,065,237	1,097,356
Support costs	203,595	296,884	181,652	682,131	1,025,314
Total 2019	1,204,719	296,884	245,765	1,747,368	2,122,670
Total 2018	1,179,737	645,918	297,015	2,122,670	

In 2018, of total expenditure £60,463 was to unrestricted funds, £1,634,290 was to restricted funds and £52,615 was to restricted fixed asset funds.

In 2018, direct expenditure consisted of £995,277 staff costs and £102,079 other costs.

In 2018, support expenditure consisted of £184,460 staff costs, £645,918 premises costs and £194,936 other costs.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Charitable activities

	2019 £	2018 £
Direct costs	1,065,237	1,097,356
Support costs	682,131	1,025,314
	1,747,368	2,122,670
	1,747,368	2,122,670

	2019 £	2018 £
Analysis of support costs		
Support staff costs	203,595	184,460
Premises costs (excluding depreciation)	275,862	626,529
Governance costs	24,129	7,405
Other support costs	130,410	171,358
Depreciation	21,022	19,389
Technology costs	27,113	16,173
	682,131	1,025,314
	682,131	1,025,314

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	2,385	2,038
Depreciation of tangible fixed assets	21,022	19,389
Fees paid to Auditors for:		
- audit	5,835	5,665
- other services	5,995	5,820
	5,835	5,665
	5,835	5,665

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	913,609	903,856
Social security costs	63,019	62,024
Pension costs	228,091	213,857
	<u>1,204,719</u>	<u>1,179,737</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	25	28
Administration and support	39	43
Management	4	6
	<u>68</u>	<u>77</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	10	14
Administration and support	16	15
Management	3	3
	<u>29</u>	<u>32</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
	1	1

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Trust Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Trust in the year ended 31st August 2019 was £190,087 (2018 restated: £193,694). The Trust Senior Management Team consisted of 4 (2018 restated: 4) members of staff. The 2018 numbers were restated to include only Trust Senior Management Team.

11. Central services

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

- Financial services including audit
- Legal services
- Clerking services
- Central staffing

The Trust charges for these services on the following basis:

The central services are recharged and split by pupil headcount between the member schools.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Great Chesterford Church of England Primary Academy	49,938	23,805
Debden Church of England Primary Academy	43,576	13,420
Total	93,514	37,225

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FOR THE YEAR ENDED 31 AUGUST 2019

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Mrs S Mitchell	Remuneration	£65,001 - £70,000	£60,001 - £65,000
	Pension contributions paid	£10,001 - £15,000	£10,001 - £15,000

During the year ended 31 August 2019, expenses totalling £573 were reimbursed or paid directly to 1 Trustee (2018 - £519 to 1 Trustee). These expenses related to travel and subsistence costs.

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

14. Tangible fixed assets

	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 September 2018	79,151	72,430	151,581
Additions	13,892	17,966	31,858
At 31 August 2019	<u>93,043</u>	<u>90,396</u>	<u>183,439</u>
Depreciation			
At 1 September 2018	39,125	54,330	93,455
Charge for the year	9,305	11,717	21,022
At 31 August 2019	<u>48,430</u>	<u>66,047</u>	<u>114,477</u>
Net book value			
At 31 August 2019	<u>44,613</u>	<u>24,349</u>	<u>68,962</u>
At 31 August 2018	<u>40,026</u>	<u>18,100</u>	<u>58,126</u>

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15. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	232,000	226,000
	232,000	226,000
Due within one year		
Other debtors	131,993	144,685
Prepayments and accrued income	56,710	27,027
	420,703	397,712

16. Creditors: Amounts falling due within one year

	2019 £	As restated 2018 £
Trade creditors	43,871	66,413
Other taxation and social security	15,671	16,085
Other creditors	135,651	130,422
Accruals and deferred income	66,563	138,933
	261,756	351,853
	2019 £	2018 £
Deferred income at 1 September 2018	53,507	46,486
Resources deferred during the year	47,370	53,507
Amounts released from previous periods	(53,507)	(46,486)
	47,370	53,507

At the balance sheet date included in deferred income was Universal Infant Free School Meals funding, school trip income and funding for new library books.

17. Creditors: Amounts falling due after more than one year

	2019 £	As restated 2018 £
Other creditors	241,624	226,000
	241,624	226,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds

	As restated Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	264,901	68,494	(60,463)	-	-	272,932
Restricted general funds						
General Annual Grant (GAG)	70,469	1,242,653	(1,247,789)	(20,901)	-	44,432
SEN	-	16,819	(16,819)	-	-	-
Pupil Premium	-	41,485	(41,485)	-	-	-
Other Government grants	-	49,192	(49,192)	-	-	-
Other donations	-	31,116	(31,116)	-	-	-
Infant FSM	-	51,876	(51,876)	-	-	-
Right to occupy	-	116,000	(116,000)	-	-	-
School Improvement Grant	36,500	-	(4,013)	-	-	32,487
Pension reserve	(477,000)	-	(76,000)	-	(112,000)	(665,000)
	<u>(370,031)</u>	<u>1,549,141</u>	<u>(1,634,290)</u>	<u>(20,901)</u>	<u>(112,000)</u>	<u>(588,081)</u>
Restricted fixed asset funds						
Fixed asset funds	22,453	-	(21,022)	20,901	-	22,332
DFC	-	27,593	(27,593)	-	-	-
CIF	-	54,422	(4,000)	-	-	50,422
	<u>22,453</u>	<u>82,015</u>	<u>(52,615)</u>	<u>20,901</u>	<u>-</u>	<u>72,754</u>
Total Restricted funds	<u>(347,578)</u>	<u>1,631,156</u>	<u>(1,686,905)</u>	<u>-</u>	<u>(112,000)</u>	<u>(515,327)</u>
Total funds	<u><u>(82,677)</u></u>	<u><u>1,699,650</u></u>	<u><u>(1,747,368)</u></u>	<u><u>-</u></u>	<u><u>(112,000)</u></u>	<u><u>(242,395)</u></u>

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18. Statement of funds (continued)

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

Unrestricted funds

This represents income received that does not have any restrictions any may be used towards meeting any of the charitable objectives of the Academy.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

SEN

This represents funding from the Local Authority and it is used towards the education of pupils with special educational needs and disabilities.

Pupil Premium

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other Government grants

This represents various small grants from local and national Government bodies for the provision of specific services to the pupils of the Schools.

Restricted other donations

This represents small donations received in the year for specific purposes.

Infant FSM

This represents funds dedicated for the use of providing universal infant free school meals.

Devolved Formula Capital (DFC) fund

The Trust is to use the DFC allocation to maintain and improve its building and facilities.

Pension reserve

The fund represents the Trust's share of the deficit on the LGPS transferred to the Trust on conversion from state controlled schools.

Right to Occupy

This fund represents the rent free occupation of the land and buildings from the Diocese of Chelmsford.

School Improvement Grant

This represents funding received to improve the outcome of pupils at Debden Church of England Primary Academy.

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18. Statement of funds (continued)

Condition Improvement Fund (CIF)

This represents capital grants received for the purpose of specific projects.

Total funds analysis by Academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Great Chesterford Church of England Primary Academy	269,123	313,994
Debden Church of England Primary Academy	48,241	21,376
Central services	32,487	36,500
	349,851	371,870
Total before fixed asset funds and pension reserve		
Restricted fixed asset fund	72,754	22,453
Pension reserve	(665,000)	(477,000)
	(242,395)	(82,677)
Total	(242,395)	(82,677)

Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Great Chesterford Church of England Primary Academy	638,666	103,155	29,760	270,382	1,041,963	1,311,315
Debden Church of England Primary Academy	396,268	66,630	18,750	198,722	680,370	767,404
Central services	-	-	-	4,013	4,013	-
	1,034,934	169,785	48,510	473,117	1,726,346	2,078,719
Trust	1,034,934	169,785	48,510	473,117	1,726,346	2,078,719

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

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

	As restated Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	As restated Balance at 31 August 2018 £
Unrestricted funds					
Unrestricted funds	214,013	97,321	(46,433)	-	264,901
Restricted general funds					
General Annual Grant (GAG)	395,005	1,200,435	(1,511,451)	-	70,469
SEN	-	20,362	(20,362)	-	-
Pupil Premium	-	40,060	(40,060)	-	-
Other Government grants	-	42,590	(42,590)	-	-
Other donations	13,121	38,087	(51,208)	-	-
Infant FSM	-	46,486	(46,486)	-	-
Right to occupy	-	113,000	(113,000)	-	-
School Improvement Grant	45,000	-	(8,500)	-	36,500
Start up grant	7,654	-	(7,654)	-	-
Pension reserve	(545,000)	-	(74,000)	142,000	(477,000)
	<u>(84,220)</u>	<u>1,501,020</u>	<u>(1,915,311)</u>	<u>142,000</u>	<u>(370,031)</u>
Restricted fixed asset funds					
Fixed asset funds	28,322	-	(19,389)	-	22,453
DFC	-	11,510	(11,510)	-	-
CIF	97,966	32,061	(130,027)	-	-
	<u>126,288</u>	<u>43,571</u>	<u>(160,926)</u>	<u>-</u>	<u>22,453</u>
Total Restricted funds	<u>42,068</u>	<u>1,544,591</u>	<u>(2,076,237)</u>	<u>142,000</u>	<u>(347,578)</u>
Total funds	<u><u>256,081</u></u>	<u><u>1,641,912</u></u>	<u><u>(2,122,670)</u></u>	<u><u>142,000</u></u>	<u><u>(82,677)</u></u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	46,630	-	22,332	68,962
Debtors due after more than one year	-	232,000	-	232,000
Current assets	222,302	348,299	54,422	625,023
Creditors due within one year	4,000	(261,756)	(4,000)	(261,756)
Creditors due in more than one year	-	(241,624)	-	(241,624)
Provisions for liabilities and charges	-	(665,000)	-	(665,000)
Total	<u>272,932</u>	<u>(588,081)</u>	<u>72,754</u>	<u>(242,395)</u>

Analysis of net assets between funds - prior year as restated

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	35,673	-	22,453	58,126
Debtors due after more than one year	-	226,000	-	226,000
Current assets	230,531	383,853	73,666	688,050
Creditors due within one year	(1,303)	(276,884)	(73,666)	(351,853)
Creditors due in more than one year	-	(226,000)	-	(226,000)
Provisions for liabilities and charges	-	(477,000)	-	(477,000)
Total	<u>264,901</u>	<u>(370,031)</u>	<u>22,453</u>	<u>(82,677)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(47,718)	(480,758)
Adjustments for:		
Depreciation	21,022	19,389
Interest received	(1,863)	(3,089)
(Increase)/decrease in debtors	(95,843)	42,365
Decrease in creditors	(1,621)	(37,926)
Pension adjustments	76,000	74,000
Net cash used in operating activities	(50,023)	(386,019)

21. Cash flows from investing activities

	2019 £	2018 £
Interest	1,863	3,089
Purchase of tangible fixed assets	(31,858)	(13,520)
Net cash used in investing activities	(29,995)	(10,431)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	436,320	516,338
Total cash and cash equivalents	436,320	516,338

23. Pension commitments

The 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 Essex County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £19,052 were payable to the schemes at 31 August 2019 (2018 - £18,373) and are included within creditors.

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

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

The employer's pension costs paid to TPS in the year amounted to £95,088 (2018 - £94,288).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Scheme Changes

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

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

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

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 2019 was £81,000 (2018 - £75,000), of which employer's contributions totalled £66,000 (2018 - £60,000) and employees' contributions totalled £ 15,000 (2018 - £15,000). The agreed contribution rates for future years are 20.2 per cent for employers and 5.5-12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.90	2.65
Inflation assumption (CPI)	2.20	2.30
Inflation assumption (RPI)	3.20	3.30

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

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23. Pension commitments (continued)

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23.0	24.5
Females	25.4	27.1

As at the 31st August the Trust had a pension liability of £665,000 (2018 - £477,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way;

Sensitivity analysis

	2019 £	2018 £
Discount rate +0.1%	(35,000)	(26,000)
Discount rate -0.1%	35,000	27,000
Mortality assumption - 1 year increase	52,000	34,000
Mortality assumption - 1 year decrease	(49,000)	(33,000)
CPI rate +0.1%	31,000	24,000
CPI rate -0.1%	(31,000)	(23,000)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	434,000	353,000
Bonds	39,000	62,000
Gilts	38,000	-
Property	55,000	50,000
Cash and other liquid assets	21,000	19,000
Alternative assets	68,000	50,000
Other managed funds	35,000	21,000
Total market value of assets	690,000	555,000

The actual return on scheme assets was £51,000 (2018 - £30,000).

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23. Pension commitments (continued)

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

	2019 £	2018 £
Current service cost	(113,000)	(121,000)
Past service cost	(17,000)	-
Interest income	16,000	13,000
Interest cost	(28,000)	(26,000)
Total amount recognised in the Statement of Financial Activities	<u><u>(142,000)</u></u>	<u><u>(134,000)</u></u>

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

	2019 £	2018 £
At 1 September	1,032,000	996,000
Current service cost	113,000	121,000
Past service cost	17,000	-
Interest cost	28,000	26,000
Employee contributions	15,000	15,000
Actuarial losses/(gains)	147,000	(125,000)
Benefits paid	3,000	(1,000)
At 31 August	<u><u>1,355,000</u></u>	<u><u>1,032,000</u></u>

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

	2019 £	2018 £
At 1 September	555,000	451,000
Interest income	16,000	13,000
Actuarial gains	35,000	17,000
Employer contributions	66,000	60,000
Employee contributions	15,000	15,000
Benefits paid	3,000	(1,000)
At 31 August	<u><u>690,000</u></u>	<u><u>555,000</u></u>

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24. Operating lease commitments

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	1,527	1,340
Later than 1 year and not later than 5 years	858	300
	<u>2,385</u>	<u>1,640</u>

25. 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.

26. Prior year adjustments

A prior year adjustment has been made to reflect the new guidance in section 7.7 in the ESFA Academies Accounts Direction 2018-19. The right to occupy liability reflects the future notional rental expense as a creditor rather than the previous treatment as a restricted fund. This amounted to £339,000.

27. Related party transactions

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

During the year the Trust paid £1,093 to the Diocese of Chelmsford. This related to the levy charge. The Trust also incurred £180 relating to training costs with the Diocese of Chelmsford. Both transactions are in accordance with the requirements of the AFH.

The Trust operates from land and buildings provided rent free by the Diocese of Chelmsford. Under an agreement between the Diocese, the Academy and the Secretary of State, the Diocese would be required to give 24 months notice from year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the cost of renting equivalent buildings would be £116,000 per annum, on this basis a donation from the Diocese of £116,000 is shown in the accounts together with a notional expense of the same amount. In addition, included in both debtors and creditors is a donation in kind receivable of £348,000 which represents the commitment by the Diocese to provide the land and buildings rent free for a further 36 months, and the requirement to pay the future rental expenses.