

**Birmingham Ormiston Academy**

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**BIRMINGHAM ORMISTON ACADEMY**

**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2022**

**Registered Number 06832416 (England and Wales)**

# Birmingham Ormiston Academy

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## Birmingham Ormiston Academy

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### Reference and Administrative Details

#### Members

The Ormiston Trust  
 Birmingham City University  
 Birmingham City Council  
 Mr Peter Murray  
 Professor Philip Thickett  
 Mr Steve Macleod  
 Ms Di Murray

#### Trustees

\* = members of the Finance and Resources Committee

|  |               |            |   |
|--|---------------|------------|---|
| Professor                                      | Philip        | Thickett   | * Chair   |
| Mr   | Gurdip        | Bhangoo    |   |
| Ms   | Gaynor        | Cheshire   | * Chief Executive Officer and Accounting Officer (Resigned 31 August 2022)                  |
| Ms   | Hilary        | Hodgson    |   |
| Mr   | Nick          | Hudson     |   |
| Professor                                      | Kevin         | Mattinson  | *   |
| Mr   | David         | Silber     | *   |
| Mr   | Jonnie        | Turpie     |   |
| Mr   | Leigh         | Yeomans    |   |
| Dr   | Sarah         | Wood       |   |
| Mr   | Julian        | Widdows    | Appointed 5 July 2022   |
| Professor                                      | Peter         | Francis    | Appointed 27 September 2022   |
| Chief Executive Officer and Accounting Officer | Mrs Katharine | Tague      | Appointed 1 September 2022  |
| Company Secretary                              | Mr Peter      | Darwen     | Resigned 22 July 2022   |
|  | Mr David      | Dovydaitis | Appointed 22 July 2022  |
| Executive Team:                                | Ms Gaynor     | Cheshire   | Chief Executive Officer (Resigned 31 August 2022)   |
|  | Mr Peter      | Darwen     | Chief Finance Officer (Resigned 10 July 2022)   |
|  | Mr Michael    | Painter    | Director of Data, Digital and Curriculum Development (from 1 September 2022 to 5 June 2022) |
|  | Mr David      | Dovydaitis | Chief Operating Officer (appointed 11 July 2022)  |

|                                 |  |
|---------------------------------|--|
| Company Name                    | Birmingham Ormiston Academy              |
| Principal and Registered Office | 1 Grosvenor Street<br>Birmingham, B4 7QD |
| Company Registration Number     | 06832416 (England and Wales)             |

## Birmingham Ormiston Academy

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|                     |  |
|---------------------|--|
| Independent Auditor | Cooper Parry Group Limited<br>Cubo Birmingham<br>Office 401, 4th Floor<br>Two Chamberlain Square<br>Birmingham, B3 3AX |
| Internal Auditor    | Academy Advisory Limited<br>92 High Street<br>Chasetown<br>Burntwood<br>Staffordshire, WS7 3XG                         |
| Bankers             | Lloyds Bank PLC<br>36/38 New Street<br>Birmingham, B2 4LP  |
| Solicitors          | Harrison Clark Rickerbys<br>5 Deansway<br>Worcester, WR1 2JG   |

## Trustees' Annual Report

The Trustees present their annual report together with the Financial Statements and Auditor's Report of the Academy Trust for the year ended 31 August 2022. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the financial year 2021/22, the Trust had two academies operating within Birmingham with a combined pupil admission number (PAN) of 1,350 and 1,125 pupils enrolled based on the October 2021 census.

## Structure, Governance and Management

### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. In the 2021/22 academic year the Academy Trust adopted new Articles of Association as a Multi-Academy Trust.

The Trustees are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Birmingham Ormiston Academy.

The Academy Trust has 100% ownership of Birmingham Ormiston Academy Theatre (BOAT) Limited, which is a company limited by guarantee.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 3.

### Members' Liability

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

### Trustees' Indemnities

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees and Local Advisory Body members from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

### Method of Appointment or Election of Trustees

The Trust shall have the following Trustees, as set out in its Articles of Association and funding agreement:

- Chief Executive Officer\*
- Ormiston Trust may appoint up to five trustees
- Birmingham City University may appoint one trustee
- Birmingham City Council may appoint one trustee
- Up to four co-opted trustees
- Additional or further trustees appointed by the Secretary of State as necessary in special circumstances

\*From 15<sup>th</sup> February 2022, the Academy Trust board is no longer required to appoint the Chief Executive Officer as a Trustee, following the adoption of the new model Articles of Association.

## Trustees' Annual Report (Continued)

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive, where they have agreed to be appointed as a Trustee or where they are automatically appointed as a Trustee under the Articles of Association. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's ongoing development.

The Trustees who were in office at 31 August 2022 and served throughout the year, except where shown are listed on page 3.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

During the year under review the Trustees held five meetings of the full Academy Trust. The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Trustees will be given a tour of the Academy Trust and the chance to meet with staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

### **Organisational Structure**

The Academy Trust structure consists of three levels: the Trustees, the Executive Team and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for the general control and management of the Trust. The Trustees give their time freely and receive no remuneration in their role as Trustees or other financial benefits, other than the Trust chief executive officer who also serves as a Trustee. The Trustees meet termly and are responsible for all decisions taken in relation to the activities provided by the Trust. The Trustees have established an Audit and Risk Committee that meets termly to ensure the independent checking of controls, systems, transactions and risks. The Trust has delegated some decision making to additional Trustee committees. The Trust has a clear scheme of delegation of these decisions; this also details the decisions that have been delegated to management to ensure the day to day operational capacity of the Trust.

The board normally meets four times during the year, however during 2021/22 Trustees have formally met five times. The additional meeting was focussed on discussions for the recruitment of a new Chief Executive Officer. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are four Committees of the Board of Trustees as follows:

- School Improvement and Standards Committee
- Finance and Resources Committee (incorporating the Pay Panel)
- Audit and Risk Committee
- Search and New Ventures Committee

## Trustees' Annual Report (Continued)

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Trustees:

- To consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- To appoint or remove the Chair and / or Vice Chair; and
- To appoint and / or consider the performance management of the Chief Executive Officer.

The Academy Trust has established Academy Governing Body (AGBs) for each Academy within the Trust.

The purpose of the AGBs is to:

- Ensure clarity of vision, ethos and strategic direction of the academy;
- Hold the Principal to account for the educational performance of their academy and its pupils;
- Oversee the financial performance of the academy in relation to the educational provision and making sure its money is well spent;
- To manage its own performance, review its effectiveness and procedures, and to make arrangements for governor training; and
- Recommend to the Board of Trustees major proposals for decision according to the Scheme of Delegation.

The Trustees have devolved the day-to-day management of the Academy Trust to the Executive Team, which is led by the Chief Executive Officer. The Executive Team comprises the Chief Executive Officer, the Chief Operating Officer and the individual academies' Principals. The Chief Executive Officer is the Academy Trust's Accounting Officer and has overall responsibility for the day-to-day financial management of the Academy Trust. The Executive Team implements the policies laid down by the Trustees and reports back to them on these and the Academy Trust's overall performance.

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

The pay and remuneration of key management personnel, including the Chief Executive Officer, is set by the Pay Panel (which includes the Chair of Trustees), taking into account a variety of contributing factors such as: role and responsibilities, market factors, and results of annual performance review process, including performance against agreed objectives. The pay and remuneration of the Chief Executive Officer and Principals are determined by the Pay Panel.

### **Related Parties and other Connected Charities and Organisations**

The Academy Trust has connections with the following organisations:

- The Ormiston Trust
- Birmingham City University
- Birmingham City Council

The Ormiston Trust is the principal sponsor of Birmingham Ormiston Academy. The Ormiston Trust is also the sponsor of Ormiston Academy Trust. The Chief Executive of Ormiston Academy Trust is a Trustee. Birmingham City University is also a sponsor of Birmingham Ormiston Academy. Birmingham City Council is a member of the Trust.

**Trustees' Annual Report (Continued)**

**Trade Union Facility Time**

**Relevant union officials**

|  |                                      |
|--|--------------------------------------|
| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
| 0  | 0                                    |

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time**

|  |                               |
|--|-------------------------------|
| The total cost of facility time  | nil                           |
| The total pay bill   | £5,467,000 (2021: £4,574,000) |
| The percentage of the total pay bill spent on facility time calculated as:<br><br>(total cost of facility time / total pay bill) * 100 | 0%                            |

**Paid trade union activities**

|  |    |
|--|----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:<br><br>(total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) * 100 | 0% |
|--|----|



## **Trustees' Annual Report (Continued)**

### **Objectives and Activities**

#### **Objects and Aims**

The principal objects and activities of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum with a strong emphasis on, but in no way limited to, digital media and creative and performing arts ("the Academies").

In accordance with the articles of association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy Trust, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on science and technology and their practical applications.

The key aims of the Academy Trust during the year ended 31 August 2022 are summarised below:

- To develop students academically, vocationally, socially and morally.
- To develop independent, co-operative, resilient, responsible, creative young people.
- For every student to achieve their potential.
- To provide a unique and exciting curriculum offer within the creative, digital and performing arts.
- Attract students from a wide range of backgrounds and academic abilities.
- To transition into a Multi Academy Trust.

#### **Objectives, Strategies and Activities**

The Academy Trust's main strategy is encompassed in its mission statement which is 'to enable each student to achieve at the highest level possible, in an orderly, caring, friendly community, committed to promoting high standards for all who work here'.

The key priorities for the year are contained in the Academy Trust's Development Plan which is available from the Chief Executive Officer.

The key activities of the Academy Trust for the year ended 31 August 2022 were focused as follows:

- To continue to raise standards of achievements
- To ensure teaching and learning supports introduction and efficacy of curriculum intent and curriculum implementation, accounting for COVID-19 disruption to learning.
- To ensure that the process of education is a partnership between the learner, the school and the parents, together with the Trustees, employers and the community.
- To keep the student at the centre of this process.
- To strive to equalise the opportunities for each student to develop their talents to the fullest extent.

## Trustees' Annual Report (Continued)

- To provide students with individual, personalised learning plans through a specialist curriculum focused on the creative, digital and performing arts.
- To provide each student with the experience of challenging learning styles that value not only individual thinking, but also the collaborative skills of investigating, discussing and communicating.
- To improve communications and relationships with all stakeholders.
- Ensure a successful opening for BOA Stage and Screen Production Academy, providing an excellent standard of provision for all students within the technical arts sector.
- Prepare for the opening of BOA Digital in September 2022.
- Develop and implement the structures for a Multi Academy Trust.

### Public Benefit

The Academy Trust has complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in defining the strategic direction of the Academy Trust. The activities by the Academy Trust to achieve public benefit are set out in the Objectives, Strategies and Activities section above.

### Strategic Report

#### Achievements and Performance

Birmingham Ormiston Academy Multi- Academy Trust is sponsored by Ormiston Trust and Birmingham City University. The Board of Trustees has high expectations and ambition for the academy and its students.

The Academy Trust aims to be at the forefront of the development of the arts and the creative industries. The Academy Trust continues to attract high numbers of applications for places on the specialist pathways, at both KS4 and Post-16, and the academy has an excellent reputation across the region.

#### BOA Creative, Digital and Performing Arts (BOA CDPA)

BOA CDPA opened in September 2011. The brand new landmark building, located at the hub of the digital and creative industries in the heart of Birmingham, opened at the end of October 2011. It has superb facilities for academic, vocational and extra-curricular activities.

BOA CDPA is one hundred percent selective based on aptitude within the specialisms (rather than academic ability) and, as a result, is unique in its admissions. Students attend the academy to primarily study BTEC Level 2 and Level 3 vocational courses. Students in Year 10 and Year 11 study an additional eight GCSEs (including English, Mathematics and Science), whilst some of the students in both Years 12 and 13 opt to study one or two additional A level subjects. The academy prides itself on its creative links and partners providing opportunities for our students to gain experience in and from them.

BOA CDPA is a popular, oversubscribed academy that continues to attract high numbers of applications for places in Year 10 and Year 12. The academy is regional admitting students from Birmingham and the local authorities of Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. Ten percent of students are admitted from outside the West Midlands.

## Trustees' Annual Report (Continued)

With students in all four year groups, from Year 10 to Year 13, there are now 1,027 students on roll. In 2022 BOA welcomed its ninth set of KS4 results and its tenth set of KS5 results.

The results in 2022 are outstanding:

At Key Stage 4:

- 92% of students achieving 5 or more standard passes at grade 4 and above
- 75% of students achieving a grade 5 and above.
- Progress from Key stage 2 is more than half a grade than expected [0.62]
- For those students who receive pupil premium progress from Key stage 2 is a full grade above expected [1.11]

At Post 16

- 96% of students achieved a DDD in their chosen specialism
- Average point score of 177 for UCAS
- Average A level grade B-

| Academy Progress 8 Score   |      |      |               |               | Academy Attainment 8 |               |      |      |               |
|--|------|------|---------------|---------------|----------------------|---------------|------|------|---------------|
| +0.62 (2022)   |      |      |               |               | 60.1 (2022)          |               |      |      |               |
| +0.19 (2019)   |      |      |               |               | 54 (2019)            |               |      |      |               |
|  | 2014 | 2015 | 2016          | 2017          | 2018                 | 2019          | 2020 | 2021 | 2022          |
| Percentage of pupils achieving 5 or more standard passes (grade 4 / grade C and above) including English and Maths | 65%  | 71%  | 75%           | 79%           | 88%                  | 80%           | 90%  | 89%  | 92%           |
| Percentage of pupils achieving a <b>standard pass</b> (grade 4 and above) in English and Maths.                    | N/A  | N/A  | N/A           | 82%           | 88%                  | 82%           | 90%  | 90%  | 92%           |
| Percentage of pupils achieving a <b>strong pass</b> (grade 5 and above) in English and Maths.                      | -    | -    | -             | 44%           | 59%                  | 58%           | 64%  | 71%  | 75%           |
| Percentage of pupils who achieved A*-C (9-4) in English  | 73%  | 81%  | 88%           | 94%           | 100%                 | 96%           | 100% | 99%  | 99%           |
| Percentage of pupils who achieved A*-C (9-4) in Maths  | 82%  | 83%  | 81%           | 86%           | 88%                  | 83%           | 90%  | 90%  | 93%           |
| Percentage of pupils who achieved the English Baccalaureate  | 2%   | 8%   | 8%            | 8%            | 10%                  | 9%            | n/a  | n/a  | 11%           |
|  |      |      | (14% entered) | (13% entered) | (11% entered)        | (16% entered) |      |      | (14% entered) |
|  |      |      |               |               |                      | APS 4.31      |      |      |               |

## Trustees' Annual Report (Continued)

The academy has as impressive alumni with students gaining places at the top vocational institutions or moving immediately into the world of work. Since opening, over 3,000 students have graduated from Birmingham Ormiston Academy and have forged successful careers across a diverse mix of industries. BOA alumni include Brit Award nominees, TV and West End stars and they work across a broad range of roles in the creative sector.

### **BOA Stage and Screen**

Our second academy opened in September 2021, providing programmes in the technical arts for Post 16 students across the region. Working with the creative industries, students study a series of professional practice qualifications building their skills and providing the technical support to those in the BOA Creative, Digital and Performing Arts academy and the shows at the Old Rep.

BOA Stage and Screen moved into a refurbished building in May with the latest technology, workshops, hair and beauty facilities, costume design and TV broadcast studio and equipment.

Student recruitment is good for September 2022 and will continue to improve as the first cohort leave with successful destinations.

### **BOA Digital**

The new academy, due to open in September 2022, takes a different direction for the Trust. It is our first academy with Key Stage 3. The academy trust's model of being regional and working in partnership with industry is at the centre of its ethos, with 120 students from across Birmingham and the wider West Midlands joining in September.

The DfE and OFSTED have passed the academy ready to open during the year. It is fully staffed and a new build will be handed over at the end of 2022.

Key Stage 3 students will experience working with Digital partners on projects to enhance their knowledge and skills.

### **The Old Rep Theatre**

In September 2014, the Trust won the tender to manage the Old Repertory Theatre in Birmingham. Through this venture, the Trust has taken a step closer to bridging the gap between education and the world of arts employment. The opportunities created through the Old Repertory Theatre allow students to develop their skills in areas including performance, administration and technical theatre arts. The Old Repertory Theatre provides students with invaluable spaces for lessons, workshops and rehearsals and in March 2019 the lease of the Theatre was renewed for a further 5 years.

### **Key Performance Indicators**

The Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular the amount of the unrestricted reserves plus restricted income reserves at year end.

## Trustees' Annual Report (Continued)

At 31 August 2022, the balance of the unrestricted and restricted income reserves was £432,000 (2021: £572,000), which is after transfers of £64,000 to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserve Policy section below.

As the majority of the Trust's funding is based on pupil numbers, pupil numbers are also a key performance indicator. The pupil numbers at the most recent census in October 2022 are 1,321 pupils.

Staffing costs are another key performance indicator for the Trust and the percentage of total staff costs to total education grant funding (being GAG funding plus other operating educational grants from the ESFA) for the year was 77.6%, while the percentage of staff costs to total costs (excluding depreciation and FRS 102 pension cost charges) was 68.2%.

### 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 each year in respect of a period of one year from the date of approval of the financial statements.

The Trustees have considered the impact that the COVID-19 pandemic has had on the operations of the Academy Trust. During the year, the Academy Trust received COVID-19 recovery premium funding and income for implementing mass lateral flow testing.

The Academy Trust has taken steps in minimising the impact for future periods with the preparation of financial modelling on the latest student number projections to minimise risks and to ensure costs are being minimised. The Academy Trust has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

## Financial Review

### Financial report for the year

The Academy Trust's financial results for the year are summarised in the Statement of Financial Activities on page 33 and its financial position at 31 August 2022 is shown in the Balance Sheet on page 34.

For the year ended 31 August 2022, the Academy Trust's total income (excluding capital grants) was £7,640,000 (2021: £6,452,000) while total expenditure (excluding depreciation and LGPS FRS 102 pension cost charges) was £7,780,000 (2021: £6,144,000), resulting in a net operating deficit for the year of £140,000 (2021: net operating surplus £308,000).

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of General Annual Grant (GAG), the use of which is restricted to particular purposes. The grants received during 2021/22 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

## **Trustees' Annual Report (Continued)**

### **Financial Review (continued)**

During the year, the Academy Trust received additional COVID-19 funding; Recovery premium funding and Mass testing funding. Recovery premium was deployed on provision to support students to catch up on missed learning caused by coronavirus.

Mass testing funding was used to support the costs associated with the coronavirus National Testing Programme including expenditure for PPE and testing equipment and supply agency COVID-19 testers.

The Academy Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31 August 2022 the net book value of fixed assets was £23,815,000 and movements in intangible and tangible fixed assets are shown in Notes 12 and 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy Trust.

Through tight budget management and close monitoring of cashflow, no financial difficulties were suffered by the Academy Trust. As at 31 August 2022, the Academy has net current assets of £432,000 (2021: net current assets of £572,000) and a bank balance of £1,376,000 (2021: £918,000). The Academy Trust will continue to monitor its finances closely so that it will be able to meet its obligations as they fall due.

Included in the Academy Trust's balance sheet at year end is a defined benefit pension scheme liability of £904,000 (2021: £2,838,000), which arises from the deficit in the Local Government Pension Scheme (LGPS) that is attributable to the trust. Further details regarding the deficit in the LGPS at 31 August 2022 are set out in Note 28 to the financial statements.

The key financial policies reviewed and adopted during the period included the Trust Scheme of Delegation, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Chief Executive, managers, budget holders and other staff, as well as the delegated authorities for spending.

The other financial policies reviewed and adopted during the period included:

- GAG Pooling and Reserves Policy

#### **Trading Subsidiary – Birmingham Ormiston Academy Theatre Limited**

The Financial Statements include the consolidation of the subsidiary company, Birmingham Ormiston Academy Theatre Limited (BOAT). BOAT represents the trading arm of the Old Rep Theatre. The Profit and Loss Account of the company for the twelve month period to 31 August 2022 is detailed in Note 14.

The Turnover of BOAT for the twelve months ending 31 August 2022 amounted to £426,000 (2021: £385,000) with an operating profit of £23,000 (2021: £36,000).

## Trustees' Annual Report (Continued)

### Reserves Policy

The Academy Trust reviews the reserve levels of the organisation annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Academy Trust has determined that the appropriate level of free reserves should be equivalent to 4 weeks expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy Trust's current level of operating reserves at 31 August 2022 is £432,000 (2021: £572,000). The Academy Trust intends to build up free reserves to the level required.

The value of the restricted fixed asset fund at 31 August 2022 is £23,815,000 (2021: £18,147,000), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2022 of £904,000 (2021: £2,838,000), which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make additional pension contributions over a number of years in order to fund the deficit.

These additional pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

### Investment Policy

The Academy Trust's investment powers are governed by the Articles of Association, which permits the Charitable Company to deposit or invest any funds not immediately required for the furtherance of its Objects. These funds must only be invested after obtaining advice from a financial expert as the Academy Trust considers necessary, after having regard to the suitability of investments and the need for diversification. There are currently no long term investments made by the Academy Trust.

### Risk Management

The Academy Trust has assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Trustees have implemented a number of systems to assess risks that the Academy Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with guidelines issued by the Charity Commission. The Academy Trust has an effective system of internal controls and this is explained in more detail later. The Executive Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Executive and the Audit and Risk Committee also receive regular reports from the Internal Auditor, which include recommendations for improvement.

## Trustees' Annual Report (Continued)

The Audit and Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Academy Trust's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Executive Team and the Audit and Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. The Executive regularly assesses the accuracy of the Academy Trust Risk Register.

### Principal Risks and Uncertainties

The Academy Trust has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Charitable Company's assets and reputation.

Based on its mission, the Audit and Risk Committee undertakes a comprehensive review of the risks to which the Academy Trust is exposed. They identify systems and procedures, including specific preventable actions, which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions.

In addition to the annual review, the Audit and Risk Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy Trust level which is reviewed by the Audit and Risk Committee at every committee meeting held during the year and more frequently where necessary.

The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy Trust and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the Academy Trust.

The principal risks and uncertainties facing the Academy Trust are as follows:

#### Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all applicable key stages. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

#### 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 & safety and discipline.

#### Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the year, approximately 94% of the Academy Trust's income was ultimately Government funded. Whilst this level is expected to continue, 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, particularly in light of continuing changes in the National Funding Formula for schools.



## Trustees' Annual Report (Continued)

Continuing increases in employment costs, including pension costs associated with both the Teachers' Pension Scheme and the Local Government Pension Scheme, and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balanced budgets in the future.

The Trustees examine the financial health of the Academy Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee meetings. Management Accounts are prepared monthly and shared with the Chair of the Board of Trustees.

At the balance sheet date, the Academy Trust reported a pupil number adjustment amounting to £528,000 relating to BOA Stage and Screen Production Academy, included within creditors. The Academy Trust has agreed to repay these monies to the ESFA over a 12 month period, commencing 1 September 2022. There are no other significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

### Staffing

The success of the Academy Trust is reliant on the quality of its staff, so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

### Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

### Fraud and mismanagement of funds

The Academy Trust has engaged Academy Advisory as internal auditor to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

### **Fundraising**

The Academy Trust carries out a limited amount of fundraising, mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds.

The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored at Executive Team level in compliance with relevant legal rules.

Recognised standards are applied to ensure that fundraising is open, honest and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure. There have been no complaints during the year.

## **Trustees' Annual Report (Continued)**

### **Plans for Future Periods**

On 1 September 2022, BOA Digital opened as a state-funded 11 to 18 academy based in Birmingham providing an outstanding and distinctive education through a digital and creative curriculum.

### **Funds Held as Custodian Trustee on Behalf of Others**

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy Trust does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

### **Disclosure of Information to Auditors**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Auditor**

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company Directors, on 6 December 2022 and signed on the board's behalf by:



**Professor Philip Thickett**

**Chair**

## Governance Statement

### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Birmingham Ormiston Academy 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The Academy Trust has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Birmingham Ormiston Academy 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 normally meets formally four times during the year however during 2021/22 the Board of Trustees has formally met five times with an additional meeting focussed on discussions for the recruitment of a new Chief Executive Officer. In addition, there have been regular meetings between the Chair of the Board and the CEO to discuss various governance matters and the Chair has updated the Trustees accordingly.

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

| Trustee                 | Meetings attended | Out of a possible |
|-------------------------|-------------------|-------------------|
| Gurdip Bhangoo          | 5                 | 5                 |
| Gaynor Cheshire (CEO)   | 3                 | 5                 |
| Hilary Hodgson          | 4                 | 5                 |
| Nick Hudson             | 4                 | 5                 |
| Kevin Mattinson         | 3                 | 5                 |
| David Silber            | 5                 | 5                 |
| Philip Thickett (Chair) | 5                 | 5                 |
| Jonnie Turpie           | 3                 | 5                 |
| Sarah Wood              | 5                 | 5                 |
| Leigh Yeomans           | 1                 | 5                 |

### Governance Review

During the academic year 2021-22 BOA Single Academy Trust converted to a Multi Academy Trust. Although the Trust has not yet undertaken a Governance Review, it has rewritten and adopted new Articles of Association and developed a new Governance Plan and Structure. All Members and Trustees were part of the design, development and final delivery of the new Governance Plan. This involved establishing new committees, new Academy Governing Boards and Scheme of Delegation. Both the Governance Plan and Articles were scrutinised and ultimately signed off by the DfE. A formal external Governance review will be undertaken during the 2022-23 academic year.

## **Governance Statement (continued)**

The Board regularly undertakes an audit of Trustees' skills to ensure there are no evident gaps of experience and knowledge. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Academy Trust.

Although the Board of Trustees met less than six times during the year, they have maintained effective financial oversight and governance through the formal work undertaken by the Finance and General Purposes Committee as detailed further below. This is a sub-Committee of the Board of Trustees and met three times respectively during the year. The minutes of these sub-Committee meetings are provided to the full Board of Trustees and the Chair of the sub-Committee reports to each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

### Finance and Resources Committee

The Finance and Resources Committee meets as often as is necessary to fulfil its responsibilities, and at least three times a year. The Committee has clear Terms of Reference, which is reviewed annually. Members are invited to join the Committee on the basis that they have appropriate skills and experience. Further training is provided as required.

The Finance and Resources Committee receive regular budget monitoring, provided in a consistent format and with explanatory notes, consider and ratify policies, scrutinise the Academy Trust budget forecast, ensure that the Academy Trust complies with agreed policies and procedures and challenge decision makers on spending proposals. The Committee considers the annual reports and financial statements of the Academy Trust, and makes recommendations to the Board, who approve core financial statements and documents. The Committee is serviced by an experienced governance professional.

The Finance and Resources Committee regularly reviews key financial policies and procedures. These include:

- Internal Financial Regulations and Scheme of Delegation
- Pay Policy
- Investments policy
- Disposals and write off policy
- Anti-Corruption policy
- GAG Pooling and Reserves Policy

Attendance at the Finance and General Purposes Committee meetings in the year was as follows:

| <b>Trustee</b>                       | <b>Meetings attended</b> | <b>Out of a possible</b> |
|--------------------------------------|--------------------------|--------------------------|
| Gaynor Cheshire (CEO)                | 3                        | 3                        |
| Kevin Mattinson (Chair of Committee) | 3                        | 3                        |
| David Silber                         | 2                        | 3                        |
| Philip Thickett                      | 3                        | 3                        |

The key issue dealt with by the Finance and General Purposes Committee was the review of the Academy Trust's five year financial plans detailing the expansion of the Trust for the two new academies.

## Governance Statement (continued)

### Audit and Risk Committee

The Audit and Risk Committee is also a sub-Committee of the Board of Trustees. Its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. It will report its findings annually to the Board of Trustees and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

This includes working with the Internal Auditor (in the 2021/22 financial year this was conducted by Academy Advisory), through an agreed Service Level Agreement.

The Committee considers the reports of the internal scrutiny reviews and makes recommendations. The Committee ensures that any actions recommended by the Internal Auditor are undertaken by staff. The Committee reviews the effectiveness of internal controls established to ensure that the aims, objectives and key performance targets of the academy are achieved in the most economic, effective and efficient manner.

Attendance at the Audit and Risk Committee meetings in the year was as follows:

| Trustee                         | Meetings attended | Out of a possible |
|---------------------------------|-------------------|-------------------|
| Sarah Wood (Chair of Committee) | 3                 | 3                 |
| Kevin Mattinson                 | 3                 | 3                 |
| David Silber                    | 2                 | 3                 |

### **Review of Value for Money**

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Trustees where value for money can be improved, including the use of benchmarking data where available.

The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

#### **Supporting students to reach their potential**

The Academy Trust is committed to providing a high quality distinctive education through a specialist curriculum. The curriculum is designed to offer both vocational and academic courses. Through a guided personalised learning experience, the Academy Trust aims to develop the specific talents, gifts and potential of each student and therefore maximise their life chances.

The Academy Trust has established very secure foundations on which to build for the future. There is a clear sense of direction, vision and ethos. The Academy Trust knows itself well. Roles, responsibilities and expectations are clear. Teaching and learning is good, often outstanding. Students take ownership of their learning and walking the academy gives you a real sense of their motivation and independence as learners.

In March 2017 the Academy Trust received a very good Ofsted report, in respect of Birmingham Ormiston Creative, Digital and Performing Arts Academy. The areas for improvement have been addressed in the development plan.

## **Governance Statement (continued)**

### **Robust governance and oversight of Academy Trust's finances**

The Board is committed to ensuring that governance of the Academy Trust's financial management is robust. The Board is cognisant of their responsibilities in ensuring that the Academy's resources are managed effectively, to support the objectives in the Academy Trust's Development Plan, whilst considering the long term development of the Academy Trust. The Academy Trust's Board, Executive Team and staff strive for the best possible outcomes for pupils, achieved at reasonable cost.

All Trustees and staff are required to complete a Register of Pecuniary Interests form annually.

### **Ensuring that the Academy Trust gains good value for money, and effective and efficient use of resources**

The Academy Trust takes a prudent approach to expenditure. As nearly 70% of the Academy Trust's budget is spent on staffing, the staffing structure is reviewed annually to ensure that it is fit for purpose and can adapt and respond to support the successful attainment of the objectives within the Academy Trust's development plan. Creative use of human resources demonstrates a commitment to using staff skills effectively, and staff are encouraged to use their particular areas of expertise to benefit pupil outcomes.

The Academy Trust has a high proportion of skilled and experienced support staff, thus ensuring that pupil:staff ratios are maintained at a high level whilst providing value for money. Staff are deployed to provide best value, and temporary changes to permanent contracts are frequently used to meet the needs of the academy. Secondment opportunities are also beneficial in improving retention rates, thus reducing costs. Teachers' performance management and support staff appraisal systems are in place, and HR policies, such as Managing Absence, Whistleblowing and Dignity at Work, are implemented.

In the 2021/22 financial year, the Academy Trust's payroll was maintained by UHY Hacker Young. Detailed monthly reconciliations of payroll by the Finance Officer and Group Management Accountant ensure that payments to staff are correct.

The Academy Trust's Internal Financial Regulations is strictly followed by all staff who have financial responsibilities. These regulations set out systems for:

- The accounting system
- Financial planning
- Payroll
- Purchasing
- Income
- Cash management
- Fixed assets
- Insurance

The Regulations also set out responsibilities for staff, including the Chief Executive Officer; Principals; the Chief Finance Officer; Internal Auditor; Group Management Accountant; Finance Officer; and Budget Holders.

All the financial transactions of the Academy Trust are recorded on the Hoge 100 accounting system. Access permissions to Hoge 100 are strictly controlled.

## **Governance Statement (continued)**

All purchasing follows best value principles. A scheme of delegation is in place, as are separation of duties. Purchases of over £10,000 require three written quotations. All goods and services ordered with a value of over £30,000, or for a series of contracts which in total exceed £30,000 are subject to formal tendering procedures and authorised by the Finance and Resources Committee. Purchases over £156,442 fall under the Government's "Find a Tender" procurement rules. Competitive tendering procedures are detailed in the Internal Financial Regulations. Trustees and staff accept that best value quotes may not be the cheapest as other factors, including workmanship and quality of services, need to be considered.

During the year ending 31 August 2022, the Academy Trust undertook a procurement exercise, utilising an external energy broker, for the supply of electricity and gas for Birmingham Ormiston Creative, Digital and Performing Arts Academy, BOA Stage and Screen Production Academy and its trading subsidiary; Birmingham Ormiston Academy Theatre Limited.

The Academy Trust will continue to strive for value for money in all its future transactions.

### **Maximising income generation**

The Academy Trust has a lettings policy in place and explores opportunities to generate income through the hire of the site. A proactive approach is taken towards preparing funding bids and generating revenue streams in order to maximise income generation.

### **Reviewing controls and managing risks**

The Academy Trust regularly reviews its Risk Management Strategy, Business Continuity Plan and Risk Register. From 1 September 2018, the Academy Trust opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. A Reserves policy is in place, which considers potential risks when calculating the optimum level of reserves held by the Academy.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place within the Trust for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Academy Trust has reviewed the key risks to which it is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Academy Trust is of the view that there is a formal ongoing process for identifying, evaluating and managing its significant risks that has been in place for the year ended 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Academy Trust.

### **The Risk and Control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Academy Trust;

## Governance Statement (continued)

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

The Board of Trustees has outsourced the internal scrutiny function to a firm of internal auditors, Academy Advisory. Academy Advisory's role includes providing an overall assurance opinion on the Academy Trust's systems and internal controls of agreed areas across the Academy Trust.

During the 2021-22 academic year, the internal scrutiny reviews reported on the following areas:

- Financial Systems and controls
- Information Technology and Cyber
- Risk Management

The internal auditor reports to the Board of Trustees, through the Audit and Risk Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their program of work during the year ended 31 August 2022 as planned and no significant internal control weaknesses were identified from the work completed.


### Review of Effectiveness

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

- The work of the internal auditor, Academy Advisory
- The work of the external auditor, Cooper Parry
- The financial management and governance self-assessment process, including the School Resource Management Self-Assessment Tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

As Accounting Officer, the Chief Executive Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on its behalf by:

  
**Professor Philip Thickett**  
Chair

  
**Mrs Katharine Tague**  
Accounting Officer



## Birmingham Ormiston Academy

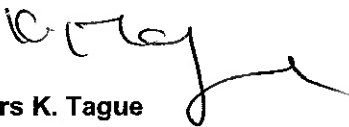
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### Statement on Regularity, Propriety and Compliance

As Accounting Officer of Birmingham Ormiston Academy, I have considered my responsibility to notify the Academy Trust's Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academy Trust Handbook 2021.

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 K. Tague

Accounting Officer

Date: 6/12/2022

## Statement of Trustees' Responsibilities

The Trustees (who are also 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 Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 6 December 2022 and signed on their behalf by:



**Professor Philip Thickett**

Chair

Date: 6/12/2022

## Opinion

We have audited the financial statements of Birmingham Ormiston Academy (the 'parent Academy Trust') and its subsidiary (the 'Group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the consolidated balance sheet, the parent Academy Trust balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy Trust's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011, the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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; and
- 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 Group and the parent Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

- the parent Academy Trust has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Academy Trust financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 trustees' responsibilities statement, the Trustees (who are also the directors of the Parent Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent Academy Trust or to cease operations, or have no realistic alternative but to do so.

## Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the Group and its parent Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement.

These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academy Trust Handbook 2021, the Academies Accounts Direction 2021 to 2022, taxation legislation, data protection, anti-bribery and employment legislation. We are not responsible for preventing irregularities.

## Auditors' responsibilities for the audit of the financial statements (continued)

Our approach to detecting irregularities included, but was not limited to, the following:

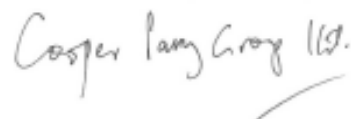
- obtaining an understanding of the legal and regulatory framework applicable to the Group and its parent Academy Trust and how the Group and its parent Academy Trust are complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Group and its parent Academy Trust's control environment and how the Group and its parent Academy Trust have applied relevant control procedures, through discussions with management, consideration of the results of the internal scrutiny function and by performing walkthrough testing over key areas;
- obtaining an understanding of the Group and its parent Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error. Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

## Use of our report

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



**Simon Atkins FCA (senior statutory auditor)**

for and on behalf of  
**Cooper Parry Group Limited**  
Chartered Accountants  
Statutory Auditor

Cubo Birmingham  
Office 401, 4th Floor  
Two Chamberlain Square  
Birmingham  
B3 3AX

Date: 13 December 2022

## **Independent Reporting Accountant's Assurance Report on Regularity to Birmingham Ormiston Academy and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 29 July 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Birmingham Ormiston Academy during the year 1 September 2021 to 31 August 2022 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 Birmingham Ormiston Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Birmingham Ormiston Academy 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 Birmingham Ormiston Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Birmingham Ormiston Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Birmingham Ormiston Academy's funding agreement with the Secretary of State for Education dated 2 March 2010 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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


The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year;
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

# **Independent Reporting Accountant's Assurance Report on Regularity to Birmingham Ormiston Academy and the Education and Skills Funding Agency**

## **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Reporting Accountant**  
**Cooper Parry Group Limited**  
Chartered Accountants

Date: 13 December 2022

## Birmingham Ormiston Academy

### Consolidated Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account and Statement of Recognised Gains and Losses)

|   | Note  | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>Funds<br>£000 | Restricted<br>Fixed<br>Asset<br>Funds<br>£000 | 2021/22<br>Total<br>£000 | 2020/21<br>Restated<br>Total<br>£000 |
|---|-------|-------------------------------|--|---|--------------------------|--------------------------------------|
| <b>Income and Endowments from:</b>                            |       |                               |  |   |                          |                                      |
| Donations and capital grants                                  | 2     | 56                            | -                                      | 6,201   | <b>6,257</b>             | 65                                   |
| Other trading activities                                      | 4     | 455                           | -                                      | -   | <b>455</b>               | 35                                   |
| Investments   | 5     | -                             | -                                      | -   | -                        | -                                    |
| Charitable activities:  |       |                               |  |   |                          |                                      |
| . Funding for the academy trust's educational operations      | 3     | -                             | 7,129                                  | -   | <b>7,129</b>             | 6,377                                |
| <b>Total</b>  |       | <b>511</b>                    | <b>7,129</b>                           | <b>6,201</b>                                  | <b>13,841</b>            | <b>6,477</b>                         |
| <b>Expenditure on:</b>  |       |                               |  |   |                          |                                      |
| Charitable activities:  |       |                               |  |   |                          |                                      |
| . Academy trust educational operations                        | 7     | 485                           | 7,629                                  | 597   | <b>8,711</b>             | 6,903                                |
| <b>Total</b>  |       | <b>485</b>                    | <b>7,629</b>                           | <b>597</b>                                    | <b>8,711</b>             | <b>6,903</b>                         |
| <b>Net income/(expenditure)</b>                               |       | <b>26</b>                     | <b>(500)</b>                           | <b>5,604</b>                                  | <b>5,130</b>             | <b>(426)</b>                         |
| Transfers between funds                                       | 18    | -                             | (64)                                   | 64  | -                        | -                                    |
| <b>Other recognised gains / (losses):</b>                     |       |                               |  |   |                          |                                      |
| Actuarial gains / (losses) on defined benefit pension schemes | 18,28 | -                             | 2,332                                  | -   | <b>2,332</b>             | (349)                                |
| <b>Net movement in funds</b>                                  |       | <b>26</b>                     | <b>1,768</b>                           | <b>5,668</b>                                  | <b>7,462</b>             | <b>(775)</b>                         |
| <b>Reconciliation of funds</b>                                |       |                               |  |   |                          |                                      |
| Total funds brought forward                                   | 18    | 33                            | (2,299)                                | 18,147  | <b>15,881</b>            | 16,656                               |
| <b>Total funds carried forward</b>                            |       | <b>59</b>                     | <b>(531)</b>                           | <b>23,815</b>                                 | <b>23,343</b>            | <b>15,881</b>                        |

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.



## Birmingham Ormiston Academy

### Consolidated Balance Sheet as at 31 August 2022

Company Number: 06832416

|   | Notes | 2022<br>£000   | 2022<br>£000  | 2021<br>£000 | 2021<br>£000   |
|---|-------|----------------|---------------|--------------|----------------|
| <b>Fixed assets</b>                                     |       |                |               |              |                |
| Intangible assets                                       | 12a   |                | 16            |              | 11             |
| Tangible assets   | 13a   |                | 23,799        |              | 18,136         |
| Investments   | 14    |                | -             |              | -              |
| <b>Current assets</b>                                   |       |                |               |              |                |
| Stock   | 15    | 4              |               | 1            |                |
| Debtors   | 16    | 310            |               | 212          |                |
| Cash at bank and in hand                                |       | 1,376          |               | 918          |                |
|   |       | <u>1,690</u>   |               | <u>1,131</u> |                |
| <b>Liabilities:</b>                                     |       |                |               |              |                |
| Creditors: Amounts falling due within one year          | 17    | <u>(1,258)</u> |               | <u>(559)</u> |                |
| <b>Net current assets</b>                               |       |                | <u>432</u>    |              | <u>572</u>     |
| <b>Total assets less current liabilities</b>            |       |                | <u>24,247</u> |              | <u>18,719</u>  |
| Creditors: Amounts falling due after more than one year |       |                | -             |              | -              |
| <b>Net assets excluding pension liability</b>           |       |                | <u>24,247</u> |              | <u>18,719</u>  |
| Defined benefit pension scheme liability                | 28    |                | <u>(904)</u>  |              | <u>(2,838)</u> |
| <b>Total net assets</b>                                 |       |                | <u>23,343</u> |              | <u>15,881</u>  |
| <b>Funds of the academy trust:</b>                      |       |                |               |              |                |
| <b>Restricted funds</b>                                 |       |                |               |              |                |
| . Fixed asset fund                                      | 18    |                | 23,815        |              | 18,147         |
| . Restricted income fund                                | 18    |                | 373           |              | 539            |
| . Pension reserve                                       | 18    |                | (904)         |              | (2,838)        |
| <b>Total restricted funds</b>                           |       |                | <u>23,284</u> |              | <u>15,848</u>  |
| <b>Unrestricted income funds</b>                        | 18    |                | 59            |              | 33             |
| <b>Total funds</b>                                      |       |                | <u>23,343</u> |              | <u>15,881</u>  |

The financial statements on pages 32 to 58 were approved by the Trustees, and authorised for issue on 6 December 2022 and signed on their behalf by:

  
**Professor Philip Thickett**  
 Chair of Trustees

The notes on pages 36 to 58 form part of these financial statements.

## Birmingham Ormiston Academy

### Balance Sheet as at 31 August 2022 (Academy Trust Only) Company Number: 06832416

|   | Notes | 2022<br>£000 | 2022<br>£000  | 2021<br>£000 | 2021<br>£000  |
|---|-------|--------------|---------------|--------------|---------------|
| <b>Fixed assets</b>                                     |       |              |               |              |               |
| Intangible assets                                       | 12b   |              | 16            |              | 11            |
| Tangible assets   | 13b   |              | 23,785        |              | 18,119        |
| Investments   | 14    |              | -             |              | -             |
| <b>Current assets</b>                                   |       |              |               |              |               |
| Stock   | 15    | 2            |               | -            |               |
| Debtors   | 16    | 301          |               | 178          |               |
| Intercompany Debt                                       |       | 3            |               | 17           |               |
| Cash at bank and in hand                                |       | 1,256        |               | 755          |               |
|   |       | <u>1,562</u> |               | <u>950</u>   |               |
| <b>Liabilities:</b>                                     |       |              |               |              |               |
| Creditors: Amounts falling due within one year          | 17    | (1,157)      |               | (411)        |               |
| <b>Net current assets</b>                               |       |              | <u>405</u>    |              | <u>539</u>    |
| <b>Total assets less current liabilities</b>            |       |              | <u>24,206</u> |              | <u>18,669</u> |
| Creditors: Amounts falling due after more than one year |       |              | -             |              | -             |
| <b>Net assets excluding pension liability</b>           |       |              | <u>24,206</u> |              | <u>18,669</u> |
| Defined benefit pension scheme liability                | 28    |              | (904)         |              | (2,838)       |
| <b>Total net assets</b>                                 |       |              | <u>23,302</u> |              | <u>15,831</u> |
| <b>Funds of the academy trust:</b>                      |       |              |               |              |               |
| <b>Restricted funds</b>                                 |       |              |               |              |               |
| . Fixed asset fund                                      | 18    |              | 23,801        |              | 18,130        |
| . Restricted income fund                                | 18    |              | 373           |              | 539           |
| . Pension reserve                                       | 18    |              | (904)         |              | (2,838)       |
| <b>Total restricted funds</b>                           |       |              | <u>23,270</u> |              | <u>15,831</u> |
| <b>Unrestricted income funds</b>                        | 18    |              | 32            |              | -             |
| <b>Total funds</b>                                      |       |              | <u>23,302</u> |              | <u>15,831</u> |

The financial statements on pages 32 to 58 were approved by the Trustees, and authorised for issue on 6 December 2022 and signed on their behalf by:

  
**Professor Philip Thickett**  
 Chair of Trustees

The notes on pages 36 to 58 form part of these financial statements.

## Birmingham Ormiston Academy

### Consolidated Cash Flow Statement for the Year Ended 31 August 2022

|  | Notes | 2022<br>£000 | 2021<br>£000 |
|--|-------|--------------|--------------|
| <b>Cash flows from operating activities</b>                        |       |              |              |
| Net cash provided by operating activities                          | 23    | 522          | 275          |
| Cash flows from investing activities                               | 24    | (64)         | (52)         |
| Cash flows from financing activities                               |       | -            | -            |
| <b>Change in cash and cash equivalents in the reporting period</b> | 26    | <u>458</u>   | <u>223</u>   |
| <b>Reconciliation of net cash flow to movement in net funds</b>    |       |              |              |
| Cash and cash equivalents at 1 September 2021                      |       | 918          | 695          |
| <b>Cash and cash equivalents at 31 August 2022</b>                 | 25    | <u>1,376</u> | <u>918</u>   |

The notes on pages 36 to 58 form part of these financial statements.

# Birmingham Ormiston Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022

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### 1. Statement of Accounting Policies

#### Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Statement of Financial Activities as set out on page 32 identifies the identical information as that of the Income and Expenditure Statement. As such, no separate Income and Expenditure Statement has been prepared.

#### Basis of Consolidation

The consolidated financial statements include the Academy and its subsidiary undertaking. Details of the subsidiary undertaking included are set out in Note 14. Intra-group balances are eliminated on consolidation.

A summary of the principal accounting policies, which have been applied consistently, except where noted, are set out below.

#### Going concern

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

The trustees have considered the impact of increases to costs on the operations and has taken steps in minimising the impact for future periods with the preparation of financial modelling on the latest student number projections to minimise risks. Accordingly, the Academy Trust has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

#### Income

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

- **Grants**

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant 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.

# Birmingham Ormiston Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022

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### 1. Statement of Accounting Policies (continued)

- **Agency arrangements**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administrative costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in Note 30.

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

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

- **Donated fixed assets**

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

### **Expenditure**

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

- **Expenditure on Raising Funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements for the Year Ended 31 August 2022

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**1. Statement of Accounting Policies (continued)**

**Intangible fixed assets**

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

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

- Purchased computer software 20.0%
- Intellectual property rights 20.0%

**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. However, where assets costing less than the capitalisation threshold, are purchased collectively to a material overall value then they will be capitalised as a group.

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, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

- Long leasehold building 2.0%
- Leasehold buildings 20.0%
- Fixtures, fittings and equipment 12.5%
- Computer hardware 20.0%

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

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

**Leased Assets**

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

**Financial Instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

# Birmingham Ormiston Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022

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### 1. Statement of Accounting Policies (continued)

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

#### **Stock**

Catering stocks are valued at the lower of cost or net realisable value.

#### **Taxation**

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

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

#### **Pensions Benefit**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

#### **Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education & Skills Funding Agency (ESFA) or the Department for Education.

# Birmingham Ormiston Academy

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 1. Statement of Accounting Policies (continued)

#### Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in Note 28, will impact the carrying amount of the pension's liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

| 2. Donations and capital grants            | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | 2021/22<br>Total<br>£000 | 2020/21<br>Total<br>£000<br>Restated |
|--|-------------------------------|-----------------------------|--------------------------|--------------------------------------|
| <b>DfE / ESFA capital grants</b>           |                               |                             |                          |                                      |
| . Devolved Formula Capital allocations     | -                             | 39                          | 39                       | 25                                   |
| . Other DfE / ESFA Capital grants          | -                             | 450                         | 450                      | -                                    |
| . Donations - Inherited Capital            | -                             | 573                         | 573                      | -                                    |
| . Donations - Inherited Land and Buildings | -                             | 5,139                       | 5,139                    | -                                    |
|  | <u>-</u>                      | <u>6,201</u>                | <u>6,201</u>             | <u>25</u>                            |
| Private Sponsorship                        | 49                            | -                           | 49                       | 31                                   |
| Other donations                            | 7                             | -                           | 7                        | 9                                    |
|  | <u>56</u>                     | <u>6,201</u>                | <u>6,257</u>             | <u>65</u>                            |
| 2020/21 - Restated                         | <u>40</u>                     | <u>25</u>                   | <u>65</u>                |                                      |

During the 2021/22 financial year, the academy trust's Devolved Formula Capital has been reclassified and the allocation received is recognised within Note 2. In 2020/21 the allocation was included within Note 3; Funding for Academy Trust's educational operations.



## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 3. Funding for Academy Trust's educational operations

|   | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | 2021/22<br>Total<br>£000 | 2020/21<br>Total<br>£000<br>Restated |
|---|-------------------------------|-----------------------------|--------------------------|--------------------------------------|
| <b>DfE/ESFA revenue grants</b>                    |                               |                             |                          |                                      |
| . General Annual Grant (GAG)                      | -                             | 6,263                       | 6,263                    | 5,647                                |
| . Other DfE / ESFA grants                         | -                             | 321                         | 321                      | 75                                   |
| . Pupil Premium                                   | -                             | 41                          | 41                       | 44                                   |
| . Project Development Grant                       | -                             | 141                         | 141                      | 327                                  |
| . Teachers Pay Grant                              | -                             | 60                          | 60                       | -                                    |
| . Start Up Leadership grant                       | -                             | 208                         | 208                      | -                                    |
|   | -                             | <u>7,034</u>                | <u>7,034</u>             | <u>6,093</u>                         |
| <b>Other Government grants</b>                    |                               |                             |                          |                                      |
| . Local authority grants                          | -                             | 43                          | 43                       | 14                                   |
| . Other   | -                             | 10                          | 10                       | 42                                   |
| <b>Covid-19 additional funding (DfE/ESFA)</b>     |                               |                             |                          |                                      |
| . Catch Up Premium                                | -                             | -                           | -                        | 29                                   |
| . Recovery Premium                                | -                             | 6                           | 6                        | -                                    |
| . Other DfE/ESFA Covid-19 Funding                 | -                             | 19                          | 19                       | 44                                   |
| <b>Covid-19 additional funding (non DfE/ESFA)</b> |                               |                             |                          |                                      |
| . Coronavirus Job Retention Scheme Grant          | -                             | -                           | -                        | 35                                   |
| . Other Covid-19 Funding                          | -                             | 17                          | 17                       | 120                                  |
|   | -                             | <u>95</u>                   | <u>95</u>                | <u>284</u>                           |
|   | -                             | <u>7,129</u>                | <u>7,129</u>             | <u>6,377</u>                         |
| 2020/21 - Restated                                | -                             | <u>6,377</u>                | <u>6,377</u>             |                                      |

The academy trust received £6k of funding for COVID-19 recovery premium (2021: £0) and costs incurred in respect of this funding totalled £6k (2021: £0).

#### 4. Other Trading Activities

|                                | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | 2021/22<br>Total<br>£000 | 2020/21<br>Total<br>£000 |
|--------------------------------|-------------------------------|-----------------------------|--------------------------|--------------------------|
| Old Rep Theatre Income         | 217                           | -                           | 217                      | 28                       |
| Academy trips                  | 14                            | -                           | 14                       | -                        |
| Income from Trading Activities | 206                           | -                           | 206                      | -                        |
| Sundry income                  | 18                            | -                           | 18                       | 7                        |
|                                | <u>455</u>                    | <u>-</u>                    | <u>455</u>               | <u>35</u>                |
| 2020/21                        | <u>35</u>                     | <u>-</u>                    | <u>35</u>                |                          |

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 5. Investment Income

|                     | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | 2021/22<br>Total<br>£000 | 2020/21<br>Total<br>£000 |
|---------------------|-------------------------------|-----------------------------|--------------------------|--------------------------|
| Short term deposits | -                             | -                           | -                        | -                        |

#### 6. Expenditure

|                                   | Staff<br>Costs<br>£000 | Non Pay<br>Premises<br>£000 | Expenditure<br>Other<br>£000 | Total<br>2021/22<br>£000 | Total<br>2020/21<br>£000 |
|-----------------------------------|------------------------|-----------------------------|------------------------------|--------------------------|--------------------------|
| Academy's educational operations: |                        |                             |                              |                          |                          |
| . Direct costs                    | 4,185                  | 105                         | 985                          | 5,275                    | 4,169                    |
| . Allocated support costs         | 1,282                  | 1,459                       | 695                          | 3,436                    | 2,734                    |
|                                   | <b>5,467</b>           | <b>1,564</b>                | <b>1,680</b>                 | <b>8,711</b>             | <b>6,903</b>             |

#### Net income/(expenditure) for the period includes:

|  | 2021/22<br>£000 | 2020/21<br>£000 |
|--|-----------------|-----------------|
| Operating lease rentals  | 167             | 121             |
| Depreciation   | 592             | 506             |
| (Gain)/loss on disposal of fixed assets  | -               | -               |
| Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations) | 5               | 5               |
| Fees payable to auditor for:   |                 |                 |
| - audit  | 24              | 21              |
| - other services   | 1               | 1               |

Included within expenditure are the following transactions:

|                     | Total £ | Individual items above<br>£5,000 |            |
|---------------------|---------|----------------------------------|------------|
|                     |         | Amount<br>£                      | Reason     |
| Unrecoverable debts | 4,529   | -                                | -          |
| Staff Restructuring | 18,565  | 18,565                           | Redundancy |
| Staff Restructuring | 7,229   | 7,229                            | Redundancy |

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 7. Charitable Activities

|   | 2021/22      | 2020/21      |
|---|--------------|--------------|
|   | £000         | £000         |
| <b>Direct costs - educational operations</b>  | 5,275        | 4,169        |
| <b>Support costs - educational operations</b> | 3,436        | 2,734        |
|   | <b>8,711</b> | <b>6,903</b> |
| <br><b>Analysis of support costs</b>          |              |              |
| Support staff costs                           | 1,282        | 1,112        |
| Depreciation                                  | 487          | 452          |
| Amortisation of intangible fixed assets       | 5            | 5            |
| Technology costs                              | 5            | 5            |
| Premises costs                                | 967          | 655          |
| Legal costs – MAT conversion                  | 1            | 3            |
| Legal costs - Other                           | 17           | 21           |
| Other support costs                           | 595          | 409          |
| Governance costs                              | 77           | 72           |
| <b>Total support costs</b>                    | <b>3,436</b> | <b>2,734</b> |

#### 8. Staff Costs

##### a. Staff costs during the period were:

|   | 2021/22      | 2020/21      |
|---|--------------|--------------|
|   | Total        | Total        |
|   | £000         | £000         |
| Wages and salaries                      | 3,843        | 3,292        |
| Social security costs                   | 421          | 356          |
| Pension costs                           | 1,084        | 897          |
|   | <b>5,348</b> | <b>4,545</b> |
| Agency staff costs                      | 90           | 27           |
| Staff restructuring costs               | 29           | 2            |
|   | <b>5,467</b> | <b>4,574</b> |
| <br>Staff restructuring costs comprise: |              |              |
| Redundancy payments                     | 29           | 2            |
| Severance payments                      | -            | -            |
|   | <b>29</b>    | <b>2</b>     |

##### b. Non-statutory/non-contractual severance payments

Included within redundancy payments are 4 payments totalling £28,129 paid to 4 employees. Of this total £0 related to non-contractual payments (2021: £1,968 paid to 3 employees).

##### c. Staff numbers

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

|                            | 2021/22    | 2020/21   |
|----------------------------|------------|-----------|
|                            | No.        | No.       |
| Teachers                   | 53         | 47        |
| Administration and support | 39         | 34        |
| Management                 | 11         | 9         |
|                            | <b>103</b> | <b>90</b> |

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

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#### 8. Staff costs (continued)

##### d. Higher paid staff

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

|                     | 2021/22  | 2020/21  |
|---------------------|----------|----------|
|                     | No.      | No.      |
| £60,001 - £70,000   | 4        | 2        |
| £70,001 - £80,000   | 1        | 1        |
| £80,001 - £90,000   | 1        | 1        |
| £140,001 - £150,000 | 1        | 1        |
|                     | <u>7</u> | <u>5</u> |

Six of the above employees participated in the Teachers' Pension Scheme. During the period to 31 August 2022, pension contributions for these staff amounted to £102,000 (2021: £71,000, 4 employees)

##### e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £1,118,409 (2021: £861,000).

#### 9. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The Principals and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

|                                       |                   |                           |
|---------------------------------------|-------------------|---------------------------|
| Ms G Cheshire (CEO and Trustee)       |                   |                           |
| Remuneration                          | £145,000-£150,000 | (2021: £145,000-£150,000) |
| Employer's pension contributions paid | £nil              | (2021: £nil)              |

During the period ended 31 August 2022, travel and subsistence expenses totalling £354 were reimbursed or paid directly to 2 trustees (2021: £90 to 1 trustee).

Related party transactions involving the trustees are set out in Note 29.

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

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#### 10. Central Services

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

- . Leadership, Finance and Admin support
- . Educational support services
- . Audit fees
- . Governance and Human Resources

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

- . A rate of 12% of GAG income which is considered to broadly represent the relative size and complexity of the constituent academy.

The actual amounts charged during the year were as follows:

|   | 2021/22<br>£000 | 2020/21<br>£000 |
|---|-----------------|-----------------|
| Birmingham Ormiston Academy             | 607             | -               |
| BOA Stage and Screen Production Academy | -               | -               |
|   | <u>607</u>      | <u>-</u>        |

There were no charges for Central Services in the 2020/21 financial year as a Single Academy Trust.

#### 11. Trustees and Officers Insurance

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

The cost of this insurance is included in the total insurance cost.

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 12a. Intangible Fixed Assets - Group

|   | Group<br>Intellectual<br>Property<br>Rights<br>£000 | Group<br>Computer<br>Software<br>£000 | Group<br>Total<br>£000 |
|---|---|---------------------------------------|------------------------|
| <b>Cost</b>                                 |   |                                       |                        |
| At 1 September 2021                         | 17  | 27                                    | 44                     |
| Additions                                   | 8   | 2                                     | 10                     |
| Disposals                                   | -   | -                                     | -                      |
| At 31 August 2022                           | 25  | 29                                    | 54                     |
| <b>Amortisation</b>                         |   |                                       |                        |
| At 1 September 2021                         | 9   | 24                                    | 33                     |
| Charged in year                             | 3   | 2                                     | 5                      |
| Disposals                                   | -   | -                                     | -                      |
| At 31 August 2022                           | 12  | 26                                    | 38                     |
| Carrying amount<br><b>At 31 August 2022</b> | <b>13</b>   | <b>3</b>                              | <b>16</b>              |
| At 31 August 2021                           | 8   | 3                                     | 11                     |

#### 12b. Intangible Fixed Assets – Trust only

|   | Trust<br>Intellectual<br>Property<br>Rights<br>£000 | Trust<br>Computer<br>Software<br>£000 | Trust<br>Total<br>£000 |
|---|---|---------------------------------------|------------------------|
| <b>Cost</b>                                 |   |                                       |                        |
| At 1 September 2021                         | 17  | 27                                    | 44                     |
| Additions                                   | 8   | 2                                     | 10                     |
| Disposals                                   | -   | -                                     | -                      |
| At 31 August 2022                           | 25  | 29                                    | 54                     |
| <b>Amortisation</b>                         |   |                                       |                        |
| At 1 September 2021                         | 9   | 24                                    | 33                     |
| Charged in year                             | 3   | 2                                     | 5                      |
| Disposals                                   | -   | -                                     | -                      |
| At 31 August 2022                           | 12  | 26                                    | 38                     |
| Carrying amount<br><b>At 31 August 2022</b> | <b>13</b>   | <b>3</b>                              | <b>16</b>              |
| At 31 August 2021                           | 8   | 3                                     | 11                     |

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 13a. Tangible Fixed Assets - Group

|                        | Group<br>Leasehold<br>Land and<br>Buildings<br>£000 | Group<br>Furniture and<br>Equipment<br>£000 | Group<br>Computer<br>Equipment<br>£000 | Group<br>Total<br>£000 |
|------------------------|---|---|--|------------------------|
| <b>Cost</b>            |   |   |  |                        |
| At 1 September 2021    | 22,519  | 1,217                                       | 774                                    | 24,510                 |
| Additions              | -   | 197   | 346                                    | 543                    |
| Transfers              | -   | -   | -                                      | -                      |
| Inherited assets       | 5,139   | 274   | 299                                    | 5,712                  |
| Disposals              | -   | -   | (26)                                   | (26)                   |
| At 31 August 2022      | <u>27,658</u>                                       | <u>1,688</u>                                | <u>1,393</u>                           | <u>30,739</u>          |
| <b>Depreciation</b>    |   |   |  |                        |
| At 1 September 2021    | 4,517   | 1,142                                       | 715                                    | 6,374                  |
| Charged in year        | 487   | 39  | 66                                     | 592                    |
| Disposals              | -   | -   | (26)                                   | (26)                   |
| At 31 August 2022      | <u>5,004</u>  | <u>1,181</u>                                | <u>755</u>                             | <u>6,940</u>           |
| <b>Net book values</b> |   |   |  |                        |
| At 31 August 2022      | <u>22,654</u>                                       | <u>507</u>                                  | <u>638</u>                             | <u>23,799</u>          |
| At 31 August 2021      | 18,002  | 75  | 59                                     | 18,136                 |

#### 13b. Tangible Fixed Assets - Trust only

|                        | Trust<br>Leasehold<br>Land and<br>Buildings<br>£000 | Trust<br>Furniture and<br>Equipment<br>£000 | Trust<br>Computer<br>Equipment<br>£000 | Trust<br>Total<br>£000 |
|------------------------|---|---|--|------------------------|
| <b>Cost</b>            |   |   |  |                        |
| At 1 September 2021    | 22,519  | 1,195                                       | 774                                    | 24,488                 |
| Additions              | -   | 197   | 346                                    | 543                    |
| Transfers              | -   | -   | -                                      | -                      |
| Inherited assets       | 5,139   | 274   | 299                                    | 5,712                  |
| Disposals              | -   | -   | (26)                                   | (26)                   |
| At 31 August 2022      | <u>27,658</u>                                       | <u>1,666</u>                                | <u>1,393</u>                           | <u>30,717</u>          |
| <b>Depreciation</b>    |   |   |  |                        |
| At 1 September 2021    | 4,517   | 1,137                                       | 715                                    | 6,369                  |
| Charged in year        | 487   | 36  | 66                                     | 589                    |
| Disposals              | -   | -   | (26)                                   | (26)                   |
| At 31 August 2022      | <u>5,004</u>  | <u>1,173</u>                                | <u>755</u>                             | <u>6,932</u>           |
| <b>Net book values</b> |   |   |  |                        |
| At 31 August 2022      | <u>22,654</u>                                       | <u>493</u>                                  | <u>638</u>                             | <u>23,785</u>          |
| At 31 August 2021      | 18,002  | 58  | 59                                     | 18,119                 |

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 14. Investments

The following is a summary of the financial statements of Birmingham Ormiston Academy Theatre Limited (company registration number 09160896) for the period to 31 August 2022, which have been included in the consolidated financial statements.

|   | 2021/22<br>£000 | 2020/21<br>£000 |
|---|-----------------|-----------------|
| Investment in wholly owned subsidiary company at cost | -               | -               |

A summary of the results for the year ended 31 August 2022 and the Balance Sheet position at 31 August 2022 is shown below:

|  | 2021/22<br>£000 | 2020/21<br>£000 |
|--|-----------------|-----------------|
| <b>Profit and loss account</b>                       | <b>£000</b>     | <b>£000</b>     |
| Turnover   | 426             | 385             |
| Cost of sales  | (130)           | (108)           |
| Gross profit   | 296             | 277             |
| Interest received                                    |                 |                 |
| Administrative expenses                              | (273)           | (241)           |
| Profit on ordinary activities after Gift Aid payment | 23              | 36              |
| Retained profits brought forward at 1 September      | 50              | 14              |
| 2020/21 profits gifted to Parent Company             | (32)            | -               |
| Retained profits carried forward at 31 August        | 41              | 50              |
| <b>Balance sheet</b>                                 |                 |                 |
| Called up share capital                              | -               | -               |
| Net assets   | 41              | 50              |

The audit report for Birmingham Ormiston Academy Theatre Limited for the year ended 31 August 2022 was unqualified.

#### 15. Stock

|          | Group<br>2022<br>£000 | Group<br>2021<br>£000 | Trust<br>2022<br>£000 | Trust<br>2021<br>£000 |
|----------|-----------------------|-----------------------|-----------------------|-----------------------|
| Catering | 4                     | 1                     | 2                     | -                     |
|          | 4                     | 1                     | 2                     | -                     |



## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 16. Debtors

|                                | Group<br>2022<br>£000 | Group<br>2021<br>£000 | Trust<br>2022<br>£000 | Trust<br>2021<br>£000 |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Due within one year</b>     |                       |                       |                       |                       |
| Trade debtors                  | 6                     | 4                     | 6                     | 4                     |
| VAT recoverable                | 93                    | 63                    | 92                    | 56                    |
| Prepayments and accrued income | 211                   | 145                   | 203                   | 118                   |
|                                | <b>310</b>            | <b>212</b>            | <b>301</b>            | <b>178</b>            |

#### 17. Creditors: amounts falling due within one year

|  | Group<br>2022<br>£000 | Group<br>2021<br>£000 | Trust<br>2022<br>£000 | Trust<br>2021<br>£000 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Trade creditors                        | 205                   | 58                    | 191                   | 45                    |
| Other taxation and social security     | 189                   | 163                   | 189                   | 163                   |
| ESFA creditor: Pupil Number adjustment | 528                   | -                     | 528                   | -                     |
| Accruals and deferred income           | 334                   | 338                   | 249                   | 203                   |
| Other creditors                        | 2                     | -                     | -                     | -                     |
|  | <b>1,258</b>          | <b>559</b>            | <b>1,157</b>          | <b>411</b>            |

#### Deferred income

|                                     | Group<br>2022<br>£000 | Group<br>2021<br>£000 | Trust<br>2022<br>£000 | Trust<br>2021<br>£000 |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Deferred Income at 1 September 2021 | 180                   | 221                   | 89                    | 130                   |
| Released from previous years        | (180)                 | (221)                 | (89)                  | (130)                 |
| Resources deferred in the year      | 687                   | 180                   | 629                   | 89                    |
| Deferred Income at 31 August 2022   | <b>687</b>            | <b>180</b>            | <b>629</b>            | <b>89</b>             |

Income deferred in the year relates to an ESFA Pupil Number adjustment £528k, ESFA Income received in advance of the 2022/23 academic year £71k, Box Office ticket income for show and events received in advance at the Old Rep Theatre £58k and Grant Income for the #WeWill Social Action Project £30k.

**Birmingham Ormiston Academy**

**Notes to the Financial Statements for the Year Ended 31 August 2022**

**18. Funds**

|  | Balance at<br>1<br>September<br>2021<br>£000 | Income<br>£000 | Expenditure<br>£000 | Gains,<br>losses<br>and<br>transfers<br>£000 | Balance at<br>31 August<br>2022<br>£000 |
|--|--|----------------|---------------------|--|---|
| <b>Restricted general funds</b>                |  |                |                     |  |   |
| General Annual Grant (GAG)                     | 539  | 6,531          | (6,633)             | (64)   | 373                                     |
| Pupil Premium                                  | -  | 41             | (41)                | -  | -                                       |
| Catch-up Premium                               | -  | -              | -                   | -  | -                                       |
| Recovery Premium                               | -  | 6              | (6)                 | -  | -                                       |
| Other DfE/ESFA COVID-19<br>funding             | -  | 19             | (19)                | -  | -                                       |
| Other COVID-19 Funding                         | -  | 17             | (17)                | -  | -                                       |
| Development Grant                              | -  | 141            | (141)               | -  | -                                       |
| Other DfE/ESFA grants                          | -  | 321            | (321)               | -  | -                                       |
| LEA and other grants                           | -  | 53             | (53)                | -  | -                                       |
| Pension reserve                                | (2,838)                                      | -              | (398)               | 2,332  | (904)                                   |
|  | <b>(2,299)</b>                               | <b>7,129</b>   | <b>(7,629)</b>      | <b>2,268</b>                                 | <b>(531)</b>                            |
| <b>Restricted fixed asset funds</b>            |  |                |                     |  |   |
| Transfer on conversion                         | 17,951                                       | -              | (447)               | -  | 17,504                                  |
| DfE/ESFA capital grants                        | -  | 489            | -                   | -  | 489                                     |
| Other DfE Capital Grants –<br>inherited assets | -  | 5,712          | (66)                | -  | 5,646                                   |
| Capital expenditure from GAG                   | 179  | -              | (81)                | 64   | 162                                     |
| Other  | 17   | -              | (3)                 | -  | 14                                      |
|  | <b>18,147</b>                                | <b>6,201</b>   | <b>(597)</b>        | <b>64</b>                                    | <b>23,815</b>                           |
| <b>Total restricted funds</b>                  | <b>15,848</b>                                | <b>13,330</b>  | <b>(8,226)</b>      | <b>2,332</b>                                 | <b>23,284</b>                           |
| <b>Unrestricted funds</b>                      |  |                |                     |  |   |
| Unrestricted funds                             | 33   | 511            | (485)               | -  | 59                                      |
| <b>Total unrestricted funds</b>                | <b>33</b>                                    | <b>511</b>     | <b>(485)</b>        | <b>-</b>                                     | <b>59</b>                               |
| <b>Total funds</b>                             | <b>15,881</b>                                | <b>13,841</b>  | <b>(8,711)</b>      | <b>2,332</b>                                 | <b>23,343</b>                           |

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

General Annual Grant (GAG)

The academy trust is not subject to GAG carried forward limits.

The academy trust is carrying a net surplus of £373,000 on restricted general funds (excluding pension reserve).

Restricted Fixed Asset Fund

The amount of Inherited Fixed Assets of £17,504,000 represents the depreciated replacement cost of the predecessor school's land and buildings and the cost of equipment, which transferred to the Academy on 1 September 2012.

The amount of Other DfE Capital Grants of £5,712,000 represents the cost of BOA Stage and Screen Production Academy's building and equipment, which was transferred to the Academy Trust on 1 May 2022.

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 18. Funds (continued)

The DfE/ESFA capital grants of £489,000 relates to annual devolved capital £39,000 and Capital funding claimed £450,000.

#### Gains and Losses

These represent the actuarial gains and losses on the LGPS Pension.

The gross transfer from the restricted general fund to the restricted fixed asset fund of £64,000 represents the total capital expenditure from the General Annual Grant (GAG) during the year.

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

|  | Balance at<br>1<br>September<br>2020<br>£000 | Income<br>£000 | Expenditure<br>£000 | Gains,<br>losses<br>and<br>transfers<br>£000 | Balance<br>at<br>31<br>August<br>2021<br>£000 |
|--|--|----------------|---------------------|--|---|
| <b>Restricted general funds</b>        |  |                |                     |  |   |
| General Annual Grant (GAG)             | 264  | 5,647          | (5,325)             | (47)   | 539   |
| Pupil Premium                          | -  | 44             | (44)                | -  | -   |
| Catch-up Premium                       | -  | 29             | (29)                | -  | -   |
| Other DfE/ESFA COVID-19 funding        | -  | 44             | (44)                | -  | -   |
| Coronavirus Job Retention Scheme Grant | -  | 35             | (35)                | -  | -   |
| Other COVID-19 Funding                 | -  | 120            | (120)               | -  | -   |
| Development Grant                      | -  | 327            | (327)               | -  | -   |
| Other DfE/ESFA grants                  | -  | 119            | (119)               | -  | -   |
| LEA and other grants                   | -  | 12             | (12)                | -  | -   |
| Pension reserve                        | (2,214)                                      | -              | (275)               | (349)  | (2,838)                                       |
|  | <b>(1,950)</b>                               | <b>6,377</b>   | <b>(6,330)</b>      | <b>(396)</b>                                 | <b>(2,299)</b>                                |
| <b>Restricted other funds</b>          | -  | -              | -                   | -  | -   |
| <b>Restricted fixed asset funds</b>    |  |                |                     |  |   |
| Transfer on conversion                 | 18,398                                       | -              | (447)               | -  | 17,951  |
| DfE/ESFA capital grants                | -  | 25             | (25)                | -  | -   |
| Capital expenditure from GAG           | 194  | -              | (62)                | 47   | 179   |
| Other capital sponsorship              | -  | -              | -                   | -  | -   |
| Other                                  | 14   | -              | (2)                 | 5  | 17  |
|  | <b>18,606</b>                                | <b>25</b>      | <b>(536)</b>        | <b>52</b>                                    | <b>18,147</b>                                 |
| <b>Total restricted funds</b>          | <b>16,656</b>                                | <b>6,402</b>   | <b>(6,866)</b>      | <b>(344)</b>                                 | <b>15,848</b>                                 |
| <b>Unrestricted funds</b>              |  |                |                     |  |   |
| Unrestricted funds                     | -  | 75             | (37)                | (5)  | 33  |
| <b>Total unrestricted funds</b>        | <b>-</b>                                     | <b>75</b>      | <b>(37)</b>         | <b>(5)</b>                                   | <b>33</b>                                     |
| <b>Total funds</b>                     | <b>16,656</b>                                | <b>6,477</b>   | <b>(6,903)</b>      | <b>(349)</b>                                 | <b>15,881</b>                                 |

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 19. Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

|   | 2021/22<br>£000 | 2020/21<br>£000 |
|---|-----------------|-----------------|
| Birmingham Ormiston Academy (Trust)           | 432             | 572             |
| Total before fixed assets and pension reserve | 432             | 572             |
| Restricted fixed asset fund                   | 23,815          | 18,147          |
| Pension reserve                               | (904)           | (2,838)         |
| <b>Total funds</b>                            | <b>23,343</b>   | <b>15,881</b>   |

From 1 September 2021 overall reserves were pooled and held centrally, they are not attributed to individual academies.

#### Total cost analysis by academy

|   | Teaching and Education Support staff<br>£000 | Other Support staff costs<br>£000 | Educational Supplies<br>£000 | Other Costs (excluding Depreciation)<br>£000 | 2021/22<br>Total<br>£000 | 2020/21<br>Total<br>£000 |
|---|--|-----------------------------------|------------------------------|--|--------------------------|--------------------------|
| Birmingham Ormiston Academy (Trust)     | 406  | 223                               | 14                           | 127  | 770                      | -                        |
| Birmingham Ormiston Academy             | 3,174  | 735                               | 457                          | 1,100  | 5,466                    | 6,370                    |
| BOA Stage and Screen Production Academy | 434  | 74                                | 173                          | 398  | 1,079                    | -                        |
| <b>Academy Trust Total</b>              | <b>4,014</b>                                 | <b>1,032</b>                      | <b>644</b>                   | <b>1,625</b>                                 | <b>7,315</b>             | <b>6,370</b>             |

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 20. Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

|                          | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>funds<br>£000 | Restricted<br>Fixed Asset<br>Funds<br>£000 | Total Funds<br>£000 |
|--------------------------|-------------------------------|--|--|---------------------|
| Intangible fixed assets  | -                             | -                                      | 16   | 16                  |
| Tangible fixed assets    | -                             | -                                      | 23,799                                     | 23,799              |
| Current assets           | 59                            | 1,631                                  | -  | 1,690               |
| Current liabilities      | -                             | (1,258)                                | -  | (1,258)             |
| Pension scheme liability | -                             | (904)                                  | -  | (904)               |
| <b>Total net assets</b>  | <b>59</b>                     | <b>(531)</b>                           | <b>23,815</b>                              | <b>23,343</b>       |

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

|                          | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>funds<br>£000 | Restricted<br>Fixed Asset<br>Funds<br>£000 | Total Funds<br>£000 |
|--------------------------|-------------------------------|--|--|---------------------|
| Intangible fixed assets  | -                             | -                                      | 11   | 11                  |
| Tangible fixed assets    | -                             | -                                      | 18,136                                     | 18,136              |
| Current assets           | 33                            | 1,098                                  | -  | 1,131               |
| Current liabilities      | -                             | (559)                                  | -  | (559)               |
| Pension scheme liability | -                             | (2,838)                                | -  | (2,838)             |
| <b>Total net assets</b>  | <b>33</b>                     | <b>(2,299)</b>                         | <b>18,147</b>                              | <b>15,881</b>       |

#### 21. Capital commitments

|  | 2021/22<br>£000 | 2020/21<br>£000 |
|--|-----------------|-----------------|
| Contracted for, but not provided in the financial statements | -               | 33              |

#### 22. Commitments under operating leases

##### Operating leases

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

|  | 2021/22<br>£000 | 2020/21<br>£000 |
|--|-----------------|-----------------|
| Amounts due within one year            | 61              | 52              |
| Amounts due between one and five years | 48              | 82              |
| Amounts due after five years           | -               | -               |
|  | <b>109</b>      | <b>134</b>      |

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 23. Reconciliation of consolidated net income/(expenditure) to net cash flow from operating activities

|  | 2021/22    | 2020/21    |
|--|------------|------------|
|  | £000       | £000       |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 5,130      | (426)      |
| Adjusted for:  |            |            |
| Amortisation (note 12)   | 5          | 5          |
| Depreciation (note 13)   | 592        | 506        |
| Donations – inherited fixed assets   | (5,712)    | -          |
| Capital grants from DfE and other capital income   | (489)      | -          |
| Defined benefit pension scheme cost less contributions payable (note 28)                         | 347        | 240        |
| Defined benefit pension scheme finance cost (note 28)  | 51         | 35         |
| (Increase)/decrease in stocks  | (3)        | -          |
| (Increase)/decrease in debtors   | (98)       | (116)      |
| Increase/(decrease) in creditors   | 699        | 31         |
| <b>Net cash provided by / (used in) Operating Activities</b>                                     | <b>522</b> | <b>275</b> |

#### 24. Cash Flows from Investing Activities

|  | 2021/22     | 2020/21     |
|--|-------------|-------------|
|  | £000        | £000        |
| Dividends, interest and rents from investments               | (10)        | -           |
| Purchase of tangible fixed assets                            | (54)        | (52)        |
| <b>Net cash provided by / (used in) investing activities</b> | <b>(64)</b> | <b>(52)</b> |

#### 25. Analysis of cash and cash equivalents

|  | 2021/22      | 2020/21    |
|--|--------------|------------|
|  | £000         | £000       |
| Cash in hand and at bank               | 1,376        | 918        |
| <b>Total cash and cash equivalents</b> | <b>1,376</b> | <b>918</b> |

#### 26. Analysis of changes in net debt

|      | At 1<br>September<br>2021<br>£000 | Cash<br>flows<br>£000 | At 31<br>August<br>2022<br>£000 |
|------|-----------------------------------|-----------------------|---------------------------------|
| Cash | 918                               | 458                   | 1,376                           |

#### 27. Members' Liability

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

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

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#### 28. Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and the LGPS 31 March 2019.

Contributions amounting to £85,503 were payable to the schemes at 31 August 2022 (2021: £73,649) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

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

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

The total pension costs paid to TPS in the period amounted to £830,000 (2021: £708,000) of which employer's contributions totalled £591,000 (2021: £504,000) and employees' contributions totalled £239,000 (2021: £204,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 28. Pension and similar obligations (continued)

##### Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £195,000 (2021: £191,000), of which employer's contributions totalled £141,000 (2021: £139,000) and employees' contributions totalled £54,000 (2021: £52,000). The agreed contribution rates for future years are 17.5% per cent for employers and between 5.5 per cent and 12.5 per cent for employees.

In addition to the above contribution rate and figures the Trust has agreed to pay an additional contribution each year to reduce the pension funding deficit. The additional payment was £12,136 in the April 20 - March 21 year, increasing to £12,578 in the April 21 - March 22 year and £13,037 in the April 22 - March 23 year.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy trust 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

|  | 2022  | 2021  |
|--|-------|-------|
| Rate of increase in salaries                       | 4.05% | 3.85% |
| Rate of increase for pensions in payment/inflation | 3.05% | 2.85% |
| Discount rate for scheme liabilities               | 4.25% | 1.70% |
| Inflation assumption (CPI)                         | 3.05% | 2.85% |

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

The assumed life expectations on retirement age 65 are:

|                             | 2022 | 2021 |
|-----------------------------|------|------|
| <i>Retiring today</i>       |      |      |
| Males                       | 21.2 | 21.6 |
| Females                     | 23.6 | 24.0 |
| <i>Retiring in 20 years</i> |      |      |
| Males                       | 22.9 | 23.4 |
| Females                     | 25.4 | 25.8 |

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

|  | Fair value at 31<br>August 2022 |      | Fair value at 31<br>August 2021 |      |
|--|---------------------------------|------|---------------------------------|------|
|  | £000                            | %    | £000                            | %    |
| Equities                               | 1,335                           | 67%  | 1,132                           | 61%  |
| Government bonds                       | -                               | -    | 154                             | 8%   |
| Other bonds                            | 419                             | 21%  | 114                             | 6%   |
| Property                               | 159                             | 8%   | 131                             | 7%   |
| Cash/liquidity                         | 80                              | 4%   | 68                              | 4%   |
| Other                                  | -                               | -    | 260                             | 14%  |
| <b>Total market value of assets</b>    | <b>1,993</b>                    | 100% | <b>1,859</b>                    | 100% |
| Present value of scheme liabilities    |                                 |      |                                 |      |
| - Funded                               | (2,897)                         |      | (4,697)                         |      |
| <b>Surplus/(deficit) in the scheme</b> | <b>(904)</b>                    |      | <b>(2,838)</b>                  |      |



## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

#### 28. Pension and similar obligations (continued)

##### Local Government Pension Scheme (continued)

The actual return on the scheme assets was £(60,000) (2021: £274,000).

##### Amount recognised in the Statement of Financial Activities

|  | <b>2022</b>  | <b>2021</b>  |
|--|--------------|--------------|
|  | <b>£000</b>  | <b>£000</b>  |
| Current service cost                       | (504)        | (390)        |
| Past service cost                          | -            | -            |
| Interest income                            | 33           | 26           |
| Interest cost                              | (84)         | (61)         |
| Administration expenses                    | -            | -            |
| <b>Total amount recognised in the SOFA</b> | <b>(555)</b> | <b>(425)</b> |

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

|                              | <b>2022</b>  | <b>2021</b>  |
|------------------------------|--------------|--------------|
|                              | <b>£000</b>  | <b>£000</b>  |
| <b>At 1 September</b>        | <b>4,697</b> | <b>3,731</b> |
| Current service cost         | 504          | 390          |
| Interest cost                | 84           | 61           |
| Employee contributions       | 55           | 51           |
| Actuarial (gain)/loss        | (2,425)      | 597          |
| Benefits paid                | (18)         | (133)        |
| Past Service cost            | -            | -            |
| Curtailments and settlements | -            | -            |
| <b>At 31 August</b>          | <b>2,897</b> | <b>4,697</b> |

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

|                                | <b>2022</b>  | <b>2021</b>  |
|--------------------------------|--------------|--------------|
|                                | <b>£000</b>  | <b>£000</b>  |
| <b>At 1 September</b>          | <b>1,859</b> | <b>1,517</b> |
| Interest on assets             | 33           | 26           |
| Return on assets less interest | (93)         | 248          |
| Actuarial gains / (losses)     | -            | -            |
| Administration Expenses        | -            | -            |
| Employer contributions         | 157          | 150          |
| Employee contributions         | 55           | 51           |
| Benefits paid                  | (18)         | (133)        |
| <b>At 31 August</b>            | <b>1,993</b> | <b>1,859</b> |

## Birmingham Ormiston Academy

### Notes to the Financial Statements for the Year Ended 31 August 2022

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#### 29. Related Party Transactions

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

No expenditure related party transactions took place in the period of account, other than 2 trustees' expenses already disclosed in Note 9.

#### Income Related Party Transaction

In 2020/21, the Trust received donations of £25,000 and £20,000 from Ormiston Trust towards the hire of external premises and promotional filming for the Christmas production. Due to the postponement of the Christmas production, the unspent balance of £14,395 was carried forward to 2021/22 and spent on the filming of Alice in Wonderland.

The Trust also received a donation of £34,400 from Ormiston Trust towards the hire of spaces and trips for BOA Stage and Screen Production Academy which opened in September 2021.

A grant amounting to £64,293 was awarded by Ormiston Trust in partnership with the National Lottery Community to deliver the #WeWill/Murray award Social Action Project between September 2021 and April 2023. During the year, £40,000 was received. An amount of £29,712 has been carried forward to 2022/23 to be spent during the remainder of the project.

#### 30. Agency Arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2022, the Trust received £142,144 and disbursed £91,827 from the fund. An amount of £52,999 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2021 are £89,842 received, £82,760 disbursed and £2,680 included in other creditors.

#### 31. Post Balance Sheet Events

On 1 September 2022 BOA Digital Technologies Academy opened as a free school for 11-18 year olds.