

REGISTERED COMPANY NUMBER: 09628750 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2018
FOR
OCEAN LEARNING TRUST**

Carter & Coley Limited
Chartered Accountants and Statutory Auditor
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

OCEAN LEARNING TRUST
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 15
Governance Statement	16 to 19
Statement on Regularity, Propriety and Compliance	20
Statement of Trustees Responsibilities	21
Report of the Independent Auditors	22 to 24
Independent Accountant's Report on Regularity	25 to 26
Statement of Financial Activities	27 to 28
Balance Sheet	29 to 30
Cash Flow Statement	31
Notes to the Cash Flow Statement	32
Notes to the Financial Statements	33 to 65

OCEAN LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

MEMBERS

P Rouch
J Williams
D P Cheeseman

TRUSTEES

D P Cheeseman
R Batten
S Cox
A C Johnston (resigned 9/2/2018)
E H Spreadbury (resigned 2/5/2018)
A Batty (resigned 13/2/2018)
S K Orman
M J Thomas
S Clark (appointed 11/10/2017)
D Biles (appointed 11/10/2017)
T Matthews (appointed 11/7/2018)

REGISTERED OFFICE

Bethany Church of England Junior School
Knole Road
Boscombe
Bournemouth
Dorset
BH1 4DJ

REGISTERED COMPANY NUMBER

09628750 (England and Wales)

AUDITORS

Carter & Coley Limited
Chartered Accountants and Statutory Auditor
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

BANKERS

Lloyds
45-47 Old Christchurch Road
Bournemouth
Dorset
BH1 1ED

OCEAN LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

SOLICITORS

Wisons Law
Alexandra House
St Johns Street
Salisbury
Wiltshire
SP1 2SB

SENIOR LEADERSHIP TEAM

S Orman - CEO
Paul Knight - COO

Academy Headteachers
L Woodward - Bethany Church of England Junior School
Headteacher
A Poole - St Clement's and St John's Church of England
Infant School Headteacher
M Saxby - St Luke's Church of England Primary School
Headteacher
N Shrimpton - Heathlands Primary Academy Headteacher
C Malone - Heatherlands Primary School Headteacher

Central Management Team
N Gay - Human Resources Manager
S Grey - Operations Manager
R Holmes - Finance Manager

OCEAN LEARNING TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The trust operates a 'mixed' multi academy trust of church and community schools - three primary schools, one infant school and one junior school in Bournemouth. A further Poole primary school joined the trust in late 2017. Its academies have a combined pupil capacity of 2,140 and had a roll of 1,886 in 2017/18.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust's Articles of Association state:

"The principle objective and activity of the Ocean Learning Trust (OLT) is 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 Academies which shall offer a broad and balanced curriculum and which shall include:

- (i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- (ii) other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England."

Strategies and objectives

OLT is committed to providing life transforming opportunities for all children by:

- Providing a structure and framework that empowers staff to implement programmes of learning that promote high expectations, high standards and support the ethos of the trust and its academies
- Nurturing children's academic, physical and spiritual growth and wellbeing so they can achieve their full potential
- Employing highly skilled staff
- Investing in training to develop an excellent workforce
- Offering a coaching and mentoring programme across the trust ensuring staff feel valued and supported to reach their full potential
- Developing effective partnerships to enable the Trust to achieve its vision and aims

OCEAN LEARNING TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES

Public benefit

OLT directors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. Directors confirm that the primary objective of the Trust is to provide a good service to the general public, specifically, to advance for the public benefit, education. The management of and future planning of the Trust consistently considers how this objective will be met.

OLT provision:

Heatherlands Primary School is a 3-form entry school in the Borough of Poole. As a National Support School, it is recognised as a centre of excellence, with consistently good to high pupil outcomes. It is a resource for other schools in the Ocean Learning Trust and the wider area.

St Luke's Primary is a 2-form entry church school in Winton, Bournemouth.

St Clement's & St John's Infant and Bethany Junior schools, both 3-form entry, serve the Boscombe area of Bournemouth.

Heathlands Primary Academy serves the West Howe area of Bournemouth.

Our Church schools are rated as 'outstanding' under the SIAMS inspection framework and continue to develop their Christian ethos. St Clement's Infant and Bethany Junior are benefiting from the growing partnership between St Clement's Parish and St Swithun's churches, including regular use of church premises by the schools and parent/community engagement activities.

STRATEGIC REPORT

Key appointments

Paul Knight: OLT Chief Operating Officer

Jemma Murray: Deputy Headteacher at St Luke's Primary

Michele Rendall: OLT Education Improvement Officer

OCEAN LEARNING TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities

The trust have carefully considered their aims and objectives to provide an excellent education for all. In particular, directors have developed a rigorous review of curriculum performance to ensure a broad, balanced and inclusive education system across the trust.

Following the closure of an early years setting in the West Howe area Early Years provision at Heathlands has expanded and is now full.

OLT staff have been involved in leading, facilitating and hosting a number of CPD activities for schools in the wider area, including Bournemouth area Maths network, writing moderation, ITT and NQT training. OLT leaders are involved in a variety of area cross-school education and community engagement forums and activities.

Heathlands Primary Academy: The recently appointed Headteacher and Deputy Head have had considerable impact on improving the school's reputation through celebration of learning in the community, greater parent participation and pupils demonstrating positive attitudes and a love of learning. We are confident that this will result in improved outcomes across the school in 2018/19. The curriculum actively engages pupils in purposeful, active learning experiences while ensuring clear focus on raising core standards. End of KS2 outcomes dropped in 2018, impacted by a Y6 cohort of just 13 pupils, each pupil carrying over 7% weighting in assessment statistics. The school continues to be above the national floor target for progress, although well below for attainment. Standards in Yrs 3-5 are improving which will result in outcomes broadly in line with national by end of Y6. The capacity for the school to improve further is good.

Heatherlands Primary School continued its high performing reputation and influence in the local education community; the school is sharing effective practice with other schools in the Trust and particular focus on Heatherlands. As a National Support School, the addition of Heatherlands has increased Trust capacity for school-to-school support both within OLT and outreach to other schools and MATs. Schools in the wider area are engaging in CPD activity through the Heatherlands-led 'Coastal Learning Alliance'.

St Luke's Primary School continues its reputation as a successful school with good pupil outcomes at the end of KS2.

Standards overall at St Clement's & St John's Infant School are broadly in line with national.

In 2017 Bethany Junior School experienced a dip in end of KS2 outcomes resulting in the school graded RI by Ofsted early in the summer term of 2018. However, the school is now back on track with KS2 outcomes for 2018 just above national average, demonstrating the impact of the recently appointed school leadership and Trust support.

OLT central team provide services, support and advice covering all aspects of school and trust business. There is a strong, pro-active education improvement team consisting of experienced Headteachers, a National Leader of Education, Specialist Leaders of Education and an Education Improvement Officer.

The central team has been strengthened further with the recent appointment of a highly experienced Chief Operating Officer to ensure operational excellence in the long term.

Investing in the growth of the trust continues to be a key objective to achieve our vision and the long-term sustainability of our academies. Discussions are being held with single schools and small clusters that are considering partnership.

We were successful in our application for capital funding (CIF) to begin works on Heathlands roof repairs, security fencing, cameras and lighting at St Clement's and Bethany and kitchen refurbishment at St Luke's.

OCEAN LEARNING TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievement and performance

Achievements and performance

A summary of Trust key objectives 2017/18:

Embed a culture and ethos for sustained high performance - all schools achieve their agreed academic targets
- Support and challenge schools to achieve agreed standards outcomes (detailed in school Headline Improvement Plans)

2018 outcomes for 4 OLT schools are broadly in line with/well above national averages.

Heathlands: Ofsted RI judgement reflects the Trust evaluation of the school. There is much to celebrate with regard to the turnaround of the school's culture and ethos, which now demonstrates a positive environment in which pupils can thrive in their learning.

- Incorporate Heatherlands Primary (NSS) and NLE into the Trust school improvement strategy

Heatherlands NLE is part of the OLT school improvement team and supports the improvement strategy both directly and through deployment of SLEs.

- Introduce Trust-wide 'Living Our Values' document to establish shared understanding of Trust values and expectations for all

OLT values document finalised and incorporated into Staff Handbook.

Ensure consistently good or better teaching and learning in all schools so that all children are inspired to thrive as learners

- Embed Trust-wide coaching strategy

Trust-wide coaching strategy in place. A Coaching Champion has been appointed in each school to coordinate programme. Level 1 & 2 training extended to include more middle and senior leaders. Feedback from first round positive. Impact to be evaluated end 2018/19.

- Embed strategy to improve parent engagement particularly at Heatherlands

Targeted 'structured conversations' between parent/pupil/teacher resulting in improved parental participation and pupil engagement in learning.

- Continue research focus on curriculum development and pupil engagement

Significant improvement in reading standards at Bethany through implementing carefully researched strategies.

Implementation of the School Partnership Programme (Education Endowment Fund). All school senior leaders trained to provide peer challenge and support on key aspects of school improvement. Programme in place to ensure all schools engage with first cycle by end 2018/19.

Develop and secure effective leadership at all levels across the Trust schools to facilitate career progression and succession planning

- Expand range of networks and professional development opportunities for subject leaders to share knowledge, expertise and growth as leaders

Curriculum networks extended to selected non-core subjects for subject leaders to share effective practice. Network meetings held and decision made to reduce subject meetings to a rolling programme over 2 years to ensure meaningful focus on priority aspects and reduce workload.

Specialist Leaders of Education deployed to support staff on aspects of professional/school improvement.

- Continue access to Ambitions School Leadership and other national programmes for existing school leaders

4 OLT staff engaged with senior leadership programmes - ongoing.

- Audit skills of current Board members and appoint up to 2 directors to fill identified gaps

Completed - analysis and outcomes to be reported Autumn 2018.

- Identify potential changes in leadership for 2018/19 and longer term in all schools and at Trust level.

Identify succession and training/development opportunities within and outside Trust as required.

Successful appointment of COO - commenced July 2018.

OCEAN LEARNING TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievement and performance

Achievements and performance

New Deputy Head appointed St Luke's.

Embed robust systems and processes for the efficient and effective operation of the Trust with clear lines of reporting and accountability

- COO appointed July 2018

- Identify and adopt common pupil data tracking system across the Trust

DCPro adopted by all Trust schools.

- Review Trust education and business support strategy in light of growth

P/t education improvement officer in post - particular focus on English & phonics but with capacity to provide pro-active, focused improvement challenge and support for schools. Hours to be increased in line with Trust growth.

During 2017/18 OLT procured the services of a large MAT to review and support OLT central admin and business services in preparation for growth.

Secure additional Ocean academies and explore further partnerships to create capacity and flexibility to achieve our vision and goals.

Heatherlands Primary School joined on 1st November 2017

A sixth school to join 1st November 2018.

OLT staff networking with schools in other MATs. Meetings ongoing with Headteachers, governors and clusters of potential additional schools.

Continuing effective partnership with ITT providers: School Direct, SCITT, Winchester and Southampton Universities

OLT schools represented on strategic board of local teaching school alliance. Continuing partnerships with other local Teaching Schools allowing staff to access wide range of CPD.

Our Church schools continue to develop their Christian ethos. Notably this year, St Clement's Infant and Bethany Junior benefiting from the partnership between St Clement's Parish Church and St Swithun's, including regular use of church premises by the schools and parent/community engagement activities.

Key performance indicators

KS2 2018 Outcomes

2018 Preliminary KS2 Performance Summary	OCEAN	National average	OCEAN	Bethany	Heatherlands	St Luke's	Heatherlands
	4 Schools with KS2	(* floor standard)	Diff. from Nat.	Junior	Primary	Primary	Primary
Attainment - Reading, Writing and Mathematics - combined							
% pupils at the expected standard (EXS) RWM	73%	64%	9%	67%	38%	76%	81%
% pupils at a high / greater depth standard (GDS) RWM	10%	10%	0%	10%	8%	13%	8%
Attainment in subjects							
Reading - expected Standard (EXS):	83%	75%	8%	72%	46%	95%	88%
Writing - expected Standard (EXS):	81%	78%	3%	72%	69%	82%	88%
Mathematics - expected Standard (EXS):	80%	76%	4%	75%	77%	80%	86%
GPAS - expected standard (EXS):	83%	78%	5%	71%	62%	94%	88%
Reading - greater depth Standard (GDS):	30%	28%	2%	29%	15%	27%	34%
Writing - greater depth Standard (GDS):	21%	20%	1%	17%	8%	21%	28%
Mathematics - greater depth Standard (GDS):	20%	24%	-4%	19%	8%	19%	23%
GPAS - greater depth Standard (GDS):	37%	34%	3%	25%	0%	37%	52%
Progress measures: KS1 to KS2							
Reading progress score	0.4	0.0 (-5.0*)	0.4	1.2	-4.1	0.9	0.2
Writing progress score	-0.2	0.0 (-7.0*)	-0.2	0.3	-2.5	-1.3	0.4
Maths progress score	-0.3	0.0 (-5.0*)	-0.3	-0.3	-1.2	-0.4	-0.1
Average scaled score							
Reading	106.0	105.0	1.0	104.4	99.2	107.8	107.1
Maths	104.7	104.0	0.7	103.1	101.3	105.6	105.8
GPAS	107.0	106.0	1.0	103.8	99.7	108.8	109.3

OCEAN LEARNING TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievement and performance

Achievements and performance

Headline Evaluation: KS2 Attainment & progress - all schools:

All outcomes at the expected standard (EXS) are above national with a good +9% difference from national in RWM combined.

All outcomes at the greater depth standard (GDS) are in line with national except for Maths, which is slightly below.

Progress scores for all schools are maintained above the national floor standard and overall trust average progress scores for each subject are in line with the national averages (Reading slightly above, Writing & Maths slightly below).

Bethany Junior:

KS2 Attainment & progress:

All outcomes at the expected standard (EXS) in 2018 show a significant increase from the previous year, ranging from +16% in both Writing and Maths to +29% in RWM overall.

The percentage of pupils at EXS in RWM combined at 67% is now above/broadly in line with national.

End of KS2 average progress scores show significant improvement across all three subjects,

- Reading progress: above / broadly in line with national
- Writing & Maths progress: in line with national

These outcomes represent very good year-on improvement and had they been available as evidence for the OFSTED inspection earlier this year, the trust view is that the school would have been judged 'good' rather than 'requiring improvement'.

Heathlands Primary Academy

KS2 Attainment & progress:

Attainment at the expected standard (EXS) in RWM combined in 2018 is well below national. This outcome was impacted by a particularly low EXS outcome in Reading and the small cohort size of 13 pupils, meaning that each pupil accounted for more than 7% of the cohort's outcomes. Analysis of individual pupil results shows that 3 pupils were very close to achieving EXS in Reading (having missed the standard by one or two marks); this would have added 21% to the total and continued the school's strong upward improvement trajectory across all thresholds evident from previous years.

St Luke's Primary

KS2 Attainment & progress:

All attainment outcomes at the expected standard (EXS) show good improvement this year with double figure percentage increases in most subjects. The RWM combined outcome in 2018 is now above national.

End of KS2 average progress scores show further improvement, particularly in Reading:

- Reading progress: above / broadly in line with national
- Writing & Maths progress: below/ broadly in line with national

Heatherlands Primary

KS2 Attainment & progress:

OCEAN LEARNING TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievement and performance

Achievements and performance

All attainment outcomes at the expected standard (EXS) show good year-on increases with the combined RWM outcome well above national.

End of KS2 average progress scores whilst lower for this year's cohort than for last year, are all closely in line with national.

All outcomes at the expected standard (EXS) are all well above national in all subjects.

St Clement's & St John's Infants

KS1: Outcomes at the 'expected standard' (EXS) for Writing show a small decrease this year which has reduced the combined RWM outcome overall. 2018 EXS outcomes are:

- Writing and RWM combined EXS are below national
- Reading EXS is below / broadly in line with national
- Maths EXS is above national (with a continued incremental improvement from 2017)

Financial review

Financial position

The Accounts show that the main incoming resources were from educational funding totalling £8,894,361. Additionally, income from activities for generating funds was £31,862 and income from donations and private sources was £12,535. The main expenditure was on staff salaries totalling £7,087,456. Other significant expenditure was on educational supplies, ICT and occupancy costs. The income exceeded the expenditure in the period by £102,282 (before depreciation and pension fund provisions).

The principal sources of funding were from the Education and Skills Funding Agency (ESFA) and grant payments from the local authorities. Expenditure of this has supported the School in carrying out its key objectives.

Investment policy and objectives

The Articles of Association give the Trust the power to make investments. The Trust's Investment Policy is to deposit any money that is not required to cover anticipated expenditure on short term deposit, with the objective of maximising the Trust's income, but without risk.

Reserves policy

Reserves are intended to provide sufficient working capital to ensure all short term financial commitments can be met in case of delayed funding and to provide a contingency for any emergency related expenditure. Reserves of at least one month's operational costs have been deemed reasonable with the aspiration to raise this to two months' in the long term. As at 31st August 2018 general reserves of £492,902 are held by the academy (of which £155,557 were restricted) in addition to restricted fixed assets of £10,568,994 and a pension reserve of £4,185,000.

Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

OCEAN LEARNING TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Fundraising

Ocean Learning Trust does not participate directly in fundraising activities but monitors activities carried out on its behalf at local level, including events and activities arranged by Senior Leadership Team and Parent Teacher Associations.

Principal risks and uncertainties

The trust board have assessed and applied a risk management strategy for controlling and monitoring risks.

The risk register remains a working document that is contributed to on a regular basis. The register is reviewed and updated by the finance committee at their meetings and by responsible persons as risks are identified. This applies a strategic approach to risk for operational and financial management and in setting strategic priorities for budget spending.

Risks are measured using the high - low method as shown below:

Impact	Severe	5	5	10	15	20	25
		4	4	8	12	16	20
		3	3	5	9	12	15
		2	2	4	6	8	10
	Minimal	1	1	2	3	4	5
		Score	1	2	3	4	5
		Unlikely Certain Likelihood					

Five categories have been identified within the risk register as follows:

- i. Strategic and Reputational
- ii. Operational
- iii. Compliance
- iv. Financial
- v. External

Key stakeholders have been identified as responsible persons within the register. These are noted on the register along with the control measure to mitigate the risk, timescale, likelihood of occurrence, impact, response and risk factor.

The risk responses are:

- Treat
- Tolerate
- Transfer
- Terminate

The trust have introduced mitigating controls including operational, HR and financial procedures in order to minimise risk. Regular reporting on these key areas is sent to the trust finance committee and Headteachers.

OCEAN LEARNING TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Future plans

Our vision and values

Taking Learning Deeper, Wider, Further

The OCEAN Learning Trust is a community of schools committed to working together to improve the life opportunities of all our children. The collective vision is to provide an inclusive, world class education, to enable children to become inspired, enriched, self-motivated and successful lifelong learners and global citizens. We strive for our schools to be outstanding in every respect and to achieve this through the development of Teaching and Learning Excellence: promoting the sharing of best practice, ideas, resources and personnel within and beyond the Trust.

Our aim is to:

- Keep children and their achievement and wellbeing at the heart of all we do
- Ensure all children attending an OCEAN Academy achieve well, become confident, successful learners and have opportunity to fully develop their talents and potential
- Set high expectations and raise aspiration for everyone in the organisation, supporting children and staff to achieve the highest individual and collective standards possible - inspire to achieve
- Nurture children's growth in character, helping them to recognise their own uniqueness and respect and value the uniqueness and dignity of others
- Develop in children a growth mind set, encouraging them to take their learning deeper, wider and further than they imagine possible
- Empower children to reach out to others and make a difference in the world
- Be at the forefront of educational leading practice - being the best we can be
- Attract, develop and retain the very best staff
- Forge strong and effective partnerships with parents and the wider community
- Safeguard and develop the distinctive character, ethos and values of Community schools and the distinctive character, ethos and Christian values of Church schools within the Trust

Our values:

Trust - Compassion - Collaboration - Inspiration - Excellence

Our aspiration:

- OLT Academies provide a world class education where children and staff collaborate and learn with partner schools and colleagues across the world; they are recognised as beacons of excellence in learning and achievement.
- Children in OLT Academies consistently excel in learning. They are confident, trustworthy, compassionate, respectful and resilient, equipped to grasp opportunities, reach out to others and make a difference in the world.
- OLT staff are recognised as inspirational co-learners and educators, the very best in the field. They engage in a range of professional development opportunities and many gain further qualifications at the highest level.
- OLT develops leaders who are an inspiration to all, driven by a strong moral purpose and a passion to ensure the Trust thrives as an organisation and achieves its vision and goals. They engage in wider system leadership, adding value to the practice and success of others.
- OLT Academies are centres of life-long learning, making a difference in the local community and the wider world.

OCEAN LEARNING TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Trust priorities for 2018/19 include:

- Ensure all schools maintain a relentless drive to achieve academic outcomes at least in line with or above national expectations, securing the best outcomes for all pupil groups.
- Review curriculum provision and key performance indicators in line with new Ofsted inspection framework 2019
- For Church schools, review provision in line with new SIAMS inspection framework.
- Continue to embed robust systems and processes, operations, finance and education, for the efficient and effective operation of the Trust
- Explore further partnerships and growth opportunities to create capacity and flexibility to achieve our vision and goals
- Appoint additional Directors to OLT Board in light of skills audit outcomes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Ocean Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Ocean Learning Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' Indemnities

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

OCEAN LEARNING TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The Members shall appoint up to eleven Directors of whom this number must include:

(a) two shall be appointed from amongst the Local Governing Bodies of those Academies falling under Article 4(i) (formerly Voluntary Aided Schools) and which shall normally be drawn from amongst the Chairs of those Local Governing Bodies, such appointments always first to be approved by the Portsmouth and Winchester Diocesan Academies Trust;

(b) one shall be appointed from amongst the Local Governing Bodies of those Academies falling under Article 4(ii) (formerly Community Schools) and which shall normally be drawn from amongst the Chairs of those Local Governing Bodies;

(c) three shall be appointed by the Members by majority in respect of their skills, Multi Academy Trust Model for Church of England Schools/non Church of England schools knowledge and experience in business, finance or education;

The Portsmouth and Winchester Diocesan Academies Trust shall appoint one Director, which shall initially be the Academies Officer of the Diocese.

Policies and Procedures Adopted for the Induction and Training of Directors (Trustees)

Development of a formal procedure for the induction and training of new directors has been delayed, but will be completed in the 2018-19 academic year. New directors meet with the Chair and CEO and visit all Trust schools. A skills audit of directors started at the end of the 2017-18 academic year and the results will be available early in the 2018-19 academic year.

Organisational structure

The Trust operates within an agreed Scheme of Delegation which identifies lines and limits of accountability at Local Governing Body, Headteacher, Finance Director, Executive Headteacher, Director and Trustee level.

The Chief Executive Officer is the Accounting Officer and reports directly to the Board of Directors.

The Chief Executive Officer is responsible for overseeing the operations of the Trust, the monitoring of academic standards, holding schools to account for performance and evaluating progress against key performance indicators. The Academy Improvement Consultant supports with the education standards functions.

The Chief Operating Officer is responsible for a team overseeing the operations of all non-education functions of the Trust, including Finance, HR, Facilities, Audit & Risk, Business Development.

The Board of Directors meet at least once each term and delegate responsibility for oversight of finance and business services and academic standards to committees which include directors with experience and expertise in these fields both within and outside the education sector. The committees meet twice each term.

Each school's Headteacher, leadership team and Local Governing Body are responsible for the day-to-day running of their schools. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

OCEAN LEARNING TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

Pay and remuneration arrangements for all Trust employees are in line with the School Teachers' Review Body and Red Book for the Chief Executive Officer and school leaders and teachers, and the Green Book for non teaching staff. All teaching staff are set performance targets against the National Standards of Excellence for Headteachers and Teachers' Standards. Performance management targets are set and reviewed each year against agreed KPIs related to Trust and individual school priorities. Appointment of staff and their salary banding is referenced in the financial regulations and scheme of delegation and has clear structure of limits and responsibilities. Local Governing Bodies make pay recommendations to the Chief Executive Officer and Board of Directors for scrutiny and approval.

Trade union facility time

This information is published in accordance with the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 because the academy had a full-time equivalent employee number of more than 49 throughout the entirety of any seven of the months within the year ended 31 August 2018

Relevant union officials

Number of employees who were relevant union officials during the relevant period

1

Full-time equivalent employee number

1

Percentage of time spent on facility time

Percentage of time

0%

1-50%

51-99%

100%

Number of employees

1

Nil

Nil

Nil

Percentage of pay bill spent on facility time

£

Total cost of facility time

1

Total pay bill

1

Percentage of the total pay bill spent on facility time, calculated as:

$(\text{total cost of facility time} \div \text{total pay bill}) \times 100$

100%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

$(\text{total hours spent on paid trade union activities by relevant union officials during the relevant period} \div \text{total paid facility time hours}) \times 100$

1%

OCEAN LEARNING TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related Parties and other Connected Charities and Organisations

The Portsmouth & Winchester Diocesan Board of Education (PWDBE) - A Director is appointed by the Dioceses, the position in the Diocese is of Academies Officer. This is declared in the register of pecuniary interest and where a conflict is identified no voting will occur.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

FUNDS HELD AS CUSTODIAN FOR OTHERS

There are no funds held as Custodian Trustee on behalf of others.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Carter & Coley Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 29 November 2018 and signed on the board's behalf by:



D P Cheeseman - Trustee

OCEAN LEARNING TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Scope of Responsibility

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

The board of directors 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 Ocean Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Board;

Dave	Cheeseman	4/4
Ralph	Batten	1/4
Anna	Batty	2/3
Dominic	Biles	3/3
Stuart	Clark	1/3
Simon	Cox	3/4
Amanda	Johnston	1/3
Tim	Matthews	1/1
Stephen	Orman	4/4
Elizabeth	Spreadbury	3/3
Michael	Thomas	3/4

Standards and Accountability Monitoring Group:

Ralph	Batten	3/4
Dave	Cheeseman	1/4
Stuart	Clark	1/1
Amanda	Johnston	0/1
Stephen	Orman	4/4
Elizabeth	Spreadbury	2/2

Finance Committee;

Simon	Cox	5/6
Dominic	Biles	2/2
Stuart	Clark	2/4
Dave	Cheeseman	6/6
Amanda	Johnston	1/2
Stephen	Orman	6/6
Michael	Thomas	6/6

A skills audit of directors started at the end of the 2017-18 academic year and the results will be available early in the 2018-19 academic year. A broader review of governance will be undertaken in 2018-19.

OCEAN LEARNING TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

The **Finance Committee** is a sub-committee of the main board of trustees. Its responsibilities include;

- Recommendation to the Board of Directors / Local Governing Body to approve the annual budget plan
- Keeping under review the actual financial performance compared with the annual budget plan and the remedial actions taken
- Reviewing reports on internal control arrangements
- Reviewing the insurance schemes

Activity includes setting up finance policies and procedures to ensure compliance which comply with ESFA regulations.

A particular challenge for the Trust was the resignation mid-year of our p/t Finance Director. The Trust obtained the services of a school business services provider to place an interim. Attendance at meetings in the year was as per the table above.

The **Standards and Accountability Monitoring Group** is a sub-committee of the main board of trustees. Its purpose is to:

1. Secure at least a good outcome for all children across the Ocean Learning Trust
2. Provide robust challenge & support to school leaders in holding Ocean Learning Trust academies to account with regard to the impact of strategies and interventions to improve pupil outcomes
3. Receive attainment and progress reports from Headteachers / SLT members / LGBs in accordance with the trust review cycle
4. Ensure that targets set in trust academies are challenging, realistic and appropriately aimed at children achieving or exceeding age-related expectations
5. Undertake an annual (or as required) risk assessment against OFSTED / DFE standards criteria and thresholds
6. Where necessary, intervene in individual academies where outcomes and pace of change or capacity to improve are a concern
7. Where necessary, appoint a Strategic Support Team to directly intervene with an academy causing concern
8. Appoint, monitor & evaluate the activities of the Strategic Support Team
9. Report to the directors and trustees

A key priority for this group has been to implement and evaluate the intervention strategy and Strategic Action Plan to support Heathlands. See above report for impact.

Local Governing Body

The arrangements for governance include a local governing body for each school in the Ocean Learning Trust:

At Local Governing Body level (Church Schools) The smallest LGB will have nine Governors of whom there must be a majority of Foundation Governors appointed by the Trust directors in agreement with the Winchester Diocese Board of Education:

5 Foundation Governors
2 elected Parent Governors
The Headteacher
1 Staff Governor

- Delegation levels are in line with MAT policy and negotiated Church of England minimum requirements, e.g. appointment of headteacher; admissions; SIAMS; RE; Collective Worship; Christian Distinctiveness.
- All LGB appointments are to be ratified by the Board of Directors.

OCEAN LEARNING TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

At Local Governing Body level (Community Schools) The smallest governing body will have nine Governors (recommended)

5 Governors appointed by the Directors
2 elected Parent Governors
The Headteacher
1 Staff Governor

- Delegation levels in line with MAT policy, e.g. appointment of headteacher; admissions.
- Must retain non-denominational balance of membership.
- All LGB appointments to be ratified by the Board of Directors.

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

Going out to tender on Fire risk assessments and Asbestos surveys across all schools
Consolidation of all IT licence requirements across the Trust

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Ocean Learning Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

The Risk Register is reviewed at least twice a term by the Operations Manager in collaboration with Headteachers and other staff and a monthly report highlighting activity is prepared for the Finance Committee.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

OCEAN LEARNING TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

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 system of delegation and accountability. In particular it includes:

- A central team with defined roles and responsibilities
- Improved reporting format that includes, financial, operational and educational themes
- Improved budget setting and monitoring processes which includes key headline information
- Procedures handbooks developed to improve communication and control of finance, operations and human resource processes
- Development of risk register and its regular use to keep stakeholders informed

In July 2018, a new Chief Operating Officer post was filled with an external applicant; this role includes the Chief Financial Officer tasks laid down by ESFA.

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 external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 29 November 2018 and signed on its behalf by:



D P Cheeseman - Trustee



S Orman - Accounting Officer

OCEAN LEARNING TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Ocean Learning Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2017.

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



S Orman - Accounting Officer

29 November 2018

OCEAN LEARNING TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who act as governors of Ocean Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 to 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/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 board of trustees on 29 November 2018 and signed on its behalf by:



D P Cheeseman - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OCEAN LEARNING TRUST

Opinion

We have audited the financial statements of Ocean Learning Trust (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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:

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OCEAN LEARNING TRUST

Opinion on other matters prescribed by the Companies Act 2006

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
OCEAN LEARNING TRUST**



Andrew A Clark FCA (Senior Statutory Auditor)
for and on behalf of Carter & Coley Limited
Chartered Accountants and Statutory Auditor
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

29 November 2018

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO OCEAN LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ocean Learning Trust during the period 1 September 2017 to 31 August 2018 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 Ocean Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Ocean Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ocean Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Ocean Learning Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
OCEAN LEARNING TRUST 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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Carter & Coley Ltd
3 Durrant Road
Bournemouth
Dorset
BH2 6NE

29 November 2018

OCEAN LEARNING TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2018

				2018	2017
		Unrestricted	Restricted	Restricted	
	Notes	fund	funds	fixed asset	Total
		£	£	funds	funds
				£	£
INCOME AND					
ENDOWMENTS FROM					
Donations and capital grants	2	1,531	11,004	551,245	563,780
Transfer from Local Authority on conversion	29	13,076	(897,000)	7,210,000	6,326,076
Charitable activities					
Funding for the academy's educational operations	3	165,030	8,178,086	-	8,343,116
Other trading activities	4	31,862	-	-	31,862
Investment income	5	561	-	-	561
Total		212,060	7,292,090	7,761,245	15,265,395
EXPENDITURE ON					
Charitable activities					
Academy's educational operations		159,414	8,741,454	165,513	9,066,381
NET INCOME/					
(EXPENDITURE)		52,646	(1,449,364)	7,595,732	6,199,014
Transfers between funds	23	-	(30,214)	30,214	-
		52,646	(1,479,578)	7,625,946	6,199,014
Other recognised					
gains/(losses)					
Actuarial gains/losses on defined benefit schemes		-	917,000	-	917,000
Net movement in funds		52,646	(562,578)	7,625,946	7,116,014

The notes form part of these financial statements

OCEAN LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

				2018	2017
	Unrestricted	Restricted	Restricted	Total	Total
	fund	funds	fixed asset	funds	funds
Notes	£	£	£	£	£
RECONCILIATION OF FUNDS					
Total funds brought forward	284,699	(3,466,865)	2,943,048	(239,118)	(469,444)
TOTAL FUNDS CARRIED FORWARD	<u>337,345</u>	<u>(4,029,443)</u>	<u>10,568,994</u>	<u>6,876,896</u>	<u>(239,118)</u>

The notes form part of these financial statements

OCEAN LEARNING TRUST

BALANCE SHEET AT 31 AUGUST 2018

				2018	2017
		Unrestricted fund	Restricted funds	Restricted fixed asset funds	Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	14	-	-	2,074	2,074
Tangible assets	15	-	-	10,200,017	10,200,017
		-	-	10,202,091	10,202,091
				10,202,091	2,907,243
CURRENT ASSETS					
Stocks	16	3,645	-	-	-
Debtors	17	1,583	372,745	89,881	464,209
Cash at bank and in hand		365,160	425,168	369,269	1,159,597
		370,388	797,913	459,150	1,627,451
					958,540
CREDITORS					
Amounts falling due within one year	18	(33,043)	(641,013)	(92,247)	(766,303)
					(501,901)
NET CURRENT ASSETS		337,345	156,900	366,903	861,148
					456,639
TOTAL ASSETS LESS CURRENT LIABILITIES		337,345	156,900	10,568,994	11,063,239
					3,363,882
CREDITORS					
Amounts falling due after more than one year	19	-	(1,343)	-	(1,343)
					-
PENSION LIABILITY	24	-	(4,185,000)	-	(4,185,000)
					(3,603,000)
NET ASSETS/(LIABILITIES)		337,345	(4,029,443)	10,568,994	6,876,896
					(239,118)

The notes form part of these financial statements

OCEAN LEARNING TRUST
BALANCE SHEET - CONTINUED
AT 31 AUGUST 2018

				2018	2017
		Unrestricted	Restricted	Restricted	
	Notes	fund	funds	fixed asset	Total funds
		£	£	funds	£
				£	£
FUNDS	23				
Unrestricted funds:					
General fund				337,345	284,699
Restricted funds:					
General restricted funds				155,557	136,135
Restricted fixed assets funds				10,568,994	2,943,048
Pension fund				(4,185,000)	(3,603,000)
TOTAL FUNDS				6,876,896	(239,118)

The financial statements were approved by the Board of Trustees on 29 November 2018 and were signed on its behalf by:



D P Cheeseman -Trustee

The notes form part of these financial statements

OCEAN LEARNING TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

		2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>9,950</u>	<u>183,165</u>
Net cash provided by (used in) operating activities		<u>9,950</u>	<u>183,165</u>
Cash flows from investing activities:			
Purchase of intangible fixed assets		(2,299)	-
Purchase of tangible fixed assets		(39,883)	(41,682)
Capital grants from DfE/ESFA		551,245	29,682
Interest received		<u>561</u>	<u>427</u>
Net cash provided by (used in) investing activities		<u>509,624</u>	<u>(11,573)</u>
Cash flows from financing activities:			
New loans in year		2,015	-
Loan repayments in year		<u>(336)</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>1,679</u>	<u>-</u>
Cash transferred on conversion to an academy	29	<u>13,076</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		534,329	171,592
Cash and cash equivalents at the beginning of the reporting period		<u>625,268</u>	<u>453,676</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,159,597</u></u>	<u><u>625,268</u></u>

The notes form part of these financial statements

OCEAN LEARNING TRUST

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	6,199,014	(886,674)
Adjustments for:		
Depreciation	119,066	86,464
Capital grants from DfE/ESFA	(551,245)	(29,682)
Transfer from Local Authority on conversion	(6,326,076)	-
Interest received	(561)	(427)
Impairment	(161,732)	490,096
Increase in stocks	(3,645)	-
(Increase)/decrease in debtors	(130,937)	97,083
Increase/(decrease) in creditors	264,066	(56,695)
Difference between pension charge and cash contributions	<u>602,000</u>	<u>483,000</u>
Net cash provided by (used in) operating activities	<u><u>9,950</u></u>	<u><u>183,165</u></u>

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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.

Critical accounting judgements and key sources of estimation uncertainty

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 will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES – continued

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 grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Agency arrangements

The academy trust acts as an agent in organising certain school trips. Payments received from students and subsequent disbursements to the travel agent are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. Any surplus or deficit on a trip is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the financial statements.

Other income

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

Donated goods, facilities and services

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

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES - continued

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Intangible fixed assets

Intangible assets costing £500 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:

Website

25% on cost

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- over the lives of the buildings
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

No depreciation is provided in respect of land.

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

The Trust occupies under licence land and buildings owned by The Winchester Diocesan Board of Finance. Based on the guidance given in the Academies Accounts Direction 2017 to 2018 the Directors are of the opinion that these premises fail to meet the control requirement in order to be recognised as an asset and therefore these properties have not been recognised in these financial statements. The Trust does not include any amounts in donations or rental expenditure in respect of these premises as in the view of the Trustees it cannot be reliably valued due to the lack of relevant market data.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES - continued

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 the notes. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in the notes. 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.

Stocks

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

Taxation

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

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

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 Directors.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

Hire purchase and leasing commitments

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

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Academy staff are members of one of two defined benefit schemes.

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Transfer on conversion

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

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

The assets and liabilities transferred on conversion from Heatherlands Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 29.

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES - continued

Liabilities

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

2. DONATIONS AND CAPITAL GRANTS

	2018	2017
	£	£
Donations	12,535	15,636
Grants	<u>551,245</u>	<u>29,682</u>
	<u><u>563,780</u></u>	<u><u>45,318</u></u>

Grants received, included in the above, are as follows:

	2018	2017
	£	£
DfE/ESFA capital grants	<u><u>551,245</u></u>	<u><u>29,682</u></u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Other income	165,030	34,770	199,800	112,000
Grants	<u>-</u>	<u>8,143,316</u>	<u>8,143,316</u>	<u>6,422,576</u>
	<u><u>165,030</u></u>	<u><u>8,178,086</u></u>	<u><u>8,343,116</u></u>	<u><u>6,534,576</u></u>

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	6,880,633	6,880,633	5,319,198
Other DfE/ESFA grants	-	<u>1,012,844</u>	<u>1,012,844</u>	<u>761,707</u>
	-	7,893,477	7,893,477	6,080,905
Other government grant				
Other government grants	-	245,225	245,225	295,359
Other grants				
Other grants	-	<u>4,614</u>	<u>4,614</u>	<u>46,312</u>
	-	<u><u>8,143,316</u></u>	<u><u>8,143,316</u></u>	<u><u>6,422,576</u></u>

4. OTHER TRADING ACTIVITIES

	2018 £	2017 £
Hire of facilities	<u><u>31,862</u></u>	<u><u>18,914</u></u>

5. INVESTMENT INCOME

	2018 £	2017 £
Deposit account interest	<u><u>561</u></u>	<u><u>427</u></u>

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

6. EXPENDITURE

				2018	2017
	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other costs	£	£
		£	£		
Charitable activities					
Academies educational operations					
Direct costs	6,165,749	-	478,847	6,644,596	5,070,264
Allocated support costs	921,707	683,625	816,453	2,421,785	2,415,645
	<u>7,087,456</u>	<u>683,625</u>	<u>1,295,300</u>	<u>9,066,381</u>	<u>7,485,909</u>

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Auditors' remuneration	8,000	20,850
Auditors' remuneration for non audit work	5,100	1,530
Depreciation - owned assets	118,841	86,464
Hire of plant and machinery	144,145	64,192
Computer software amortisation	225	-

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

			2018	2017
	Unrestricted	Restricted	Total	Total
	funds	funds	funds	funds
	£	£	£	£
Direct costs	119,533	6,525,063	6,644,596	5,070,264
Support costs	39,881	2,381,904	2,421,785	2,415,645
	<u>159,414</u>	<u>8,906,967</u>	<u>9,066,381</u>	<u>7,485,909</u>

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	2018 Total £	2017 Total £
Analysis of support costs		
Support staff costs	919,973	750,553
Depreciation	(122,938)	514,920
Technology costs	84,417	60,770
Premises costs	683,625	477,753
Other support costs	813,745	577,574
Governance costs	<u>42,963</u>	<u>34,075</u>
Total support costs	<u><u>2,421,785</u></u>	<u><u>2,415,645</u></u>

During the year the trust spent £96,615 out of the CIF grant on improvements to diocesan property.

8. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment and not in respect of their roles as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration (in bands of £5,000) was as follows:

	2018	2017
S Orman (principle and trustee) - remuneration	£65,001 - £70,000	£80,001 - £85,000
Employer's pension contributions	£10,001 - £15,000	£10,001 - £15,000

Trustees' expenses

During the period ended 31 August 2018, travel and subsistence expenses totalling £80 were reimbursed or paid directly to one trustee (2017: £67 to one trustee).

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	5,201,639	3,973,425
Social security costs	445,412	326,385
Operating costs of defined benefit pension schemes	<u>1,349,786</u>	<u>1,027,608</u>
	6,996,837	5,327,418
Supply teacher costs	90,619	99,541
Compensation payments	<u>-</u>	<u>86,373</u>
	<u>7,087,456</u>	<u>5,513,332</u>

Staff restructuring costs comprise:

	£	£
Redundancy payments	-	48,887
Severance payments	<u>-</u>	<u>37,486</u>
	<u>-</u>	<u>86,373</u>

Included in staff restructuring costs in the previous year are non-statutory/non-contractual severance payments totalling £6,321.

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2018	2017
Teachers and teaching assistants	207	184
Administration and support	<u>80</u>	<u>57</u>
	<u>287</u>	<u>241</u>

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

	2018	2017
£60,001 - £70,000	3	2
£80,001 - £90,000	<u>-</u>	<u>1</u>
	<u>3</u>	<u>3</u>

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

KEY MANAGEMENT PERSONNEL

The key management personnel of the academy trust comprise the trustee 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 £615,599 (2017: £555,040).

10. TRUSTEES' AND OFFICERS' INSURANCE

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds £
INCOME AND				
ENDOWMENTS FROM				
Donations and capital grants	5,266	10,370	29,682	45,318
Charitable activities				
Funding for the academy's educational operations	101,130	6,433,446	-	6,534,576
Other trading activities	18,914	-	-	18,914
Investment income	427	-	-	427
Total	125,737	6,443,816	29,682	6,599,235
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	103,776	6,758,603	623,530	7,485,909
NET INCOME/(EXPENDITURE)	21,961	(314,787)	(593,848)	(886,674)
Transfers between funds	1,645	(105,668)	104,023	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	1,117,000	-	1,117,000
Net movement in funds	23,606	696,545	(489,825)	230,326

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Restricted fixed asset funds £	Total funds £
RECONCILIATION OF FUNDS				
Total funds brought forward				
As previously reported	261,093	(4,163,410)	13,499,162	9,596,845
Prior year adjustment	-	-	(10,066,289)	(10,066,289)
As Restated	261,093	(4,163,410)	3,432,873	(469,444)
TOTAL FUNDS CARRIED FORWARD	284,699	(3,466,865)	2,943,048	(239,118)

12. CENTRAL SERVICES

The trust has provided the following central services to its constituent schools during the period:

- Strategic leadership and growth development
- School improvement partner
- Finance director and finance team
- Estates management and IT infrastructure
- Educational social worker
- Insurance for all schools
- Legal and professional services for all schools

The trust charges for these services in proportion to the General Annual Grant received by each school.

The actual amounts charged to each school during the period were as follows:

	2018	2017
To Bethany Church of England Junior School	128,905	133,370
To Heathlands Primary Academy	76,635	85,197
To St Clement's and St John's CofE Infant School	101,257	105,684
To St Luke's CofE Primary School	119,904	125,837
To Heatherlands Primary School	74,203	-
	<u>500,904</u>	<u>450,088</u>

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

13. CONTRIBUTION OF VOLUNTEERS

Ocean Learning Trust recognises the contribution of its Directors and Local Governing Bodies, who are nearly all volunteers, to the charitable activities of the Trust through their donation of time, advice and expertise. Ocean Learning Trust welcomes community and volunteer projects which provide a positive impact on the work of the Trust and fosters the relationship with parents, partners and the wider community. The directors and members gratefully appreciate the efforts of all volunteers and volunteering projects which add value to the children's experience and support the trust's vision and values.

14. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
Additions	<u>2,299</u>
 AMORTISATION	
Charge for year	<u>225</u>
 NET BOOK VALUE	
At 31 August 2018	<u><u>2,074</u></u>
At 31 August 2017	<u><u>-</u></u>

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

15. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2017	2,947,709	41,215	87,235	3,076,159
Additions	-	7,282	32,601	39,883
Reversal of impairments	161,732	-	-	161,732
Transfer on conversion	7,210,000	-	-	7,210,000
	<u>10,319,441</u>	<u>48,497</u>	<u>119,836</u>	<u>10,487,774</u>
At 31 August 2018				
	<u>10,319,441</u>	<u>48,497</u>	<u>119,836</u>	<u>10,487,774</u>
DEPRECIATION				
At 1 September 2017	133,554	7,066	28,296	168,916
Charge for year	80,272	11,553	27,016	118,841
	<u>213,826</u>	<u>18,619</u>	<u>55,312</u>	<u>287,757</u>
At 31 August 2018				
	<u>213,826</u>	<u>18,619</u>	<u>55,312</u>	<u>287,757</u>
NET BOOK VALUE				
At 31 August 2018	<u>10,105,615</u>	<u>29,878</u>	<u>64,524</u>	<u>10,200,017</u>
At 31 August 2017	<u>2,814,155</u>	<u>34,149</u>	<u>58,939</u>	<u>2,907,243</u>

Upon conversion, the Trust acquired long leasehold interests in respect of land and buildings from Bournemouth Borough Council Local Authority and the Borough of Poole Local Authority under 125 year lease agreements for nil consideration and these have been recognised at fair value.

The Trust occupies under licence land and buildings owned by The Winchester Diocesan Board of Finance. Based on the guidance given in the Academies Accounts Direction 2017 to 2018 the Directors are of the opinion that these premises fail to meet the control requirement in order to be recognised as an asset and therefore these properties have not been recognised in these financial statements.

During the previous year it became apparent to the Directors that one of the Trust's buildings was structurally unsafe and required substantial repairs to be carried out to remedy the problem. As a result a provision was made of £490,096 against the carrying value of that property.

The trust has now secured CIF funding to enable the work to be carried out and at the balance sheet date approximately one third of this had been completed. The directors have therefore reviewed the impairment provision and concluded that it would be appropriate to release one third of the provision previously made.

Included in cost or valuation of land and buildings is leasehold land of £2,784,500 (2017 - £904,500) which is not depreciated.

16. STOCKS

	2018 £	2017 £
Stocks	<u>3,645</u>	<u>-</u>

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	9,621	50,095
Other debtors	1,626	4,037
VAT	60,618	54,269
Prepayments and accrued income	<u>392,344</u>	<u>224,871</u>
	<u><u>464,209</u></u>	<u><u>333,272</u></u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Other loans (see note 20)	336	-
Trade creditors	257,489	172,226
Social security and other taxes	114,613	74,386
Other creditors	115,783	78,341
Accruals and deferred income	<u>278,082</u>	<u>176,948</u>
	<u><u>766,303</u></u>	<u><u>501,901</u></u>

Deferred income

	2018	2017
Amount brought forward from previous periods	119,416	144,519
Resources deferred in the period	187,006	119,416
Amounts released from previous periods	<u>(119,416)</u>	<u>(144,519)</u>
Deferred income at 31 August 2018	<u><u>187,006</u></u>	<u><u>119,416</u></u>

At the balance sheet date the academy trust was holding funds received in advance for student trips, hot meals and grants received for the 18/19 academic year.

Included within other creditors is a loan of £336 from Salix which is repayable over 8 years and no interest is to be charged.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Other loans (see note 20)	<u><u>1,343</u></u>	<u><u>-</u></u>

Included within other creditors is a loan of £1,343 from Salix which is repayable over 8 years and no interest is to be charged.

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

20. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>336</u>	<u>-</u>
 Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>1,343</u>	<u>-</u>

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	78,328	64,448
Between one and five years	99,831	93,663
After five years	<u>4,942</u>	<u>-</u>
	<u>183,101</u>	<u>158,111</u>

22. 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.

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

23. MOVEMENT IN FUNDS

	At 1/9/17 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted funds				
General fund	284,699	52,646	-	337,345
Restricted funds				
General Annual Grant	(10,835)	99,451	(95,028)	(6,412)
Other DfE/ESFA grants	15,601	7,712	9,045	32,358
Other grants and income	95,815	(45,398)	4,436	54,853
Pupil premium fund	32,076	(14,597)	31,060	48,539
Free school meals funding	-	5,946	20,273	26,219
Big Lottery Fund Grant	3,478	(3,478)	-	-
Pension fund	(3,603,000)	(582,000)	-	(4,185,000)
Restricted fixed asset funds				
On conversion	2,814,155	7,291,460	-	10,105,615
DfE/ESFA capital grants	57,360	333,370	-	390,730
Capital expenditure from GAG	71,533	(29,098)	30,214	72,649
	(523,817)	7,063,368	-	6,539,551
TOTAL FUNDS	<u>(239,118)</u>	<u>7,116,014</u>	<u>-</u>	<u>6,876,896</u>

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

23. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	212,060	(159,414)	-	52,646
Restricted funds				
General Annual Grant	6,880,633	(6,781,182)	-	99,451
Other DfE/ESFA grants	126,640	(118,928)	-	7,712
Other grants and income	172,620	(218,018)	-	(45,398)
Pupil premium fund	646,534	(661,131)	-	(14,597)
Special Educational Needs fund	125,879	(125,879)	-	-
Free school meals funding	239,670	(233,724)	-	5,946
Big Lottery Fund Grant	(2,886)	(592)	-	(3,478)
Pension fund	(897,000)	(602,000)	917,000	(582,000)
Restricted fixed asset funds				
On conversion	7,210,000	81,460	-	7,291,460
DfE/ESFA capital grants	551,245	(217,875)	-	333,370
Capital expenditure from GAG	-	(29,098)	-	(29,098)
	15,053,335	(8,906,967)	917,000	7,063,368
TOTAL FUNDS	15,265,395	(9,066,381)	917,000	7,116,014

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

23. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/16 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31/8/17 £
Unrestricted Funds					
General fund	261,093	-	21,961	1,645	284,699
Restricted Funds					
General Annual Grant	-	-	44,628	(55,463)	(10,835)
Other grants and income	73,590	-	96,054	(58,228)	111,416
Pupil premium fund	-	-	24,053	8,023	32,076
Big Lottery Fund Grant	-	-	3,478	-	3,478
Pension fund	(4,237,000)	-	634,000	-	(3,603,000)
Restricted fixed asset funds					
On conversion	13,422,932	(10,067,939)	(551,736)	10,898	2,814,155
DfE/ESFA capital grants	26,995	-	(24,698)	55,063	57,360
Capital expenditure from GAG	<u>49,235</u>	<u>1,650</u>	<u>(17,414)</u>	<u>38,062</u>	<u>71,533</u>
	<u>9,335,752</u>	<u>(10,066,289)</u>	<u>208,365</u>	<u>(1,645)</u>	<u>(523,817)</u>
TOTAL FUNDS	<u><u>9,596,845</u></u>	<u><u>(10,066,289)</u></u>	<u><u>230,326</u></u>	<u><u>-</u></u>	<u><u>(239,118)</u></u>

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

23. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	125,737	(103,776)	-	21,961
Restricted funds				
General Annual Grant	5,321,318	(5,276,690)	-	44,628
Other grants and income	265,620	(169,566)	-	96,054
Pupil premium fund	504,334	(480,281)	-	24,053
Special Educational Needs fund	168,180	(168,180)	-	-
Free school meals funding	174,364	(174,364)	-	-
Big Lottery Fund Grant	10,000	(6,522)	-	3,478
Pension fund	-	(483,000)	1,117,000	634,000
Restricted fixed asset funds				
On conversion	-	(551,736)	-	(551,736)
DfE/ESFA capital grants	29,682	(54,380)	-	(24,698)
Capital expenditure from GAG	-	(17,414)	-	(17,414)
	6,473,498	(7,382,133)	1,117,000	208,365
TOTAL FUNDS	<u>6,599,235</u>	<u>(7,485,909)</u>	<u>1,117,000</u>	<u>230,326</u>

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

23. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/9/16 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted funds					
General fund	261,093	-	74,607	1,645	337,345
Restricted funds					
General Annual Grant	-	-	144,079	(150,491)	(6,412)
Other DfE/ESFA grants	-	-	7,712	9,045	16,757
Other grants and income	73,590	-	50,656	(53,792)	70,454
Pupil premium fund	-	-	9,456	39,083	48,539
Free school meals funding	-	-	5,946	20,273	26,219
Pension fund	(4,237,000)	-	52,000	-	(4,185,000)
Restricted fixed asset funds					
On conversion	13,422,932	(10,067,939)	6,739,724	10,898	10,105,615
DfE/ESFA capital grants	26,995	-	308,672	55,063	390,730
Capital expenditure from GAG	49,235	1,650	(46,512)	68,276	72,649
	<u>9,335,752</u>	<u>(10,066,289)</u>	<u>7,271,733</u>	<u>(1,645)</u>	<u>6,539,551</u>
TOTAL FUNDS	<u><u>9,596,845</u></u>	<u><u>(10,066,289)</u></u>	<u><u>7,346,340</u></u>	<u><u>-</u></u>	<u><u>6,876,896</u></u>

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

23. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	337,797	(263,190)	-	74,607
Restricted funds				
General Annual Grant	12,201,951	(12,057,872)	-	144,079
Other DfE/ESFA grants	126,640	(118,928)	-	7,712
Other grants and income	438,240	(387,584)	-	50,656
Pupil premium fund	1,150,868	(1,141,412)	-	9,456
Special Educational Needs fund	294,059	(294,059)	-	-
Free school meals funding	414,034	(408,088)	-	5,946
Big Lottery Fund Grant	7,114	(7,114)	-	-
Pension fund	(897,000)	(1,085,000)	2,034,000	52,000
Restricted fixed assets funds				
On conversion	7,210,000	(470,276)	-	6,739,724
DfE/ESFA capital grants	580,927	(272,255)	-	308,672
Capital expenditure from GAG	-	(46,512)	-	(46,512)
	<u>21,526,833</u>	<u>(16,289,100)</u>	<u>2,034,000</u>	<u>7,271,733</u>
TOTAL FUNDS	<u>21,864,630</u>	<u>(16,552,290)</u>	<u>2,034,000</u>	<u>7,346,340</u>

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

23. MOVEMENT IN FUNDS - continued

Included in the Capital Grant fund is £49,684 of unspent devolved formula capital grants and £317,219 of unspent CIF grants.

Under the funding agreements with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2018.

The Ironmongers fund has been created to recognise the restricted funding received from the Ironmongers' Company that makes grants to schools in areas of high deprivation for educational activities and resources through the Thomas Betton Trust. It works in partnership with the schools, supporting work which addresses the social, emotional and behavioural development of children from challenging backgrounds. Bethany Junior School was chosen in consultation with Winchester Diocese as a school which qualifies for this support.

The MOLE (Maths Outdoor Learning Environment) fund has been created to recognise the restricted grant received through 'Achieve Together' education project supporting schools in areas of high deprivation in Bournemouth. The grant was used to build an interactive outdoor learning facility to motivate and engage children in practical problem solving activities.

The Big Lottery Fund grant has been created to recognise the restricted grant received from the Big Lottery Fund. This grant was received in order to provide an extra-curricular activities club.

The Police and Crime Commissioner fund has been created to recognise the restricted grant received for the purpose of intervention into families having issues. The grant has been used to provide counselling sessions to families.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	2018	2017
Bethany Church of England Junior School	99,609	27,950
Heathlands Primary Academy	53,349	89,303
St Clement's and St John's Church of England Infant School	227,452	125,186
St Luke's Church of England Primary School	99,528	142,032
Heatherlands Primary School	(16,089)	-
Central services	29,053	36,363
Total before fixed assets and pension reserve	492,902	420,834
Restricted fixed asset fund	10,568,994	2,943,048
Pension reserve	(4,185,000)	(3,603,000)
Total funds	6,876,896	(239,118)

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

23. MOVEMENT IN FUNDS - continued

Heatherlands Primary School is carrying a net deficit of £16,089 on restricted general funds (excluding pension reserve) plus unrestricted funds because of a lower than predicted fund inherited on conversion, along with an early termination fee on a reprographics contract. Controls on staff recruitment and replacement, along with predicted savings from the new reprographics contract, will return these funds to surplus.

Analysis of academies by cost

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

	Teaching and education support staff costs	Other support staff costs	Education al supplies	Other costs (excl dep'n)	Total	2017
Bethany Church of England Junior School	1,121,109	137,089	81,278	286,011	1,625,487	1,756,880
Heathlands Primary School	879,979	136,432	39,480	193,908	1,249,799	1,205,309
St Clement's and St John's Church of England Infant School	838,493	136,731	32,368	245,050	1,252,642	1,328,076
St Luke's Church of England Primary School	1,263,696	132,065	66,138	210,543	1,672,442	1,633,056
Heatherlands Primary School	1,441,301	152,091	71,438	320,312	1,985,142	-
Central services	130,171	225,565	356	157,264	513,356	456,058
	5,674,749	919,973	291,058	1,413,088	8,298,868	6,379,379

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

24. 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 Dorset County Council. Both are multi-employer defined benefit schemes

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

Contributions amounting to £109,547 were payable to the schemes at 31 August 2018 (2017: £75,832) 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% 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 £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and would normally be payable from 1 April 2019. The ESFA have indicated that the new employer rate is likely to be about 23.6% but that the increase will be deferred until September 2019 and will be fully funded by the Department for Education.

The employer's pension costs paid to TPS in the period amounted to £489,000 (2017: £366,000).

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

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION AND SIMILAR OBLIGATIONS

- continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £486,000 (2017: £356,000), of which employer's contributions totalled £373,000 (2017: £271,000) and employees' contributions totalled £113,000 (2017: £85,000). The agreed contribution rates for future years are 18.8 per cent for employers and 5.5 to 12.5 per cent for employees.

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

As referred to in note 28 the LGPS obligation on conversion relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Present value of funded obligations	(7,673,000)	(6,018,000)
Fair value of plan assets	<u>3,488,000</u>	<u>2,415,000</u>
	<u>(4,185,000)</u>	<u>(3,603,000)</u>
Deficit	<u>(4,185,000)</u>	<u>(3,603,000)</u>
Liability	<u>(4,185,000)</u>	<u>(3,603,000)</u>

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	2018	2017
	£	£
Current service cost	864,000	621,000
Net interest from net defined benefit asset/liability	109,000	90,000
Past service cost	-	41,000
Administration expenses	2,000	2,000
	<u>975,000</u>	<u>754,000</u>
 Actual return on plan assets	 <u>74,000</u>	 <u>342,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Defined benefit obligation	6,018,000	6,500,000
Current service cost	864,000	621,000
Past service cost	-	41,000
Contributions by scheme participants	113,000	85,000
Interest cost	189,000	143,000
On conversion	1,462,000	-
Benefits paid	(50,000)	(81,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	-	165,000
Actuarial (gains)/losses from changes in financial assumptions	(923,000)	(116,000)
Experience loss/(gain) on defined benefit obligation	-	(1,340,000)
	<u>7,673,000</u>	<u>6,018,000</u>

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Fair value of scheme assets	2,415,000	2,263,000
Contributions by employer	373,000	271,000
Contributions by scheme participants	113,000	85,000
On conversion	565,000	-
Actuarial gains/(losses)	-	(463,000)
Benefits paid	(50,000)	(81,000)
Administration expenses	(2,000)	(2,000)
Interest on assets	80,000	53,000
Return on plan assets (excluding interest income)	(6,000)	289,000
	<u>3,488,000</u>	<u>2,415,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	-	(165,000)
Actuarial (gains)/losses from changes in financial assumptions	923,000	116,000
Experience loss/(gain) on defined benefit obligation	-	1,340,000
Return on plan assets (excluding interest income)	(6,000)	289,000
Actuarial gains/(losses)	-	(463,000)
	<u>917,000</u>	<u>1,117,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
Equities	55%	55%
Gilts/LDI	12%	13%
Other bonds	7%	11%
Diversified growth fund	6%	5%
Property	10%	9%
Cash	1%	3%
Infrastructure	4%	4%
Multi asset credit	5%	0%

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION AND SIMILAR OBLIGATIONS

- continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2018	2017
Discount rate	2.65%	2.6%
Future salary increases	3.8%	4.2%
Future pension increases	2.3%	2.7%
RPI increases	3.3%	3.6%
CPI increases	2.3%	2.7%
Commutation of benefits to lump sums	50%	50%

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

The assumed life expectations from age 65 are:

	2018	2017
Retiring Today		
Males	24.0 Years	23.9 Years
Females	26.1 Years	26.0 Years
Retiring in 20 years		
Males	26.3 Years	26.2 Years
Females	28.5 Years	28.3 Years

It is further assumed that active members will retire at the pension weighted average tranche retirement age.

Sensitivity

A change of 0.1% in the assumed discount rate would cause the present value of the total obligation to change by approximately £193,000 and the projected service cost by £19,000.

A change of 1 year in the assumed life expectancy would cause the present value of the total obligation to change by approximately £245,000 and the projected service cost by £23,000.

A change of 0.1% in the assumed salary increase would cause the present value of the total obligation to change by approximately £25,000 and the projected service cost by less than £1,000.

25. CAPITAL COMMITMENTS

	2018	2017
	£	£
Contracted but not provided for in the financial statements	<u>129,833</u>	<u>-</u>

OCEAN LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 AUGUST 2018

26. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

S Poole, spouse of A Poole, a member of the senior leadership team, is employed by the academy trust as a teacher. S Poole's appointment was made in open competition and A Poole was not involved in the decision making process regarding appointment. S Poole is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.

During the year, the Trust purchased goods and services from the Diocese of Portsmouth totalling £540 (2017: £550).

27. POST BALANCE SHEET EVENTS

On 1 November 2018 Queen's Park Infant Academy joined the Trust.

28. ANALYSIS OF NET ASSETS BETWEEN FUNDS – COMPARATIVES

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

	Unrestricted fund	Restricted funds	Restricted fixed asset fund	2017 Total funds
	£	£	£	£
Fixed assets	-	-	2,907,243	2,907,243
Current assets	298,902	623,833	35,805	958,540
Current liabilities	(14,203)	(487,698)	-	(501,901)
Pension liability	-	(3,603,000)	-	(3,603,000)
	<u>284,699</u>	<u>(3,466,865)</u>	<u>2,943,048</u>	<u>(239,118)</u>

29. CONVERSION TO AN ACADEMY

On 1 November 2017 the Heatherlands Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Ocean Learning Trust from the Borough of Poole Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

OCEAN LEARNING TRUST

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2018**

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total
	£	£	£	£
Tangible fixed assets				
Leasehold land and buildings	-	-	7,210,000	7,210,000
Current assets				
Cash - representing budget surplus on LA funds	13,076	-	-	13,076
Non-current liabilities				
LGPS pension deficit	-	(897,000)	-	(897,000)
Net assets	<u>13,076</u>	<u>(897,000)</u>	<u>7,210,000</u>	<u>6,326,076</u>

Upon conversion, the Trust acquired long leasehold interests in respect of land and buildings from the Borough of Poole Local Authority under 125 year lease agreements for nil consideration and these have been recognised at fair value.

Nothing has been recognised in respect of the fixtures and fittings and computer equipment transferred as it is considered impractical to ascertain a reliable value of their fair value.

