

Company Registration Number: 09604912 (England & Wales)

**THE OAK ACADEMY TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**THE OAK ACADEMY TRUST**  
**(A company limited by guarantee)**

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**THE OAK ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	A Fitzsimons P Dingemans R Wallace A Jenner (appointed 18 October 2019) T Occleshaw (appointed 18 October 2019)
<b>Trustees</b>	T Occleshaw, Chair <sup>1</sup> R McAuley, Parent Trustee J Everett, Head Teacher J Potter, Parent Trustee M Draper, Staff Trustee (resigned 9 December 2019) K Stevens (appointed 13 December 2018) <sup>1</sup> P Wiltshire <sup>1</sup> A Jenner (resigned 12 July 2019) <sup>1</sup> M Bolch M Emmett N Schofield (resigned 9 December 2019) I Patrick  <sup>1</sup> Member of Finance, Audit and Compliance Committee
<b>Company registered number</b>	09604912
<b>Company name</b>	The Oak Academy Trust
<b>Principal and registered office</b>	Barnham Primary School Elm Grove Barnham Bognor Regis West Sussex PO22 0HW
<b>Senior management team</b>	J Everett, Head teacher N Schofield, School Business manager M Draper, Deputy head teacher
<b>Independent auditors</b>	Kreston Reeves LLP Chartered accountants 9 Donnington Park 85 Birdham Road Chichester West Sussex PO20 7AJ
<b>Bankers</b>	Lloyds Bank PLC 33-37 High Street Bognor Regis West Sussex PO21 1RS

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

<b>Solicitors</b>	Blake Morgan New Kings, Court, Tollgate Chandlers Ford Eastleigh Hampshire SO53 3LG
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**THE OAK ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2018 to 31 August 2019. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

This is our fourth Annual Report for The Oak Academy Trust (hereinafter, the 'Trust') and one that finds the school and Trust in a stable position after our most challenging year to date.

The financial stability of the Trust is strong. However, the financial challenges that were ahead of the Trust a year ago were significant and required extremely careful and sensitive handling by the executive leadership of the Trust and the Trustees in order to achieve a balanced budget without critically impacting upon the quality of education for all.

Pupil outcomes for the school were mixed this year. Strong performances for Years R and KS1 for attainment, as well as strong progress achieved across all year groups, have to be balanced alongside poorer attainment in Year 6 for those children reaching age expected levels. The 2018-2019 cohort in Year 6, with 38% SEND, 5 EHCPs and high levels of behaviour difficulties unavoidably negatively impacted upon attainment. Positive gains in progress for Maths and Writing were achieved, as well as for our more able pupils across reading, writing and maths; however not to the levels needed to achieve national or West Sussex benchmarks for attainment and this was disappointing for us all.

The Trust has continued to establish itself as a Trust that is improving and that is seeking to work collaboratively with a variety of agency partners and Trusts. Partnerships with the FLOW group of Trusts, Schoolsworks MAT and Hampshire County Council have continued and new fledgling relationships with Thinking Schools MAT and schools based in Hampshire have been formed.

We are confident that the challenges that lay ahead regarding pupil outcomes, financial management and curriculum development are challenges that we can meet and meet well. Our rich curriculum that we are proud of and which educates the whole child is being constantly developed and 2019-2020 is the year we implement the next stage of our well-being curriculum, called the Shine Curriculum. We also continue to deliver on our mission as a Trust as we strive to produce children who are successful learners, confident individuals and responsible citizens through a school that educates all, without prejudice. Our mission is one we feel passionate about as we work tirelessly to ensure that all children have the opportunity to be the best they can be.

## **Structure, governance and management**

### **a. Constitution**

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

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

### **b. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**c. Method of recruitment and appointment or election of Trustees**

The management of the academy is the responsibility of the Trustees who are elected and co opted under the terms of the Trust deed.

Trustees are appointed in accordance with the direction in the Trust's Articles and Funding Agreement as at the point of Conversion - July 2015.

**d. Policies and procedures adopted for the induction and training of Trustees**

Before new Trustees join the Board of Trustees they meet with the Chair of Trustees to learn more about the Trust and have the opportunity to attend a Trustee meeting, as an observer, to learn more about the role. All new Trustees are assigned a mentor and complete an induction programme. This includes:

- Meeting with the Chair of Trustees Governance Protocols, Committee Structures, Roles and Responsibilities
- Meeting with CEO/Head Teacher Strategic Vision, Overview and Context of schools in the Trust
- Meeting with Director of Business and Finance/School Business Manager Overview of Trust Budget and Individual School Budgets and Compliance Structures and Systems
- Meeting with Safeguarding Lead Procedure and Protocols
- Meeting with the Clerk to Trustees Meeting Structure, Communication Methods

**e. Organisational structure**

The Trustees meet as a board throughout the year to determine the general policy of the Trust and to review its overall management and control for which they are legally responsible.

**f. Pay policy for key management personnel**

There are three key management personnel for The Oak Academy Trust. The arrangements for setting the pay and remuneration of the academy's key management personnel and any benchmarks, parameters or criteria used in setting their pay is currently in line with the Pay Policy for Barnham Primary School for roles of Headteacher and School Business Manager and Deputy Head Teacher. The policy is reviewed annually in line with National Guidance.

**g. Connected organisations, including related party relationships**

The Trustees complete an annual form in respect of related parties and are required to declare any interest in transactions at the start of each meeting. Details of transactions in the year with related parties are disclosed in the accounts. There are no related parties which either control or significantly influence the decisions and operations of the Academy Trust and there is no sponsor or connected charity with which the Academy Trust jointly pursues its charitable activities.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Objectives and Activities**

**a. Objects and aims**

The aim of The Oak Academy Trust is to provide Opportunity, Aspiration and Knowledge in order to elevate all. This is in accordance with the Academy Trust's objects as set out in the Memorandum of Association of The Oak Academy Trust that are specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").
- to promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

**b. Objectives, strategies and activities**

The measures The Trust uses to assess success are the key performance indicators set out below together with pupil outcomes. These form part of The Oak Academy Trust Development Plan and Barnham Primary School Improvement Plan. These are monitored and reported on to the Board of Trustees on a termly basis. Pupil Outcomes are measured against national and local comparative data.

The Key Objectives for The Oak Academy Trust for the Year 2018 2019 were:

- to work collaboratively with the RSC in order to implement the Trust's MDIF
- to continue to develop the credibility of the Trust
- to continue to build a proven track record for the Trust
- to ensure sustainability of the Trust
- to seek best practice from established and successful MATs
- to continue to ensure a balanced budget and effective financial management across the Trust
- for pupil outcomes to be at least above National and Local Authority outcomes
- for pupil outcomes to be in line with schools of a similar story and context as defined by FFT
- for all schools to be Good or Outstanding as defined by Ofsted
- for all schools to be full and to have waiting lists

In order for the Trust to grow and be seen a solution for the development of successful MATs in West Sussex.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Our Strategies have been this year:

- collaboration, best practice sharing, learning from successful and established MATs including Local MAT CEO forum and West Sussex CEO forum led by the RSC
- actively engaging with the educational community e.g. events/ opportunities/ information sharing
- collaborate and share with community groups and organisations the vision of the Trust in order to develop a coordinated approach to future projects and planning including increased housing development in the local area of the school
- professional Development of key management personnel of the Trust
- continue to implement and review for effectiveness and efficiency Trust wide structure, policies, processes and mechanisms
- liaise and work closely with the office of the RSC and WSCC in order to support schools or develop the Trust

**c. Public benefit**

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake. We are satisfied that all our activities support our charitable objects and that consideration is given to the fulfilment of these objects when new activities are considered in particular the high standard of education for the children who attend Barnham Primary School provides significant public benefit to the local community.

Barnham Primary School is an academy and therefore is its own admissions authority. The school has a Pupil Admission Number (PAN) of 45. The Trustees of Barnham Primary School applies the regulations on admissions fairly and equitably to all those who attend our school. The school participates in the Local Authority co-ordinated scheme and all dates within the scheme must be adhered to.

We are an inclusive school and we welcome all applications for admission. The only restriction we place on entry is that of number. If the children applying for entry exceeds places available, we initiate our appeals process. All applications will be treated on merit and in a sensitive manner. It is our wish to provide families with a place at our school, if that is their choice and if the application meets our criteria.

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

The Key Objectives for The Oak Academy Trust for the Year 2018 2019 were:

To continue to develop the credibility of the Trust and build a proven track record

- Positive ESFA financial review
- Judgement of 'Good' from May Ofsted Inspection for Barnham Primary School

To ensure sustainability of the Trust

- The Trust has embedded a strong board of Trustees
- The Trust has continued to develop and improve the leadership capabilities of middle leaders and the senior leadership team
- The Trust has managed its finances well which has resulted in a surplus

To seek best practice from established and successful MATS

- The Trust has embedded with other successful MATs a Peer2Peer process for review and improvement and continues to meet in order to share best practice
- The Trust is a member of the West Sussex CEO forum



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

To ensure a balanced budget and effective financial management across the Trust

- Barnham Primary school and The Oak Academy Trust maintained a balanced budget with a surplus

For pupil outcomes to be at least above National and Local Authority outcomes

- Pupil Outcomes are the same as County and National outcomes for 'Good Level of Development' in Year R and below for the Phonics screening in Year 1
- Pupil Outcomes are the same as County and National outcomes in Year 2 for Reading; slightly below County and National outcomes for Maths; and above County and National outcomes for Writing
- Outcomes for Reading, Writing and Maths combined is above County and National outcomes
- Pupil Outcomes are significantly below County and National outcomes in Year 6 for Reading, Writing and Maths and Grammar, Punctuality and Spelling. Outcomes for Reading, Writing and Maths combined is below County and National outcomes.
- Progress for Reading and Maths remains below average. Progress for Writing is now above average.

For pupil outcomes to be in line with schools of a similar story and context as defined by FFT

- Barnham Primary School is above National Median Progress for writing and slightly below for reading and maths

For all schools to be Good or Outstanding as defined by Ofsted

- Barnham Primary School was judged as GOOD by Ofsted (May 2018)

For all schools to be full and to have waiting lists

- Barnham Primary School was fully subscribed in September 2019 for Year R
- Waiting lists were in place for Barnham Primary School for all Years 3 and 5

**b. Going concern**

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

**Financial review**

**a. Financial position**

The Trust receives the majority of its income from the Education Funding Agency. These funds and the associated expenditure are shown on the Statement of Financial Activities which form part of this report

A further significant income stream for the trust is received from West Sussex County Council for the operation of 12 place Special Support Centre for children with physical disabilities and speech language and communication needs at Barnham Primary School. This income and associated expenditure is also shown on the Statement of Financial Activities.

The net expenditure/operating surplus before the actuarial adjustment to the Local Government Pension Scheme(LGPS) was £117,536.

The Trust participates in the WSCC LGPS. The actuarial loss in the year was £121,000. The valuation under FRS102 show the obligations of this scheme to exceed its assets at 31 August 2019 by £513,000

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Reserves policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

At the balance sheet date the Academy had total funds of £3,201,699 of which £3,346,869 are restricted fixed asset funds, £272,870 restricted income reserves and £94,960 are unrestricted reserves. These are reduced by the deficit on the pension reserve of £513,000 relating to the Local Government Pension scheme. The Academy's current level of unrestricted reserves and restricted general funds (excluding the pension reserve) is £367,830. The Trust's policy is to maintain a level of free reserves over £350,000, and therefore the Trustees are satisfied with the current level of reserves.

**b. Investments policy**

There are currently no funds available for long term investment. It is the Trustees intention to develop an investment policy when appropriate.

**c. Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Trust is exposed and are satisfied that systems are in place to mitigate any exposure to major risks. An annual review is undertaken, and the trustees have identified the following key potential risks:

- the reputational damage caused by poor academic outcomes of Barnham Primary School
- strategic and operational disruption as well as viability of the Trust caused by inadequate governance, monitoring, reporting and compliance
- Reduced intake in Year R therefore affecting the school budget

These risks are actively monitored by the Trustees and representatives of Barnham Primary School

The key controls used by the Trust to mitigate against such risks are:

- formal agendas for all Trust meetings and activities
- comprehensive strategic planning, budgeting and management reporting
- an organisation structure with clear lines of reporting and communication
- formal written policies, protocols and procedures
- clear authorisation and approval levels.

**Fundraising**

The Oak Academy Trust recognises the vital contribution made by its supporters, with voluntary donations being a valuable part of the trust's incoming resources.

We believe that giving to charity should be a positive experience, and to help ensure that this is the case we acknowledge the damaging impact an excessively aggressive approach to fundraising can have on vulnerable people, whether from unreasonably persistent approaches being made or undue pressure to give being applied, and great care is undertaken to ensure that such practices are not adopted by the trust. To this end, all fundraising activity is carried out by our proactive and busy parents association, Many Hands. This group raises money for the school through regular activities such as school fairs, discos, film and quiz nights. All of these events are voluntary and advertised in a non-intrusive manner. Last year, as well as smaller donations to enable the school to buy resources to support the curriculum Many Hands paid for new blinds for the school hall. Many Hands is run by a committee of parents led by a chair and treasurer and operates independently from the school.

The charity does not utilise the services of any external commercial fundraisers. At this point, given that the majority of the charity's donations are from pupils' parents, the trustees do not consider it necessary to subscribe to a Fundraising Regulator.

The charity welcomes feedback on its fundraising approach and seeks to make improvements wherever it can. Any complaints received in respect of our fundraising activities are taken very seriously and are acted upon immediately. We are pleased to report that during the year no complaints were received in respect of our fundraising activity.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Plans for future periods**

**a. Future developments**

The aim of The Oak Academy Trust is to provide Opportunity, Aspiration and Knowledge in order to elevate all.

The Key Objectives for The Oak Academy Trust for the Year 2019 2020 are:

- to continue to develop the credibility of the Trust
- to continue to build a proven track record for the Trust
- to ensure sustainability of the Trust
- to seek best practice from established and successful MATs
- to continue to ensure a balanced budget and effective financial management across the Trust
- for pupil outcomes to be at least above National and Local Authority outcomes
- for pupil outcomes to be in line with schools of a similar story and context as defined by FFT
- for all schools to be Good or Outstanding as defined by Ofsted
- for all schools to be full and to have waiting lists
- to develop a greater understanding of Trusts working in the local region or wider area

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on *9/12/19* and signed on its behalf by:



**T Occleshaw**  
Chair of Trustees

**THE OAK ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

The board of Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Oak Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Governance**

The information on governance included here supplements that described in the Trustees' report. The board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
T Occleshaw, Chair	6	6
R McAuley, Parent Trustee	2	6
J Everett, Head Teacher	6	6
J Potter, Parent Trustee	5	6
M Draper, Staff Trustee	6	6
K Stevens	2	5
P Wiltshire	4	6
A Jenner	3	6
M Bolch	5	6
M Emmett	5	6
N Schofield	6	6
I Patrick	6	6

The Trustees have created and implemented a Trustee Development Plan, which outlined their key priorities for 2018-2019; with a focus on:

- Embed the School Improvement Committee as a key committee for school improvement, including the use of Trustee visits as a mechanism for improvement
- Managing the successful implementation of a staff restructure
- Established the new Chair of Trustees and welcomed a new Trustee to the board

The Trust intends to review the action plan on a termly basis and is focused on continuing to embed skills and practices in school improvement and developing data analysis skills. This area is critical to our efforts to improve attainment.

Based on the recommendations from interim audits in 2015-2016, a Finance, Audit and Compliance Committee was established. This has provided a more focused body to lead and analyse the value for money of the Trust together with the ability to provide more in depth scrutiny of the business and financial aspects of the Trust.

Efforts were also directed to the fiscal stability of the Trust and addressing, with the school Leadership Team, the forecast deficit resulting from the combination of declining revenues and escalating costs. This also involved engagement with the ESFA towards the end of the Academic Year.

The Finance, Audit and Compliance Committee is a sub-committee of the main board of Trustees. This has provided a more focused body to lead and analyse the value for money of the Trust, together with the ability to provide more in depth scrutiny of the business and financial aspects of the Trust.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Wiltshire	3	3
T Occleshaw	3	3
A Jenner	3	3

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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of value for money**

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

The accounting officer considers how the academy'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 has delivered improved value for money during the year by:

- Implementing a staff restructuring to effectively deploy staff resources to ensure a balanced budget.
- The introduction of a Higher Level Teaching Assistant to reduce supply costs
- Taking advantage of the Risk Protection Agreement and reducing the cost of the school's insurance
- Working with a School Resource Management Adviser to measure key metrics against best practice and looking at identified cost savings.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 The Oak Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

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

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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework**

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Kreston Reeves LLP, the external auditors, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems
- testing of income systems
- testing of control account/ bank reconciliations
- testing of health and safety record keeping
- testing of data protection compliance
- testing of key policies and procedures

On a semi-annual basis, the internal auditor reports to the board of Trustees through the finance audit and compliance committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

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**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework (continued)**

**Review of effectiveness**

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance audit and compliance 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 *9/12/19* and signed on their behalf by:

**Tony Occleshaw**  
Chair of Trustees



**James Everett**  
Accounting Officer





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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of The Oak Academy Trust I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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



**J Everett**  
Accounting Officer

Date: 9.12.19

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

**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

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

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

**THE OAK ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**Responsibilities of trustees**

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

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

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

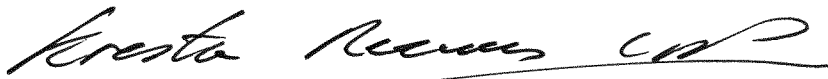
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

THE OAK ACADEMY TRUST  
(A company limited by guarantee)

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

Use of our report

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



Simon Webber BA (Hons) DChA FCA (Senior statutory auditor)

for and on behalf of  
**Kreston Reeves LLP**

Chartered accountants

Chichester

Date:

16<sup>th</sup> December 2019

**THE OAK ACADEMY TRUST**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 11 July 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Oak Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Oak Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Oak Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Oak Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Oak Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Oak Academy Trust's funding agreement with the Secretary of State for Education dated December 2014 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**THE OAK ACADEMY TRUST**  
(A company limited by guarantee)

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

**Approach**

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

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

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

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

**Work undertaken**

The work undertaken to draw our conclusion includes:

- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Ensured that grants have been applied for the purposes intended
- Confirmed internal control procedures exist and work as documented relating to expenditure and have been complied with
- Confirmed regularity relating to expense claims and that they are not for personal benefit
- Reviewed expenditure and considered whether any supply from related parties
- Reviewed minutes for declarations of interest
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

**Conclusion**

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



Reporting Accountant

Kreston Reeves LLP

Date: 16<sup>th</sup> December 2019

**THE OAK ACADEMY TRUST**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	11,176	-	124,302	135,478	260,404
Charitable activities		-	1,443,135	-	1,443,135	1,435,623
Investments	5	240	-	-	240	178
Other income	6	32,217	-	-	32,217	46,029
<b>Total income</b>		<b>43,633</b>	<b>1,443,135</b>	<b>124,302</b>	<b>1,611,070</b>	<b>1,742,234</b>
<b>Expenditure on:</b>						
Charitable activities	8	33,761	1,397,941	61,832	1,493,534	1,523,711
<b>Total expenditure</b>		<b>33,761</b>	<b>1,397,941</b>	<b>61,832</b>	<b>1,493,534</b>	<b>1,523,711</b>
<b>Net income</b>		<b>9,872</b>	<b>45,194</b>	<b>62,470</b>	<b>117,536</b>	<b>218,523</b>
Transfers between funds	19	-	(15,903)	15,903	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>9,872</b>	<b>29,291</b>	<b>78,373</b>	<b>117,536</b>	<b>218,523</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains/(losses) on defined benefit pension scheme		-	(121,000)	-	(121,000)	115,000
<b>Net movement in funds</b>		<b>9,872</b>	<b>(91,709)</b>	<b>78,373</b>	<b>(3,464)</b>	<b>333,523</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		85,088	(148,421)	3,268,496	3,205,163	2,871,640
Net movement in funds		9,872	(91,709)	78,373	(3,464)	333,523
<b>Total funds carried forward</b>		<b>94,960</b>	<b>(240,130)</b>	<b>3,346,869</b>	<b>3,201,699</b>	<b>3,205,163</b>

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

The notes on pages 26 to 50 form part of these financial statements.



**THE OAK ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 09604912**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**


	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	3,346,869	3,268,496
		<u>3,346,869</u>	<u>3,268,496</u>
<b>Current assets</b>			
Stocks	15	1,759	2,216
Debtors	16	27,313	54,346
Cash at bank and in hand		497,991	439,588
		<u>527,063</u>	<u>496,150</u>
Creditors: amounts falling due within one year	17	(148,824)	(237,483)
<b>Net current assets</b>		<u>378,239</u>	<u>258,667</u>
<b>Total assets less current liabilities</b>		<u>3,725,108</u>	<u>3,527,163</u>
Creditors: amounts falling due after more than one year	18	(10,409)	-
<b>Net assets excluding pension liability</b>		<u>3,714,699</u>	<u>3,527,163</u>
Defined benefit pension scheme liability	25	(513,000)	(322,000)
<b>Total net assets</b>		<u><u>3,201,699</u></u>	<u><u>3,205,163</u></u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	3,346,869	3,268,496
Restricted income funds	19	272,870	173,579
Pension reserve	19	(513,000)	(322,000)
<b>Total restricted funds</b>	19	<u>3,106,739</u>	<u>3,120,075</u>
<b>Unrestricted income funds</b>	19	<u>94,960</u>	<u>85,088</u>
<b>Total funds</b>		<u><u>3,201,699</u></u>	<u><u>3,205,163</u></u>

**THE OAK ACADEMY TRUST**  
**(A company limited by guarantee)**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 22 to 50 were approved by the Trustees, and authorised for issue on 9/12/19 and are signed on their behalf, by:

T Occleshaw 

The notes on pages 26 to 50 form part of these financial statements.

**THE OAK ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	<b>Note</b>	<b>2019</b> £	<b>2018</b> £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	<b>50,274</b>	120,163
<b>Cash flows from investing activities</b>	23	<b>(3,767)</b>	(15,637)
<b>Cash flows from financing activities</b>	22	<b>11,896</b>	-
<b>Change in cash and cash equivalents in the year</b>		<b>58,403</b>	104,526
Cash and cash equivalents at the beginning of the year		<b>439,588</b>	335,062
<b>Cash and cash equivalents at the end of the year</b>	24	<b>497,991</b>	439,588

The notes on pages 26 to 50 form part of these financial statements

**THE OAK ACADEMY TRUST**  
(A company limited by guarantee)

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

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Sponsorship income**

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

• **Donations**

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

• **Other income**

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

**1.4 Expenditure**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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

**1. Accounting policies (continued)**

**1.5 Interest receivable**

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

**1.6 Tangible fixed assets**

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.

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

Depreciation is provided on the following bases:

Long-term leasehold property	- Over length of lease - 125 years
Leasehold improvements	- 20 years
Fixtures, fittings and equipment	- 5 years
Computer equipment	- 3 years

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

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.8 Debtors**

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

**1.9 Cash at bank and in hand**

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

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

1. Accounting policies (continued)

1.10 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Financial instruments

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Operating leases

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

1.13 Redundancy and termination benefits

It is the Trust's policy to recognise termination benefits when they become committed, by legislation, by contractual or other agreements with employees or their representatives or by a constructive obligation or a desire to act equitably, to make payments (or provide other benefits) to employees when it terminates their employment. Termination payments do not provide the Trust with future economic benefits therefore it is the Trust's policy to recognise them as an expense in the Statement of Financial Activities immediately.

**THE OAK ACADEMY TRUST**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.14 Pensions**

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

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

**1.15 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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



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

**2. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Lease commitments - The academy trust has entered into lease commitments in respect of plant and equipment. The classification of these leases as operating leases requires the trustees to consider whether the terms and conditions of each lease are such that the academy trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Multi-employer defined benefit pension scheme - Certain employees participate in a multi-employer defined benefit pension scheme with other companies in the region. In the judgment of the trustees, the academy trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme.

Local Government Pension Scheme - 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.

Tangible fixed assets - The academy tangible fixed assets are stated at their cost less provision for depreciation and impairment. The academy's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the academy determines at acquisition the reliable estimates for the useful life of the asset and its residual value. These estimates are based upon factors such as the expected use of the acquired asset and market conditions. At subsequent reporting dates the trustees consider whether there are any factors that indicate that there would be a need to reconsider the estimates used.

**THE OAK ACADEMY TRUST**  
(A company limited by guarantee)

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

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	11,176	-	11,176	10,055
Capital Grants	-	124,302	124,302	250,349
	<u>11,176</u>	<u>124,302</u>	<u>135,478</u>	<u>260,404</u>
Total 2018	<u>10,055</u>	<u>250,349</u>	<u>260,404</u>	

**4. Funding for the academy's educational operations**

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	1,175,282	1,175,282	1,164,287
Other DfE/ESFA grants	131,835	131,835	133,738
	<u>1,307,117</u>	<u>1,307,117</u>	<u>1,298,025</u>
<b>Other Government grants</b>			
Local authority grants	136,018	136,018	137,598
	<u>1,443,135</u>	<u>1,443,135</u>	<u>1,435,623</u>

In the the year to 31 August 2018, £1,435,623 of funding for the academy's educational operations was restricted.

**5. Investment income**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Short term deposits	240	240	178
	<u>240</u>	<u>240</u>	<u>178</u>

In the year to 31 August 2018, £178 of investment income was unrestricted.

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6. Other income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other income	32,217	<b>32,217</b>	46,029

In the year to 31 August 2018, £46,029 of other income was unrestricted.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Educational operations:					
Direct costs	958,489	-	34,161	<b>992,650</b>	1,086,551
Allocated support costs	205,303	131,590	163,991	<b>500,884</b>	437,160
	<u>1,163,792</u>	<u>131,590</u>	<u>198,152</u>	<u><b>1,493,534</b></u>	<u>1,523,711</u>
Total 2018	<u>1,218,466</u>	<u>101,950</u>	<u>203,295</u>	<u>1,523,711</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	<u>33,761</u>	<u>1,459,773</u>	<u><b>1,493,534</b></u>	<u>1,523,711</u>
Total 2018	<u>21,705</u>	<u>1,502,006</u>	<u>1,523,711</u>	

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9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational operations	992,650	500,884	<b>1,493,534</b>	1,523,711
Total 2018	1,086,551	437,160	<b>1,523,711</b>	

Analysis of direct costs

	Activities 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	943,050	<b>943,050</b>	1,017,298
Supply teachers	15,439	<b>15,439</b>	28,779
Educational supplies	27,781	<b>27,781</b>	33,240
Staff development	6,380	<b>6,380</b>	7,234
	992,650	<b>992,650</b>	1,086,551

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**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Activities 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Staff costs	205,303	<b>205,303</b>	172,389
Depreciation	61,832	<b>61,832</b>	44,490
Maintenance of premises and equipment	20,061	<b>20,061</b>	10,123
Cleaning	27,061	<b>27,061</b>	27,659
Rates	11,129	<b>11,129</b>	9,460
Light and heat	11,507	<b>11,507</b>	10,218
Telephone	3,629	<b>3,629</b>	4,396
Printing, postage and stationery	7,608	<b>7,608</b>	9,440
Computer costs	19,461	<b>19,461</b>	18,211
Insurance	20,349	<b>20,349</b>	24,235
Security	188	<b>188</b>	423
Transport	161	<b>161</b>	787
Catering	47,938	<b>47,938</b>	51,273
Bank interest and charges	160	<b>160</b>	160
Legal and professional	22,574	<b>22,574</b>	17,147
Auditors' remuneration	6,350	<b>6,350</b>	6,200
Accountancy	4,800	<b>4,800</b>	5,440
Governors expenses	90	<b>90</b>	485
Other support costs	30,683	<b>30,683</b>	24,624
	<u>500,884</u>	<u><b>500,884</b></u>	<u>437,160</u>

Governance costs in the period totalled £33,814 (2018: £29,272), and included legal and professional fees, accountancy fees, audit fees and governors expenses.

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**10. Net income**

Net income for the year includes:

	2019 £	2018 £
Operating lease rentals	1,422	1,361
Depreciation of tangible fixed assets	61,832	44,490
Fees paid to auditors for:		
- audit	6,350	6,200
- other services	4,800	5,440
	<u>63,002</u>	<u>57,491</u>

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	846,022	905,050
Social security costs	74,207	78,181
Pension costs	228,124	206,456
	<u>1,148,353</u>	<u>1,189,687</u>
Supply teachers	15,439	28,779
	<u>1,163,792</u>	<u>1,218,466</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	797	-
	<u>797</u>	<u>-</u>

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**11. Staff costs (continued)**

**b. Staff numbers**

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

	<b>2019</b>	2018
	<b>No.</b>	No.
Teachers	<b>15</b>	17
Administration and support	<b>22</b>	27
Management	<b>2</b>	2
	<u><b>39</b></u>	<u>46</u>

**c. Higher paid staff**

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

	<b>2019</b>	2018
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>1</b>	1

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and senior management team as listed on the information page. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £186,448 (2018: £184,251). The academy trust made employers national insurance contributions relating to these employees of £18,419 (2018: £18,148).

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**12. Trustees' remuneration and expenses**

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

		2019	2018
		£	£
J Everett, Head Teacher	Remuneration	65,000 -	65,000 -
		70,000	70,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
N Schofield	Remuneration	35,000 -	35,000 -
		40,000	40,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000
M Draper, Staff trustee	Remuneration	50,000 -	50,000 -
		55,000	55,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the year ended 31 August 2019, expenses totalling £16 were reimbursed or paid directly to 1 Trustee (2018 - £NIL to Trustee).

**13. Trustees' and Officers' insurance**

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



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14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Total £
<b>Cost or valuation</b>			
At 1 September 2018	3,251,484	149,542	3,401,026
Additions	132,774	7,431	140,205
At 31 August 2019	<u>3,384,258</u>	<u>156,973</u>	<u>3,541,231</u>
<b>Depreciation</b>			
At 1 September 2018	71,533	60,997	132,530
Charge for the year	39,001	22,831	61,832
At 31 August 2019	<u>110,534</u>	<u>83,828</u>	<u>194,362</u>
<b>Net book value</b>			
At 31 August 2019	<u>3,273,724</u>	<u>73,145</u>	<u>3,346,869</u>
At 31 August 2018	<u>3,179,951</u>	<u>88,545</u>	<u>3,268,496</u>

15. Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>1,759</u>	<u>2,216</u>

16. Debtors

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	724	1,400
Other debtors	8,704	18,986
Prepayments and accrued income	17,885	33,960
	<u>27,313</u>	<u>54,346</u>

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**17. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Loans	1,487	-
Trade creditors	24,707	100,888
Other creditors	108	204
Accruals and deferred income	122,522	136,391
	<u>148,824</u>	<u>237,483</u>

During the year, the Trust received a salix loan totalling £11,896. This is an interest free loan, repayable over 8 years. £1,487 of this amount is repayable within one year, the remainder is due after more than one year.

	2019 £	2018 £
Deferred income at 1 September 2018	124,056	81,323
Resources deferred during the year	110,105	124,056
Amounts released from previous periods	(124,056)	(81,323)
	<u>110,105</u>	<u>124,056</u>

At the balance sheet date the academy trust was holding funds received in advance for WSCC SEN, IAR and ENF funding, rates relief and ESFA UIFSM.

**18. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Loans	<u>10,409</u>	<u>-</u>

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**19. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Activities other income	61,437	32,457	(27,937)	-	-	65,957
Voluntary income	23,651	11,176	(5,824)	-	-	29,003
	<u>85,088</u>	<u>43,633</u>	<u>(33,761)</u>	<u>-</u>	<u>-</u>	<u>94,960</u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	173,579	1,175,282	(1,060,088)	(15,903)	-	272,870
Other DfE/ESFA grants	-	131,835	(131,835)	-	-	-
Local authority grants	-	136,018	(136,018)	-	-	-
Pension reserve	(322,000)	-	(70,000)	-	(121,000)	(513,000)
	<u>(148,421)</u>	<u>1,443,135</u>	<u>(1,397,941)</u>	<u>(15,903)</u>	<u>(121,000)</u>	<u>(240,130)</u>
<b>Restricted fixed asset funds</b>						
Capital expenditure from GAG	13,499	-	(408)	15,903	-	28,994
Assets transferred on conversion	2,946,981	-	(24,240)	-	-	2,922,741
Devolved formula capital grant	19,224	20,343	(5,857)	-	-	33,710
CIF funding	288,792	103,959	(31,327)	-	-	361,424
	<u>3,268,496</u>	<u>124,302</u>	<u>(61,832)</u>	<u>15,903</u>	<u>-</u>	<u>3,346,869</u>
<b>Total Restricted funds</b>	<u>3,120,075</u>	<u>1,567,437</u>	<u>(1,459,773)</u>	<u>-</u>	<u>(121,000)</u>	<u>3,106,739</u>
<b>Total funds</b>	<u>3,205,163</u>	<u>1,611,070</u>	<u>(1,493,534)</u>	<u>-</u>	<u>(121,000)</u>	<u>3,201,699</u>

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

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**19. Statement of funds (continued)**

General Annual Grant must be used for the normal running costs of the Trust. Under the Funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018 or 31 August 2019.

Other DfE/ESFA grants consist of grants received for pupil premium, sport expenditure and universal free school meals.

Local authority grants mainly consist of grants received for the special support centre.

Activities other income includes school trip, rent and school club income. In addition, included is also uniform sales and income received for mentoring university students.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Barnham Primary School	(145,170)	(63,333)
Restricted fixed asset fund	3,346,869	3,268,496
<b>Total</b>	<b>3,201,699</b>	<b>3,205,163</b>

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**19. Statement of funds (continued)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
Activities other income	35,714	46,207	(20,484)	-	-	61,437
Voluntary income	14,817	10,055	(1,221)	-	-	23,651
	<u>50,531</u>	<u>56,262</u>	<u>(21,705)</u>	<u>-</u>	<u>-</u>	<u>85,088</u>
<b>Restricted general funds</b>						
GAG	126,425	1,164,287	(1,116,180)	(953)	-	173,579
Other DfE/ESFA	-	133,738	(133,738)	-	-	-
LA grants	-	137,598	(137,598)	-	-	-
Pension reserve	(367,000)	-	(70,000)	-	115,000	(322,000)
	<u>(240,575)</u>	<u>1,435,623</u>	<u>(1,457,516)</u>	<u>(953)</u>	<u>115,000</u>	<u>(148,421)</u>
<b>Restricted fixed asset funds</b>						
Capital expenditure from GAG	12,546	-	-	953	-	13,499
Assets transferred on conversion	2,973,986	-	(27,005)	-	-	2,946,981
Devolved formula capital grant	14,862	7,454	(3,092)	-	-	19,224
CIF funding	60,290	242,895	(14,393)	-	-	288,792
	<u>3,061,684</u>	<u>250,349</u>	<u>(44,490)</u>	<u>953</u>	<u>-</u>	<u>3,268,496</u>
<b>Total Restricted funds</b>	<u>2,821,109</u>	<u>1,685,972</u>	<u>(1,502,006)</u>	<u>-</u>	<u>115,000</u>	<u>3,120,075</u>
<b>Total funds</b>	<u>2,871,640</u>	<u>1,742,234</u>	<u>(1,523,711)</u>	<u>-</u>	<u>115,000</u>	<u>3,205,163</u>

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

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,346,869	<b>3,346,869</b>
Current assets	94,960	432,103	-	<b>527,063</b>
Creditors due within one year	-	(148,824)	-	<b>(148,824)</b>
Creditors due in more than one year	-	(10,409)	-	<b>(10,409)</b>
Provisions for liabilities and charges	-	(513,000)	-	<b>(513,000)</b>
<b>Total</b>	<u>94,960</u>	<u>(240,130)</u>	<u>3,346,869</u>	<u><b>3,201,699</b></u>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,268,496	<b>3,268,496</b>
Current assets	85,088	411,062	-	<b>496,150</b>
Creditors due within one year	-	(237,483)	-	<b>(237,483)</b>
Provisions for liabilities and charges	-	(322,000)	-	<b>(322,000)</b>
<b>Total</b>	<u>85,088</u>	<u>(148,421)</u>	<u>3,268,496</u>	<u><b>3,205,163</b></u>

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

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	117,536	218,523
<b>Adjustments for:</b>		
Depreciation	61,832	44,490
Capital grants from DfE and other capital income	(115,855)	(242,895)
Interest receivable	(240)	(178)
Defined benefit pension scheme cost less contributions payable	60,000	60,000
Defined benefit pension scheme finance cost	10,000	10,000
Decrease in stocks	457	1,364
Decrease in debtors	27,033	7,044
(Decrease)/increase in creditors	(90,146)	29,269
Capital grants from ESFA and other capital income	(20,343)	(7,454)
<b>Net cash provided by operating activities</b>	<b>50,274</b>	<b>120,163</b>

**22. Cash flows from financing activities**

	2019 £	2018 £
Cash inflows from new borrowing	11,896	-
<b>Net cash provided by financing activities</b>	<b>11,896</b>	<b>-</b>

**23. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	240	178
Purchase of tangible fixed assets	(140,205)	(266,164)
Capital grants from DfE Group	115,855	242,895
Devolved formula capital grant	20,343	7,454
<b>Net cash used in investing activities</b>	<b>(3,767)</b>	<b>(15,637)</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**24. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	497,991	439,588
<b>Total cash and cash equivalents</b>	<b>497,991</b>	<b>439,588</b>

**25. Pension commitments**

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the local authority. 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.

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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.

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.



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**25. Pension commitments (continued)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £91,700 (2018 - £99,316).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £83,000 (2018 - £82,000), of which employer's contributions totalled £67,000 (2018 - £66,000) and employees' contributions totalled £ 16,000 (2018 - £16,000). The agreed contribution rates for future years are 19.5 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.

**Principal actuarial assumptions**

	<b>2019</b>	2018
	%	%
Rate of increase in salaries	<b>3</b>	3.1
Rate of increase for pensions in payment/inflation	<b>2.3</b>	2.4
Discount rate for scheme liabilities	<b>1.8</b>	2.8
Commutation of pensions to lump sums (pre-April 2008 service)	<b>50</b>	50
Commutation of pensions to lump sums (post-April 2008 service)	<b>75</b>	75

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

	<b>2019</b>	2018
	Years	Years
<i>Retiring today</i>		
Males	<b>21.8</b>	23.6
Females	<b>23.6</b>	25
<i>Retiring in 20 years</i>		
Males	<b>23</b>	26
Females	<b>25.5</b>	27.8

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**25. Pension commitments (continued)**

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

	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
	<b>£</b>	<b>£</b>
Equities	470,900	445,500
Property	88,300	66,000
Cash and other liquid assets	29,400	24,750
Debt instruments	392,400	288,750
	<u>981,000</u>	<u>825,000</u>
<b>Total market value of assets</b>	<b><u>981,000</u></b>	<b><u>825,000</u></b>

The actual return on scheme assets was £49,000 (2018 - £31,000).

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current service cost less employers contributions	(45,000)	(60,000)
Past service cost	(15,000)	-
Interest income	24,000	18,000
Interest cost	(34,000)	(28,000)
	<u>(70,000)</u>	<u>(70,000)</u>
<b>Total amount recognised in the Statement of financial activities</b>	<b><u>(70,000)</u></b>	<b><u>(70,000)</u></b>

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>At 1 September</b>	<b>1,147,000</b>	<b>1,061,000</b>
Interest cost	34,000	28,000
Employee contributions	16,000	16,000
Current service cost	112,000	126,000
Past service cost	15,000	-
Actuarial (gains)/losses	170,000	(84,000)
	<u>1,494,000</u>	<u>1,147,000</u>
<b>At 31 August</b>	<b><u>1,494,000</u></b>	<b><u>1,147,000</u></b>

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**25. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>825,000</b>	694,000
Interest income	<b>24,000</b>	18,000
Employer contributions	<b>67,000</b>	66,000
Employee contributions	<b>16,000</b>	16,000
Actuarial gains/(losses)	<b>49,000</b>	31,000
<b>At 31 August</b>	<b>981,000</b>	825,000

**26. Operating lease commitments**

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

	2019 £	2018 £
Not later than 1 year	<b>1,422</b>	1,422
Later than 1 year and not later than 5 years	<b>474</b>	1,896
	<b>1,896</b>	3,318

**27. Members' liability**

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

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**28. Related party transactions**

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

During the year, K Patrick, the partner of I Patrick (trustee), received remuneration on an employed basis as a member of support staff. K Patrick is paid within the normal pay scale for their role and receives no special treatment as a result of the relationship to a trustee. Remuneration received was between £10,000 - £20,000 (2018: £10,000 - £20,000).

During the year, V Hanscombe, the partner of M Emmett (trustee), received remuneration on an employed basis as a member of support staff. V Hanscombe is paid within the normal pay scale for their role and receives no special treatment as a result of the relationship to a trustee. Remuneration received was between £0 - £10,000 (2018: £0 - £10,000).