

Registered number: 09604912 (England and Wales)
Charity number:

The Oak Academy Trust
(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 August 2017

The Oak Academy Trust
(A company limited by guarantee)

Contents

| | Page |
|---|---------|
| Reference and administrative details | 1 |
| Trustees' report | 2 - 8 |
| Governance statement | 9 - 11 |
| Statement on regularity, propriety and compliance | 12 |
| Statement of Trustees' responsibilities | 13 |
| Independent auditors' report on the financial statements | 14 - 16 |
| Independent reporting accountant's assurance report on regularity | 17 - 18 |
| Statement of financial activities incorporating income and expenditure account | 19 |
| Balance sheet | 20 |
| Statement of cash flows | 21 |
| Notes to the financial statements | 22 - 43 |

The Oak Academy Trust
(A company limited by guarantee)

Reference and administrative details
For the year ended 31 August 2017

Members

R Wallace
M Bolch
P Dingemans
A Fitzsimons
P Wiltshire

Trustees

R Wallace, Chairman¹
R McAuley, Parent trustee
J Everett, Staff trustee and accounting officer¹
J Potter, Parent trustee
N Schofield, Staff trustee¹
I Patrick
M Draper, Staff trustee
S Pawsey (resigned 31 December 2016)
T Occleshaw, Trustee
P Wiltshire¹
A Jenner¹
M Bolch (appointed 21 September 2017)
M Emmett (appointed 21 September 2017)

¹ Member of Finance, Audit and Compliance Committee

Company registered number

09604912

Company name

The Oak Academy Trust

Principal and registered office

Barnham Primary School, Elm Grove, Barnham, Bognor Regis, West Sussex, PO22 0HW

Senior management team

James Everett, Head teacher
Nicky Schofield, School Business manager

Independent auditors

Kreston Reeves LLP, 9 Donnington Park, 85 Birdham Road, Chichester, West Sussex, PO20 7AJ

Bankers

Lloyds Bank PLC, 33-37 High Street, Bognor Regis, West Sussex, PO21 1RS

Solicitors

Blake Morgan, New Kings, Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, So53 3LG

The Oak Academy Trust
(A company limited by guarantee)

Trustees' report
For the year ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

As we reach our second year as a Trust we look back with pride at the positive steps forward we have taken. This is our second Annual Report for The Oak Academy Trust (hereinafter, the 'Trust') and we believe and feel that we have continued to build upon the firm foundations of our first year in order to continue to improve the quality of education we provide for the children who attend Barnham Primary School, as well as develop and improve the quality and organisation of the Trust.

Our key aim in our second year was to hold true to our values, to embed effective practices for the operational management of the Trust; and to develop our skills and experience in practicing School Improvement both internally at Barnham Primary School, as well externally as with local partners, schools and MATs (Multi Academy Trusts).

Our most important and significant step towards these goals has been to ensure that Barnham Primary School is seen as the 'Flagship' school of the trust. We focused therefore on improving standards across the school, and in developing a Peer2Peer collegiate approach to achieve this outcome. We have been very successful in achieving this goal as rising standards in KS2, Year R and the Phonics screening in Year 1 indicate. The development of a more forensic, focused and adaptable approach to internal school improvement is an approach that we are now replicating across the Trust and when working with other schools and MATs.

Our second most significant step forward, has been the development of our skills, experience and credibility in school improvement. Through the implementation of a specific programme for development in these areas, we have been able to skill up our senior leadership team and year leaders in delivering on school improvement. This work has included working with Schoolworks MAT as well as Downview MAT and Sparkle MAT, with whom we have joined to work together as a group in order to share best practice and support each other in achieving our goals.

As we move forward into our third year we will be focusing on further developing our leadership and management of the Trust, through improving our school improvement skills and experience. We will also be submitting an application for the MAT Development and Improvement Fund as well as continuing to seek commissioned school improvement work from schools and other MATs.

We look forward to the challenges and opportunities which lie ahead for us as we continue to achieve all that we can for the children, staff and communities which we serve.

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.

The Oak Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2017

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 - Strategic Vision, Overview and Context of schools in the Trust
- Meeting with Director of Business and Finance - 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 two 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. 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.

The Oak Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2017

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 2016-2017 were:

- 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
- for the Trust to grow by 1 school
- for the Trust to working with at least one other school who is looking to convert and join The Oak Academy Trust family
- to be working with 2 schools who are judged to be RI in order to support their journey to Good.

The Oak Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2017

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

Our Strategies have been:

- apply for Academies Growth Fund
- collaboration, best practice sharing, learning from 2 successful and established MATs
- actively engaging with the educational community eg 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
- to make a Lottery Fund or equivalent application
- professional Development of key management personnel of the Trust
- design and implementation of Pay and Appraisal policy for the the key management personnel of the Trust
- continue to implement Trust wide structure, policies, processes and mechanisms
- introduction of an Oak Pupil Ambassador.

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.

Strategic report

Achievements and performance

a. Key performance indicators

The Key Objectives for The Oak Academy Trust for the Year 2016-2017 were:

To continue to develop the credibility of the Trust

- On track to meet - for example, after successfully delivering the Institute of Education Middle leaders course, we also delivered the senior leaders course; we hold a position on the Strategic Steering Group for the University of Chichester; we are an Academy Representative for the West Sussex County Council Education and Skills Forum; we have recently been appointed to the Local Governing Body of Ormiston Six Villages Academy.

To continue to build a proven track record for the Trust

- The Trust and Barnham Primary School have been recognised by the office of the Regional Schools Commissioner for improved performance and increased standards

To ensure sustainability of the Trust

- The Trust has continued to develop the Governance capabilities of the Trustees
- The Trust has also developed and improved the leadership capabilities of middle leaders and the senior leadership team

To seek best practice from established and successful MATS

- The Trust has implemented with 2 other successful MATs a Peer2Peer process for review and improvement and continues to meet in order to share best practice
- The Trust has become a member of a newly designed MAT Forum Group led by the CEO of Schoolworks

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 small surplus

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

The Oak Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2017

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

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 all schools to be Good or Outstanding as defined by Ofsted

- Barnham Primary School was defined as GOOD by Ofsted (May 2013)
- No inspection has taken place since this date

For all schools to be full and to have waiting lists

- Barnham Primary School was oversubscribed in Year R for 2016-2017
- Waiting lists were in place for Barnham Primary School for all year groups except 1

For the Trust to grow by one school

- The Trust has not grown by one school

For the Trust to working with at least one other school who is looking to convert and join The Oak Academy Trust family

- The Trust worked with 2 schools who were looking to convert and join the Trust
- Unfortunately both schools decided not to convert

To be working with 2 schools who are judged to be RI in order to support their journey to Good

- The Trust worked with Rogate CofE Primary School who have recently secured the judgement of Good
- The Trust worked with 3 Primary Schools and 1 High School through leading the Locality Group who have also all now achieved a judgement of Good

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.

The Oak Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2017

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 deficit before the actuarial adjustment to the Local Government Pension Scheme(LGPS) was £35,011. This deficit however included three years of deficit funding payments for the LGPS of £34,000 which will be evenly spread.

The Trust participates in the WSCC LGPS. The actuarial gain in the year was £239,000. The valuation under FRS102 show the obligations of this scheme to exceed its assets at 31 August 2017 by £367,000

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 £2,871,640 of which £3,061,684 are restricted fixed asset funds, £126,425 restricted income reserves and £50,195 are unrestricted reserves. These are reduced by the deficit on the pension reserve of £367,000 relating to the Local Government Pension scheme.

The Academy's current level of unrestricted reserves and restricted general funds (excluding the pension reserve) is £176,620. The Trustees are satisfied with the 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:

- strategic disruption caused by an inadequate transition of roles within Barnham Primary school and the Trust
- 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

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 which is becoming more embedded formal written policies, protocols and procedures
- clear authorisation and approval levels.

The Oak Academy Trust
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2017

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 2017-2018 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
- for the Trust to be working with 2 schools who are judged to be RI in order to support their journey to Good.
- apply for MAT Development and Improvement Fund
- collaboration, best practice sharing, learning from at least 3 other successful and established MATs
- actively engaging with the educational community eg 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
- professional Development of the CEO and DBF of the Trust
- to review and improve Trust wide structure, policies, processes and mechanisms; including school improvement

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 19.12.17 and signed on its behalf by:



R Wallace
Chair of Trustees

The Oak Academy Trust
(A company limited by guarantee)

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.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 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 |
|---|-------------------|-------------------|
| R Wallace, Chairman | 6 | 6 |
| M Draper, Staff trustee | 5 | 6 |
| J Everett, Staff trustee and accounting officer | 6 | 6 |
| A Jenner | 4 | 6 |
| R McAuley, Parent trustee | 3 | 6 |
| T Occleshaw, Trustee | 4 | 6 |
| I Patrick | 5 | 6 |
| S Pawsey | 1 | 6 |
| J Potter, Parent trustee | 4 | 6 |
| N Schofield, Staff trustee | 6 | 6 |
| P Wiltshire | 6 | 6 |

Following a promotional campaign to attract new trustees, 2 new Trustees have joined the Trustee Body. They bring with them experience of working in Further Education organisation and in School Improvement.

The Trustees has created and implemented a Trustee Development Plan, which outline their key priorities for 17-18; with a focus on:

- Increasing the number and improving the depth of Trustee Visits
- Increasing the day to day management awareness of the Trustees
- Implementation of a training log
- Gap Analysis

The Trust intends to review the action plan on a termly basis and is focused on continuing to develop skills and practices in school improvement and developing data analysis skills. The Board of Trustees are also going to explore the value of the introduction of a new committee responsible for the Quality of Provision and Curriculum.

Based on the recommendations from interim audits in 15-16, 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.

The Oak Academy Trust
(A company limited by guarantee)

Governance Statement (continued)

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------------------|-------------------|-------------------|
| Richard Wallace (Chairman) | 2 | 3 |
| James Everett | 2 | 3 |
| Andy Jenner | 3 | 3 |
| Nicky Schofield | 3 | 3 |
| Phil Wiltshire | 3 | 3 |

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:

Staff restructuring – after the resignation of a Year Leader/ Middle Leader, the Trust restructured the Year Leader team bringing together the Early Years and Year ½ teams into one, enabling our strongest leaders to a lead where they are best place to have the most impact.

The submission of a successful CIF (Condition Improvement Fund) bid has enabled full replacement of the school's boilers and hot water system. Together with providing a more reliable heating system for pupils and staff this has released Facilities Officer time, reduced maintenance expenditure and enabled reserves to be released that were earmarked for this project.

The introduction of the FACC had resulted in robust oversight of long term contracts, Service Level Agreements and better reporting and monitoring as a smaller more focussed group of Trustees with relevant experience make up this committee.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Oak Academy Trust
(A company limited by guarantee)

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, audit and compliance 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 not to appoint an internal auditor. However, the Trustees have appointed 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 auditors report to the board of trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

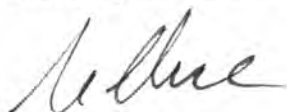
Review of Effectiveness

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 external auditors;
- the financial management and governance self-assessment process;
- 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 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 19/12/17 and signed on their behalf, by:



R Wallace
Chair of Trustees



J Everett
Accounting Officer

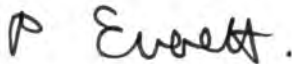
The Oak Academy Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Oak Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

The Oak Academy Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2017

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 19.12.17 and signed on its behalf by:



R Wallace
Chair of Trustees

The Oak Academy Trust
(A company limited by guarantee)

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 2017 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2016 to 2017 issued by the Education and Skills Funding Agency.

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.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

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. 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.

The Oak Academy Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of The Oak Academy Trust

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 which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report has 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the 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.

The Oak Academy Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of The Oak Academy Trust

Auditors' responsibilities for the audit of the financial statements

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

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



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

For and on behalf of Kreston Reeves LLP, Statutory Auditor

9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

Date: *20th December 2017*

The Oak Academy Trust
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to The Oak Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 11 July 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Oak Academy Trust and the 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 19 June 2015, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The Oak Academy Trust
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to The Oak Academy Trust and the Education and Skills Funding Agency (continued)

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 relating to expenditure incurred of cash
- Confirmed items claimed on cash 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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have 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

Chartered Accountants

9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

Date: ¹⁴ 20th January 2017

The Oak Academy Trust
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the year ended 31 August 2017

| | Note | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 14 months ended 2016 £ |
|--|------|---------------------------------|-------------------------------|---|--------------------------|---|
| Income from: | | | | | | |
| Donations & capital grants: | | | | | | |
| Transfer on conversion | 2 | - | - | - | - | 2,842,364 |
| Other donations and capital grants | 2 | 11,282 | - | 67,766 | 79,048 | 10,921 |
| Charitable activities | 3 | - | 1,406,426 | - | 1,406,426 | 1,649,039 |
| Investments | 4 | 232 | - | - | 232 | 286 |
| Other trading activities | 5 | 44,441 | - | - | 44,441 | 39,419 |
| Total income | | 55,955 | 1,406,426 | 67,766 | 1,530,147 | 4,542,029 |
| Expenditure on: | | | | | | |
| Charitable activities | | 24,619 | 1,505,968 | 34,571 | 1,565,158 | 1,665,378 |
| Total expenditure | | 24,619 | 1,505,968 | 34,571 | 1,565,158 | 1,665,378 |
| Net income / (expenditure) before transfers | | 31,336 | (99,542) | 33,195 | (35,011) | 2,876,651 |
| Transfers between Funds | 18 | - | (1,325) | 1,325 | - | - |
| Net income / (expenditure) before other recognised gains and losses | | 31,336 | (100,867) | 34,520 | (35,011) | 2,876,651 |
| Actuarial gains/(losses) on defined benefit pension schemes | 22 | - | 239,000 | - | 239,000 | (209,000) |
| Net movement in funds | | 31,336 | 138,133 | 34,520 | 203,989 | 2,667,651 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 19,195 | (378,708) | 3,027,164 | 2,667,651 | - |
| Total funds carried forward | | 50,531 | (240,575) | 3,061,684 | 2,871,640 | 2,667,651 |

The Oak Academy Trust
(A company limited by guarantee)
Registered number: 09604912

Balance sheet
As at 31 August 2017

| | Note | £ | 2017 £ | £ | 2016 £ |
|--|------|-----------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 14 | | 3,046,822 | | 3,019,778 |
| Current assets | | | | | |
| Stocks | 15 | 3,580 | | - | |
| Debtors | 16 | 61,390 | | 35,704 | |
| Cash at bank and in hand | | 335,062 | | 277,951 | |
| | | | <u>400,032</u> | <u>313,655</u> | |
| Creditors: amounts falling due within one year | 17 | (208,214) | | (115,782) | |
| Net current assets | | | <u>191,818</u> | | 197,873 |
| Total assets less current liabilities | | | <u>3,238,640</u> | | 3,217,651 |
| Defined benefit pension scheme liability | 22 | | (367,000) | | (550,000) |
| Net assets including pension scheme liabilities | | | <u>2,871,640</u> | | <u>2,667,651</u> |
| Funds of the academy | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 18 | 126,425 | | 171,292 | |
| Restricted fixed asset funds | 18 | 3,061,684 | | 3,027,164 | |
| | | | <u>3,188,109</u> | <u>3,198,456</u> | |
| Restricted income funds excluding pension liability | | | | | |
| Pension reserve | | (367,000) | | (550,000) | |
| | | | <u>2,821,109</u> | <u>2,648,456</u> | |
| Total restricted income funds | | | | | |
| Unrestricted income funds | 18 | | 50,531 | | 19,195 |
| | | | <u>2,871,640</u> | | <u>2,667,651</u> |
| Total funds | | | <u>2,871,640</u> | | <u>2,667,651</u> |

The financial statements on pages 19 to 43 were approved by the Trustees, and authorised for issue, on 19/12/17 and are signed on their behalf, by:


R Wallace
Chair of Trustees

The Oak Academy Trust
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2017

| | Note | 2017 £ | Total funds 14 months ended 2016 £ |
|--|------|-----------------------|---|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 20 | <u>50,728</u> | <u>191,162</u> |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 232 | 286 |
| Purchase of tangible fixed assets | | (61,615) | (17,634) |
| Capital grants from DfE/ESFA | | 60,290 | - |
| Devolved formula capital grant | | 7,476 | 7,386 |
| Cash transferred on conversion to academy trust | | - | 96,751 |
| Net cash provided by investing activities | | <u>6,383</u> | <u>86,789</u> |
| Change in cash and cash equivalents in the year | | 57,111 | 277,951 |
| Cash and cash equivalents brought forward | | <u>277,951</u> | <u>-</u> |
| Cash and cash equivalents carried forward | 21 | <u><u>335,062</u></u> | <u><u>277,951</u></u> |

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

1. Accounting policies

The Oak Academy Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Elm Grove, Barnham, Bognor Regis, West Sussex, PO22 0HW. The principal activity of the academy trust is to provide primary education for pupils that satisfies the requirements of the Education Act 2002.

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Oak Academy Trust constitutes a public benefit entity as defined by 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the financial statements
For the year ended 31 August 2017

1. Accounting policies (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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.

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

Notes to the financial statements
For the year ended 31 August 2017

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|----------------------------------|---|----------------------------------|
| Long-term leasehold property | - | Over length of lease - 125 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 incorporating income and expenditure account.

1.6 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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 2017

1. Accounting policies (continued)

1.10 Liabilities and provisions

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

1.11 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16.

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

1.12 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Notes to the financial statements
For the year ended 31 August 2017

1. Accounting policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

1.14 Agency arrangements

The academy trust acts as an agent in distributing local authority funds from West Sussex County Council (WSCC). Payments received from WSCC are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust is also allocated a portion of the funding towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

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 Department for Education where the asset acquired or created is held for a specific purpose.

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

Notes to the financial statements
For the year ended 31 August 2017

1. Accounting policies (continued)

1.16 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 August 2017 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 judgement 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 2017

2. Income from donations and capital grants

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 14 months ended 2016 £ |
|------------------------|------------------------------------|----------------------------------|---|-----------------------------|---|
| Transfer on conversion | - | - | - | - | 2,842,364 |
| Donations | 11,282 | - | - | 11,282 | 3,535 |
| Capital grants | - | - | 67,766 | 67,766 | 7,386 |
| Subtotal | 11,282 | - | 67,766 | 79,048 | 10,921 |
| | 11,282 | - | 67,766 | 79,048 | 2,853,285 |
| <i>Total 2016</i> | 2,845,899 | - | 7,386 | 2,853,285 | |

3. Funding for Academy's educational operations

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 14 months ended 2016 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|---|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 1,170,131 | 1,170,131 | 1,343,770 |
| Other DfE/EFA Grants | - | 113,594 | 113,594 | 125,377 |
| | - | 1,283,725 | 1,283,725 | 1,469,147 |
| Other government grants | | | | |
| Local authority grants | - | 122,701 | 122,701 | 179,892 |
| | - | 122,701 | 122,701 | 179,892 |
| | - | 1,406,426 | 1,406,426 | 1,649,039 |
| <i>Total 2016</i> | - | 1,649,039 | 1,649,039 | |

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

4. Investment income

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 14 months ended 2016 £ |
|---------------------|------------------------------------|----------------------------------|-----------------------------|---|
| Short term deposits | 232 | - | 232 | 286 |
| <i>Total 2016</i> | 286 | - | 286 | |

5. Other trading activities

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 14 months ended 2016 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|---|
| Other income | 44,441 | - | 44,441 | 39,419 |
| <i>Total 2016</i> | 39,419 | - | 39,419 | |

6. Analysis of expenditure by activities

| | Activities undertaken directly 2017 £ | Support costs 2017 £ | Total 2017 £ | Total 14 months ended 2016 £ |
|-------------------|---|-------------------------------|--------------------|--|
| Direct costs | 1,075,210 | 489,948 | 1,565,158 | 1,665,378 |
| <i>Total 2016</i> | 1,170,507 | 494,871 | 1,665,378 | |

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

7. Direct costs

| | Activities £ | Total 2017 £ | Total 14 months ended 2016 £ |
|--|------------------|--------------------|--|
| Teaching and educational support staff costs | 1,035,670 | 1,035,670 | 1,148,641 |
| Educational supplies | 29,057 | 29,057 | 23,005 |
| Staff development | 10,483 | 10,483 | 6,952 |
| | <u>1,075,210</u> | <u>1,075,210</u> | <u>1,178,598</u> |
| <i>At 31 August 2016</i> | <u>1,170,507</u> | <u>1,170,507</u> | |

8. Support costs

| | Activities £ | Total 2017 £ | Total 14 months ended 2016 £ |
|---------------------------------------|-----------------|--------------------|--|
| Pension net interest | 11,000 | 11,000 | 14,000 |
| Support staff costs | 125,406 | 125,406 | 143,797 |
| Depreciation | 34,571 | 34,571 | 53,469 |
| Maintenance of premises and equipment | 23,234 | 23,234 | 25,445 |
| Cleaning | 23,589 | 23,589 | 16,347 |
| Rates | 11,373 | 11,373 | 9,615 |
| Light and heat | 11,301 | 11,301 | 9,715 |
| Telephone | 2,728 | 2,728 | 5,352 |
| Printing, postage and stationery | 7,689 | 7,689 | 11,503 |
| Computer costs | 23,524 | 23,524 | 42,475 |
| Insurance | 22,324 | 22,324 | 26,693 |
| Security | 217 | 217 | 562 |
| Transport | 1,015 | 1,015 | 716 |
| Advertising | 268 | 268 | 1,618 |
| Catering | 50,513 | 50,513 | 54,367 |
| Bank interest and charges | 160 | 160 | 288 |
| Legal and professional | 24,950 | 24,950 | 21,397 |
| Auditor's remuneration | 6,000 | 6,000 | 5,850 |
| Accountancy | 3,855 | 3,855 | 1,650 |
| Governor's reimbursed expenses | 39 | 39 | 866 |
| Other support costs | 27,192 | 27,192 | 24,055 |
| Pension deficit reduction | 34,000 | 34,000 | - |
| Support staff pension costs | 45,000 | 45,000 | 17,000 |
| | <u>489,948</u> | <u>489,948</u> | <u>486,780</u> |
| <i>At 31 August 2016</i> | <u>494,871</u> | <u>494,871</u> | |

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

9. Net income/(expenditure)

This is stated after charging:

| | 2017 | 14 months ended 2016 |
|--|-------------------|----------------------------|
| | £ | £ |
| Depreciation of tangible fixed assets: - owned by the charity | 34,571 | 53,469 |
| Auditors' remuneration - audit | 6,000 | 5,850 |
| Auditors' remuneration - other services | 3,855 | 1,650 |
| Operating lease rentals | 1,239 | 1,239 |
| | <u> </u> | <u> </u> |

10. Auditors' remuneration

The Auditor's remuneration amounts to an Audit fee of £6,000 (2016 - £5,850), and fees for other services of £3,855(2016 - £1,650).

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

11. Staff costs

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

| | 2017 | 2016 |
|----------------------------|------------------|-----------|
| | No. | No. |
| Teachers | 18 | 17 |
| Administration and support | 25 | 24 |
| Management | 2 | 2 |
| | <u>45</u> | <u>43</u> |

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

| | 2017 | 2016 |
|-------------------------------|-------------|------|
| | No. | No. |
| In the band £70,001 - £80,000 | 1 | 1 |

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2017, pension contributions for this staff member amounted to £10,257 (2016: £11,283).

The key management personnel of the academy trust comprise the trustees and the 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 £181,294 (2016: £179,309). The academy trust made employers national insurance contributions relating to these employees of £17,761 (2016: £16,915).

Salaries

| | 2017 | 14 months |
|--|-------------------------|------------------|
| | £ | ended |
| | | 2016 |
| | | £ |
| Wages and salaries | 902,219 | 1,022,899 |
| Social security costs | 71,228 | 72,427 |
| Operating costs of defined benefit pension schemes | 256,632 | 221,101 |
| Supply teacher costs | 20,997 | 7,010 |
| | <u>1,251,076</u> | <u>1,323,437</u> |
| Total | <u>1,251,076</u> | <u>1,323,437</u> |

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

| | | 2017 | 14 months ended 2016 |
|---|----------------------------|----------------------|----------------------------|
| | | £ | £ |
| J Everett, Staff governor and accounting officer | Remuneration | 60,000-65,000 | 70,000-75,000 |
| | Pension contributions paid | 10,000-15,000 | 10,000-15,000 |
| N Schofield, Staff governor | Remuneration | 35,000-40,000 | 30,000-35,000 |
| | Pension contributions paid | 5,000-10,000 | 5,000-10,000 |
| M Draper, Staff governor | Remuneration | 50,000-55,000 | 50,000-55,000 |
| | Pension contributions paid | 5,000-10,000 | 5,000-10,000 |

During the year ended 31 August 2017, expenses totalling £39 (2016 - £240) were reimbursed to 1 Trustee (2016 - 2).

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £548 (2016 - £535).

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

14. Tangible fixed assets

| | Land and buildings £ | Fixtures and fittings and equipment £ | Total £ |
|-----------------------|----------------------------|--|------------------|
| Cost | | | |
| At 1 September 2016 | 3,030,000 | 43,247 | 3,073,247 |
| Additions | - | 61,615 | 61,615 |
| At 31 August 2017 | <u>3,030,000</u> | <u>104,862</u> | <u>3,134,862</u> |
| Depreciation | | | |
| At 1 September 2016 | 23,053 | 30,416 | 53,469 |
| Charge for the year | 24,240 | 10,331 | 34,571 |
| At 31 August 2017 | <u>47,293</u> | <u>40,747</u> | <u>88,040</u> |
| Net book value | | | |
| At 31 August 2017 | <u>2,982,707</u> | <u>64,115</u> | <u>3,046,822</u> |
| At 31 August 2016 | <u>3,006,947</u> | <u>12,831</u> | <u>3,019,778</u> |

15. Stocks

| | 2017 £ | 2016 £ |
|-------------------------------------|--------------|-----------|
| Finished goods and goods for resale | <u>3,580</u> | <u>-</u> |

The amount of stock recognised as an expense in the period was £2,044 (2016: £Nil)

16. Debtors

| | 2017 £ | 2016 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | 724 | - |
| VAT recoverable | 20,418 | 9,122 |
| Prepayments and accrued income | 40,248 | 26,582 |
| | <u>61,390</u> | <u>35,704</u> |

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

17. Creditors: Amounts falling due within one year

| | | |
|--------------------------------------|----------------|----------------|
| | 2017 | 2016 |
| | £ | £ |
| Trade creditors | 70,183 | 2,066 |
| Other creditors | - | 292 |
| Accruals and deferred income | 138,031 | 113,424 |
| | <u>208,214</u> | <u>115,782</u> |
| | 2017 | 2016 |
| | £ | £ |
| Deferred income | | |
| Deferred income at 1 September 2016 | 96,785 | - |
| Resources deferred during the year | 81,323 | 96,785 |
| Amounts released from previous years | (96,785) | - |
| | <u>81,323</u> | <u>96,785</u> |
| Deferred income at 31 August 2017 | | |

At the balance sheet date the academy trust was holding funds received in advance for WSCC SEND funding, WSCC SSC funding and ESFA UISFM.

18. Statement of funds

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (losses) and transfers £ | Balance at 31 August 2017 £ |
|-------------------------------|---|------------------|--------------------|--------------------------|---|--------------------------------------|
| Unrestricted funds | | | | | | |
| Activities other income | 15,660 | 44,673 | (24,619) | - | - | 35,714 |
| Voluntary income | 3,535 | 11,282 | - | - | - | 14,817 |
| | <u>19,195</u> | <u>55,955</u> | <u>(24,619)</u> | <u>-</u> | <u>-</u> | <u>50,531</u> |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | 171,292 | 1,170,131 | (1,213,673) | (1,325) | - | 126,425 |
| Other DfE/EFA grants | - | 113,594 | (113,594) | - | - | - |
| Local authority grants | - | 122,701 | (122,701) | - | - | - |
| Pension reserve | (550,000) | - | (56,000) | - | 239,000 | (367,000) |
| | <u>(378,708)</u> | <u>1,406,426</u> | <u>(1,505,968)</u> | <u>(1,325)</u> | <u>239,000</u> | <u>(240,575)</u> |

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

18. Statement of funds (continued)

Restricted fixed asset funds

| | | | | | | |
|----------------------------------|------------------|------------------|--------------------|--------------|----------------|------------------|
| Capital expenditure from GAG | 17,634 | - | (6,413) | 1,325 | - | 12,546 |
| Assets transferred on conversion | 3,002,144 | - | (28,158) | - | - | 2,973,986 |
| Devolved formula capital grant | 7,386 | 7,476 | - | - | - | 14,862 |
| CIF funding | - | 60,290 | - | - | - | 60,290 |
| | <u>3,027,164</u> | <u>67,766</u> | <u>(34,571)</u> | <u>1,325</u> | <u>-</u> | <u>3,061,684</u> |
| Total restricted funds | <u>2,648,456</u> | <u>1,474,192</u> | <u>(1,540,539)</u> | <u>-</u> | <u>239,000</u> | <u>2,821,109</u> |
| Total of funds | <u>2,667,651</u> | <u>1,530,147</u> | <u>(1,565,158)</u> | <u>-</u> | <u>239,000</u> | <u>2,871,640</u> |

Statement of funds - prior year

| | Balance at 22 May 2015 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (losses) and transfers £ | Balance at 31 August 2016 £ |
|----------------------------|--------------------------------|------------------|--------------------|--------------------------|--|--------------------------------------|
| Unrestricted funds | | | | | | |
| Activities other income | - | 39,705 | (24,045) | - | - | 15,660 |
| Voluntary income | - | 3,535 | - | - | - | 3,535 |
| | <u>-</u> | <u>43,240</u> | <u>(24,045)</u> | <u>-</u> | <u>-</u> | <u>19,195</u> |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | - | 1,343,771 | (1,154,845) | - | (17,634) | 171,292 |
| Donated on conversion | - | 96,751 | (96,751) | - | - | - |
| Other DfE/EFA grants | - | 125,376 | (125,376) | - | - | - |
| Local authority grants | - | 179,892 | (179,892) | - | - | - |
| Pension reserve | - | (310,000) | (31,000) | - | (209,000) | (550,000) |
| | <u>-</u> | <u>1,435,790</u> | <u>(1,587,864)</u> | <u>-</u> | <u>(226,634)</u> | <u>(378,708)</u> |

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

18. Statement of funds (continued)

Restricted fixed asset funds

| | | | | | | |
|----------------------------------|---|-----------|-------------|---|-----------|-----------|
| Capital expenditure from GAG | - | - | - | - | 17,634 | 17,634 |
| Assets transferred on conversion | - | 3,055,613 | (53,469) | - | - | 3,002,144 |
| Devolved formula capital grant | - | 7,386 | - | - | - | 7,386 |
| | - | 3,062,999 | (53,469) | - | 17,634 | 3,027,164 |
| Total restricted funds | - | 4,498,789 | (1,641,333) | - | (209,000) | 2,648,456 |
| Total of funds | - | 4,542,029 | (1,665,378) | - | (209,000) | 2,667,651 |

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

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 2016 or 31 August 2017.

Other DfE/EFA 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 include school trip, rent and school club income. In addition, included is also uniform sales and income received for mentoring university students.

19. Analysis of net assets between funds

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|--|---------------------------------|-------------------------------|---|--------------------------|
| Tangible fixed assets | - | - | 3,046,822 | 3,046,822 |
| Current assets | 50,531 | 349,501 | - | 400,032 |
| Creditors due within one year | - | (223,076) | 14,862 | (208,214) |
| Provisions for liabilities and charges | - | (367,000) | - | (367,000) |
| | 50,531 | (240,575) | 3,061,684 | 2,871,640 |

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | Unrestricted funds | Restricted funds | Restricted fixed asset funds | Total funds |
|--|-----------------------|---------------------|------------------------------------|------------------|
| | 2016 | 2016 | 2016 | 2016 |
| | £ | £ | £ | £ |
| Tangible fixed assets | - | - | 3,019,778 | 3,019,778 |
| Current assets | 19,195 | 294,460 | - | 313,655 |
| Creditors due within one year | - | (123,168) | 7,386 | (115,782) |
| Provisions for liabilities and charges | - | (550,000) | - | (550,000) |
| | <u>19,195</u> | <u>(378,708)</u> | <u>3,027,164</u> | <u>2,667,651</u> |

20. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2017 £ | 14 months ended 2016 £ |
|--|---------------|---------------------------------|
| Net (expenditure)/income for the year (as per Statement of Financial Activities) | (35,011) | 2,876,651 |
| Adjustment for: | | |
| Depreciation charges | 34,571 | 53,469 |
| Dividends, interest and rents from investments | (232) | (286) |
| Increase in stocks | (3,580) | - |
| Increase in debtors | (25,686) | (35,704) |
| Increase in creditors | 92,432 | 115,782 |
| Capital grants from DfE and other capital income | (60,290) | - |
| Defined benefit pension scheme cost less contributions payable | 45,000 | 17,000 |
| Defined benefit pension scheme finance cost | 11,000 | 14,000 |
| Assets transferred on conversion | - | (2,842,364) |
| Capital grants from EFA and other capital income | (7,476) | (7,386) |
| Net cash provided by operating activities | <u>50,728</u> | <u>191,162</u> |

21. Analysis of cash and cash equivalents

| | 2017 £ | 2016 £ |
|--------------|----------------|----------------|
| Cash in hand | 335,062 | 277,951 |
| Total | <u>335,062</u> | <u>277,951</u> |

Notes to the financial statements
For the year ended 31 August 2017

22. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's 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 pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2017.

Contributions amounting to £29,600 were payable to the schemes at 31 August 2017 (2016 - £nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, 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 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £100,636 (2016 - £107,325).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

22. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £82,911 (2016 - £101,974), of which employer's contributions totalled £65,996 (2016 - £82,776) and employees' contributions totalled £16,915 (2016 - £19,198). The agreed contribution rates for future years are 14.6% for employers and 5.5% to 12.5% 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.

Local government pension scheme

Principal actuarial assumptions:

| | 2017 | 2016 |
|--|----------------|---------|
| Discount rate for scheme liabilities | 2.50 % | 2.00 % |
| Rate of increase in salaries | 3.10 % | 3.60 % |
| Rate of increase for pensions in payment / inflation | 2.40 % | 2.10 % |
| Commutation of pensions to lump sums (pre-April 2008 service) | 50.00 % | 50.00 % |
| Commutation of pensions to lump sums (post-April 2008 service) | 75.00 % | 75.00 % |

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

| | 2017 | 2016 |
|----------------------|-------------|------|
| Retiring today | | |
| Males | 23.6 | 24.4 |
| Females | 25 | 25.8 |
| Retiring in 20 years | | |
| Males | 26 | 26.9 |
| Females | 27.8 | 28.5 |

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

22. Pension commitments (continued)

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

| | Fair value at 31 August 2017 £ | Fair value at 31 August 2016 £ |
|------------------------------|---|---|
| Equities | 360,880 | 477,420 |
| Property | 55,520 | 52,320 |
| Cash and other liquid assets | 20,820 | 19,620 |
| Debt instruments | 256,780 | 104,640 |
| | <hr/> | <hr/> |
| Total market value of assets | 694,000 | 654,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

The actual return on scheme assets was £-51,000 (2016 - £74,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

| | 2017 £ | 14 months ended 2016 £ |
|--|-------------------|---------------------------------|
| Interest income | 14,000 | 23,000 |
| Interest cost | (25,000) | (37,000) |
| Current service cost (net of employee contributions) | (45,000) | (17,000) |
| | <hr/> | <hr/> |
| Total | (56,000) | (31,000) |
| | <hr/> <hr/> | <hr/> <hr/> |
| Actual return on scheme assets | (51,000) | 74,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

Movements in the present value of the defined benefit obligation were as follows:

| | 2017 £ | 14 months ended 2016 £ |
|------------------------------------|-------------------|---------------------------------|
| Opening defined benefit obligation | 1,204,000 | - |
| Upon conversion | - | 768,000 |
| Interest cost | 25,000 | 37,000 |
| Employee contributions | 17,000 | 19,000 |
| Actuarial (gains)/losses | (290,000) | 283,000 |
| Benefits paid | (13,000) | - |
| Current service cost | 118,000 | 97,000 |
| | <hr/> | <hr/> |
| Closing defined benefit obligation | 1,061,000 | 1,204,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

22. Pension commitments (continued)

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

| | 2017 £ | 14 months ended 2016 £ |
|-------------------------------------|-------------|---------------------------------|
| Opening fair value of scheme assets | 654,000 | - |
| Upon conversion | - | 458,000 |
| Interest income | 14,000 | 23,000 |
| Actuarial gains/(losses) | (51,000) | 74,000 |
| Employer contributions | 73,000 | 80,000 |
| Employee contributions | 17,000 | 19,000 |
| Benefits paid | (13,000) | - |
| | <hr/> | <hr/> |
| Closing fair value of scheme assets | 694,000 | 654,000 |
| | <hr/> <hr/> | <hr/> <hr/> |

23. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2017 £ | 2016 £ |
|-------------------------|-------------|-------------|
| Amounts payable: | | |
| Within 1 year | 310 | 1,239 |
| Between 1 and 5 years | - | 310 |
| | <hr/> | <hr/> |
| Total | 310 | 1,549 |
| | <hr/> <hr/> | <hr/> <hr/> |

The total of lease payments recognised as an expense was £1,549 (2016: £1,549).

24. 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.

The Oak Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2017

25. 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 the trust 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 Pawsey, the partner of S Pawsey (trustee for part of the year), received remuneration on an employed basis as a teaching assistant of between £10,000 - £20,000 (2016: £10,000 - £20,000).

During the year K Patrick, the partner of I Patrick (trustee), received remuneration on an employed basis as a member of support staff of between £10,000 - £20,000 (2016: £20,000 - £30,000).

26. Agency Arrangements

The academy trust distributes locality funding to other schools in the area as an agent for West Sussex County Council. In the accounting period ending 31 August 2017 the trust received £39,596 (2016: £38,687) and disbursed £25,724 (2016: £23,154) from the fund. The balance of £29,405 (2016: £15,533) is excluded from the accounts under the Academies Account Direction 2016 to 2017 and is held in trust awaiting expenditure.