

Registered number  
09604912

**THE OAK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND AUDITED FINANCIAL**  
**STATEMENTS**

**FOR THE PERIOD FROM 22 MAY 2015 TO 31 AUGUST 2016**

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
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**THE OAK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	R Wallace	
	M Bolch	(appointed 4 July 2016)
	P Dingemans	
	A Fitzsimons	
	P Hazel	(resigned 10 June 2016)
	P Wiltshire	
<b>Trustees</b>	R Wallace	(chairman)
	R McAuley	(parent governor)
	J Everett	(staff governor and accounting officer)
	J Potter	(parent governor)
	N Schofield	(staff governor)
	I Patrick	
	M Draper	(staff governor)
	S Pawsey	
	T Occleshaw	(parent governor)
	P Wiltshire	
	A Jenner	(appointed 20 July 2016)

**Senior Management Team:**

<b>Head Teacher</b>	James Everett
<b>School Business Manager</b>	Nicky Schofield

**Registered office** Barnham Primary School  
Elm Grove  
Barnham  
Bognor Regis  
West Sussex  
PO22 0HW

**Registered number** 09604912

**Independent Auditor** Kreston Reeves LLP  
9 Donnington Park  
85 Birdham Road  
Chichester  
West Sussex  
PO20 7AJ

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 22 May 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

**The Oak Academy Trust – 1 Year In**

This is our first Annual Report for The Oak Academy Trust (hereinafter, the 'Trust') and we are very pleased with the positive steps forward the Trust has taken since its inception on 22nd May 2015.

Our key aim in our first year was to establish a clear philosophy and set of values, underpinned by effective but developing principles for the operational management of the Trust.

We believe that we have been able to achieve this goal and that the evidence for this belief is born out in the continued good pupil outcomes for the children who attend Barnham Primary School, as well as the effective financial management, compliance and Governance of the Trust.

As we move forward we will be focusing on further developing our leadership and management of the Trust, through collaborating and learning from best practice both in and outside of educational spheres. We will also be seeking to grow the Trust to include 2 schools by the end of our second year, as well as grow the reputational reach of the Trust.

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**

**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 year are included in the Reference and Administrative Details.

**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.

**Method of Recruitment and Appointment or Election of Trustees**

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

**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, Compliance Structures and Systems
- Meeting with Safeguarding Lead - Procedure and Protocols
- Meeting with the Clerk to Trustees - Meeting Structure, Communication Methods

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**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.

**Arrangements for setting pay and remuneration of 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.

**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.

**Objectives and Activities**

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.

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**Objectives, Strategies and Activities**

The Key Objectives for The Oak Academy Trust for the Year 2015-2016 were:

- To develop the credibility of the Trust
- To build a proven track record for the Trust
- To ensure a balanced budget and effective financial management across the Trust
- For pupil outcomes to be at least above National and Local Authority outcomes
- For pupil outcomes to be in line with schools of a similar story and context as defined by FFT
- For all schools to be Good or Outstanding as defined by Ofsted
- For all schools to be full and to have waiting lists

In order for the Trust to grow and be seen as a solution for the development of successful Multi Academy Trusts (MATs) in West Sussex.

Our Strategies have been:

- To build strong relationship with the office of the Regional Schools Commissioner (RSC)
- To develop a confident relationship with the Education Funding Agency (EFA)
- To build upon positive partnerships with West Sussex County Council (WSCC)
- To collaborate and share best practice through partnerships with other Academy Trusts
- To develop and lead School to School Improvement, as well as learn from the local and county Educational Community
- To grow a stronger more far reaching presence with Business and Community Partners
- To provide opportunity for professional development of Key Management Personnel
- To sustain and further develop effective Governance of the Trust
- To maintain and build upon high standards of education and pupil outcomes at Barnham Primary School (see School Improvement Development Plan BPS 2015-2016)

**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**

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

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**Key Performance Indicators**

The Key Objectives for The Oak Academy Trust for the Year 2015-2016 were:

To develop the credibility of the Trust

- On track to meet - for example, after successfully delivering the Institute of Education Middle leaders course, we will be delivering the senior leaders course in 2016-2017; we now hold a position on the Strategic Steering Group for the University of Chichester; we also are an Academy Representative for the newly introduced West Sussex County Council Education and Skills Forum

To build a proven track record for the Trust

- On track to meet - for example, Barnham Primary School is the lead school for the delivery of the locality moderation plan; we have supported and developed the skills, knowledge and confidence of Sencos, Inclusion Coordinators, professional colleagues with regards to Inclusion throughout the county, through mentoring, sharing of best practice etc

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

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

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

- Pupil Outcomes are above County and National outcomes in Year 6 for Reading and Writing; and below County and National outcomes for Maths. Outcomes for Reading, Writing and Maths combined is above County outcomes and below National outcomes

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 by the end of 2015-16

**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**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**Financial Review**

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 Trust participates in the WSCC Local Government Pension Scheme. The net income/operating surplus before the actuarial adjustment to the Local Government Pension Scheme was £2,876,651. The actuarial loss in the year was £209,000. The valuation under FRS102 show the obligations of this scheme to exceed its assets at 31 August 2016 by £550,000.

**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 £2,667,651 of which £3,027,164 are restricted fixed assets funds, £171,292 restricted income reserves and £19,195 are unrestricted reserves. These are reduced by the deficit on the pension reserve of £550,000 relating to the local government pension scheme.

The academy's current level of unrestricted reserves and restricted general funds (including pension reserve) is £2,667,651. The Trustees are satisfied with the level of reserves. It is the Trustees intention to develop the reserves policy further for 2016-2017.

**Investment Policy**

There are currently no funds available for long term investment. It is the Trustees intention to develop an investment policy for 2016-2017.

**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**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**Plans for Future Periods**

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 2016-2017 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 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.

Our strategies will be:

- 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 key management personnel of the Trust
- continue to implement Trust wide structure, policies, processes and mechanisms
- introduction of an Oak Pupil Ambassador.

**Auditor**

In so far as the Trustees are aware:

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

This report, incorporating the strategic report, was approved by the members of the Board of Trustees on 15.12.16 and signed on its behalf by:



R Wallace  
Chair of Trustees

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
GOVERNANCE STATEMENT**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**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 CEO, 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 10 times during the period since 1 July 2015 - 31 August 2016. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Richard Wallace (Chairman)	10	10
Martin Draper	9	10
James Everett	9	10
Rebecca McAuley	9	10
Tony Occleshaw	10	10
Ian Patrick	10	10
Steve Pawsey	6	10
Justine Potter	10	10
Nicky Schofield	10	10
Phil Wiltshire	8	10

The trustees have carried out a review of Governance of The Oak Academy Trust which highlighted the following:

- It would be beneficial for the Board of Trustees to grow in size and to continue to develop a deliberate move towards a skills based model of appointment

Consequently the Trust implemented a promotional campaign in order to attract new trustees, which has led to the initiation of a new member of the Board (July 2016) whose skills and experience are located in finance and compliance.

In addition, following recommendation from our interim audit and best practice that:

- It would be more effective to establish a Finance, Audit and Compliance Committee (FACC)

Therefore the Trust introduced the FACC for the Academic Year 16-17.

The Trust intends to carry out further evaluation and review during the Spring Term 2017. This will focus on local governance arrangements including schemes of delegation between the Trust and Local Governing bodies, as well as the clarifying terms of reference.

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
GOVERNANCE STATEMENT**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**Review of Value for Money ('VFM')**

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

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

- Staff restructuring – this has released 1 teacher to be deployed to meet the needs of a small Special Educational Needs and Disability (SEND) group of children in Year 3. This has resulted in cost savings of additional 1 to 1 support whilst more effectively meeting the needs of this group of children, therefore resulting in academic benefits for the rest of the children in the year group.
- Decentralised curriculum resources budgets – year groups have been delegated budgets to enable high levels of accountability and control, in order to result in great flexibility and targeting of resources where they are most needed.
- Tendering and Procurement Policy – the development and implementation of a tendering and procurement policy, based on EFA guidance is ensuring appropriate spend thresholds and approaches to large value purchases to ensure best value is secured.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the period 22 May 2015 to 31 August 2016 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 22 May 2015 to 31 August 2016 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**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Legal and Premises Committee of reports which indicate financial performance
- 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 the external auditor, to perform additional checks

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

**Review of effectiveness**

As accounting officer the Chief Executive 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 Responsible Officer
- Financial Reports and meetings with the Trust's Director of Business and Finance
- the financial management and governance self-assessment process
- the guidance and expertise of an external accountant
- the internal monitoring and review of whole school process and financial systems and process

The accounting officer and Board of Trustees have been advised of the implications of the results of reviews of the system of internal control by the Director and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order the members of the board of trustees on 15.12.16 and signed on its 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**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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As accounting officer of The Oak Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA 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 2015.

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 2015.

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 EFA.



J Everett

Accounting Officer

Date: 15.12.16

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
STATEMENT ON TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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The trustees (who act as Trustees of The Oak Academy Trust and are also directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report, including the Strategic Report, and the financial statements in accordance with the Academies Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 the members of the board of trustees on 15.12.16 and signed on its behalf by:



R Wallace  
Chair of trustees

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

We have audited the financial statements of The Oak Academy Trust for the period ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

**Respective responsibilities of Trustees and the auditor**

As explained more fully in the statement of Trustees' Responsibilities on page 12, the Trustees (who are also the directors of the Academy Trust for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit opinion**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

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

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

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

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

In our opinion the information given in the Trustees' Annual Report, including the Strategic Report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 Annual Accounts Direction 2015 to 2016 issued by the Education Funding Agency.



**Simon Webber BA (Hons) FCA**  
**(Senior Statutory Auditor)**  
for and on behalf of Kreston Reeves LLP  
Chartered Accountants and Statutory Auditor

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

Date: 15<sup>th</sup> December 2016

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**Independent Reporting Accountant's Assurance Report on Regularity to The Oak Academy Trust and the Education Funding Agency**

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In accordance with the terms of our engagement letter dated 11 July 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the annual Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the Academy Trust during the period 22 May 2015 to 31 August 2016 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 EFA 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 EFA 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 Bilingual Primary School Limited and the EFA, 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 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 22 May 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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 an examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Performing a review and assessment of the general control environment including a review of minutes, management accounts, financial management and governance self assessment, correspondence with the EFA and other relevant bodies.
- Consideration of the nature and amounts of related party transactions.
- A comparison of predicted income against actual income and a review of grant income and associated expenditure for compliance with the terms and conditions of each grant.
- In respect of key items of expenditure a review, on a sample basis, of supporting evidence and a consideration in respect to the procurement and contract delivery process.
- Discussions and enquiry with the Trustees and the Accounting officer and a review of the internal RO reports.



**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
Independent Reporting Accountant's Assurance Report on Regularity to The Oak Academy  
Trust and the Education Funding Agency**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 22 May 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Kreston Reeves LLP  
Chartered Accountants and Statutory Auditor  
9 Donnington Park, 85 Birdham Road  
Chichester, West Sussex, PO20 7AJ**

Date: *15<sup>th</sup> December 2016*

**THE OAK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE**  
**ACCOUNT)**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

	Notes	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
		£	£	£	2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	3,535	-	7,386	10,921
Transfer from local authority on conversion	22	-	(213,249)	3,055,613	2,842,364
Charitable Activities:					
Funding for the Academy's educational operations	5	-	1,649,039	-	1,649,039
Other trading activities	3	39,419	-	-	39,419
Investments	4	286	-	-	286
<b>Total</b>		<b>43,240</b>	<b>1,435,790</b>	<b>3,062,999</b>	<b>4,542,029</b>
<b>Expenditure on:</b>					
Charitable Activities:					
Academy trust educational operations	7	24,045	1,587,864	53,469	1,665,378
<b>Total</b>		<b>24,045</b>	<b>1,587,864</b>	<b>53,469</b>	<b>1,665,378</b>
<b>Net income / (expenditure)</b>		<b>19,195</b>	<b>(152,074)</b>	<b>3,009,530</b>	<b>2,876,651</b>
<b>Transfer between funds</b>		<b>-</b>	<b>(17,634)</b>	<b>17,634</b>	<b>-</b>
<b>Other recognised gains / (losses)</b>					
Actuarial (losses) / gains on defined benefit pension schemes	16	-	(209,000)	-	(209,000)
<b>Net movement in funds</b>		<b>19,195</b>	<b>(378,708)</b>	<b>3,027,164</b>	<b>2,667,651</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		-	-	-	-
<b>Total funds carried forward</b>		<b>19,195</b>	<b>(378,708)</b>	<b>3,027,164</b>	<b>2,667,651</b>

All of the Academy's activities derive from continuing operations.

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

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
BALANCE SHEET**

**AS AT 31 AUGUST 2016**

**REGISTERED NUMBER: 09604912**

	Notes	2016	
		£	£
<b>Fixed assets</b>			
Tangible assets	11		<u>3,019,778</u>
<b>Current assets</b>			
Debtors	12	35,704	
Cash at bank and in hand		<u>277,951</u>	
		313,655	
<b>Liabilities</b>			
Creditors: amounts falling due within one year	13	<u>(115,782)</u>	
<b>Net current assets</b>			<u>197,873</u>
<b>Total assets less current liabilities</b>			3,217,651
<b>Net assets excluding pension liability</b>			3,217,651
Defined benefit pension scheme liability	16		<u>(550,000)</u>
<b>Total net assets</b>			<u><u>2,667,651</u></u>
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	14		
Fixed asset fund		3,027,164	
Restricted income fund		171,292	
Pension reserve		<u>(550,000)</u>	
<b>Total restricted funds</b>			2,648,456
<b>Unrestricted income funds</b>	14		19,195
<b>Total funds</b>			<u><u>2,667,651</u></u>

The financial statements were approved by the members of the trustees and authorised for issue on 15.12.16 and signed on their behalf by



R Wallace  
Chair of Governors

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
CASH FLOW STATEMENT**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

	Notes	2016 £
<b>Cash flows from operating activities</b>		
Net cash provided by (used in) operating activities	19	<b>191,162</b>
<b>Cash flows from investing activities</b>		
	20	<b>(9,962)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>181,200</b>
<b>Cash and cash equivalents at 22 May 2015</b>		-
Cash transferred on conversion to an academy trust		<b>96,751</b>
<b>Cash and cash equivalents at 31 August 2016</b>		<b>277,951</b>

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

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**1 Principal 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), judgements and key sources of estimation uncertainty, is set out below.

***Basis of preparation***

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with 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 (Charities SORP FRS 102), the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006.

***Going Concern***

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

***Income***

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

***Grants***

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

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

Capital grants are recognised 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.

***Donations***

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

***Other Income***

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

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

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**1 Principal accounting policies continued....**

***Donated goods, facilities and services***

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

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

***Expenditure***

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

All resources expended are inclusive of irrecoverable VAT.

***Expenditure on Raising Funds***

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

***Charitable activities***

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

***Conversion to an Academy***

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

The assets and liabilities transferred on conversion from Barnham Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. This includes Land and buildings, other fixed assets, pension and other assets and liabilities transferred as appropriate. Further Details of the transaction are set out in note 22.

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

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**1 Principal accounting policies continued....**

***Tangible Fixed Assets***

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

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

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

Leasehold buildings	Over length of lease - 125 years
Computer equipment	3 years
Fixtures, fittings and equipment	5 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.

***Liabilities***

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

***Debtors***

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

***Taxation***

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

***Operating lease commitments***

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

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

---

**1 Principal accounting policies continued....**

***Pensions***

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 16, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

***Fund Accounting***

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

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

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

Under the funding agreement with the Secretary of State the academy trust was subject to no limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next.

***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 23.



**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

**1 Principal accounting policies continued....**

***Critical accounting estimates and areas of judgement***

The preparation of the financial statements requires the trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgements have had the most significant impact on amounts recognised in the financial statements:

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, see note 16 for further details.

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, which are disclosed in note 16, 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.

<b>2 Donations and capital grants</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Donations	3,535	-	3,535
Capital grants	-	7,386	7,386
	<u>3,535</u>	<u>7,386</u>	<u>10,921</u>

  

<b>3 Other trading activities</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Other income	39,419	-	39,419
	<u>39,419</u>	<u>-</u>	<u>39,419</u>

  

<b>4 Investment income</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Short term deposits	286	-	286
	<u>286</u>	<u>-</u>	<u>286</u>

**THE OAK ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

**5 Funding for Academy Trust's educational operations**

	Unrestricted Funds	Restricted Funds	2016
	£	£	£
<b>DfE/EFA grants</b>			
General Annual Grant (GAG)	-	1,343,771	1,343,771
Other DfE/EFA Grants	-	125,376	125,376
	-	<u>1,469,147</u>	<u>1,469,147</u>
<b>Other Government grants</b>			
Local authority grants	-	179,892	179,892
	-	<u>179,892</u>	<u>179,892</u>
	-	<u>1,649,039</u>	<u>1,649,039</u>

**6 Expenditure**

	Staff costs	Non pay expenditure		2016
	£	Premises	Other costs	£
	£	£	£	£
Academy trust educational operations				
Direct costs	1,140,549	-	29,957	1,170,506
Allocated support costs	168,888	114,594	211,390	494,872
	<u>1,309,437</u>	<u>114,594</u>	<u>241,347</u>	<u>1,665,378</u>

The method used for apportionment of support costs is disclosed in the accounting policies.

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

	2016
	£
Operating leases	1,482
Depreciation	53,469
Fees payable to auditor	
Audit	5,850
Other services	1,650

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

**7 Charitable activities - Academy's educational operations**

	Unrestricted Funds £	Restricted Funds £	2016 £
<b>Direct costs</b>			
Teaching and educational support staff costs	-	1,140,549	1,140,549
Educational supplies	-	22,969	22,969
Examination fees	-	36	36
Staff development	-	6,952	6,952
	<u>-</u>	<u>1,170,506</u>	<u>1,170,506</u>
<b>Allocated support costs</b>			
Support staff costs	-	168,888	168,888
Depreciation	-	53,469	53,469
Maintenance of premises and equipment	-	25,446	25,446
Cleaning	-	16,346	16,346
Rates	-	9,618	9,618
Light and heat	-	9,715	9,715
Telephone	-	5,351	5,351
Printing postage and stationery	-	11,504	11,504
Computer costs	-	42,475	42,475
Insurance	-	26,693	26,693
Security	-	562	562
Transport	-	716	716
Advertising	-	1,616	1,616
Catering	-	54,367	54,367
Bank interest and charges	-	288	288
Legal and professional fees	-	21,397	21,397
Auditor's remuneration:			
Audit fees	-	5,850	5,850
Other services	-	1,650	1,650
Governors' reimbursed expenses	-	866	866
Other support costs	24,045	10	24,055
Support staff pension costs (note 16)	-	14,000	14,000
	<u>24,045</u>	<u>470,827</u>	<u>494,872</u>
	<u>24,045</u>	<u>1,641,333</u>	<u>1,665,378</u>

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

<b>8</b>	<b>Staff costs</b>	<b>2016</b>
		<b>£</b>
	Staff costs during the period were:	
	Wages and salaries	1,022,899
	Social security costs	72,427
	Operating costs of defined benefit pension schemes	221,101
		1,316,427
	Supply teacher costs	7,010
		1,323,437

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

Charitable Activities	<b>2016</b>
	<b>Number</b>
Teachers	17
Administration and support	24
Management	2
	43

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

	<b>2016</b>
	<b>Number</b>
£70,001 - £80,000	1
	1

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

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £119,098.

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

**9 Related Party Transactions - 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 staff members under their contracts of employment.

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

J Everett (head teacher and trustee)  
Remuneration £70,000 - £75,000  
Employer's pension contributions paid £10,000 - £15,000

N Schofield (SBM and trustee)  
Remuneration £30,000 - £35,000  
Employer's pension contributions paid £5,000 - £10,000

M Draper (deputy head and trustee)  
Remuneration £50,000 - £55,000  
Employer's pension contributions paid £5,000 - £10,000

During the period ended 31 August 2016, travel and subsistence expenses totalling £240 were reimbursed or paid directly to 2 trustees.

Other related party transactions involving the trustees are set out in note 17.

**10 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 period ended 31 August 2016 was £535. The cost of this insurance is included in the total insurance cost.

**11 Tangible fixed assets**

	Land and buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 22 May 2015	-	-	-
Additions	-	17,634	17,634
Donated to Trust on conversion	3,030,000	25,613	3,055,613
<b>At 31 August 2016</b>	<b>3,030,000</b>	<b>43,247</b>	<b>3,073,247</b>
<b>Depreciation</b>			
At 22 May 2015	-	-	-
Charge for the period	23,053	30,416	53,469
<b>At 31 August 2016</b>	<b>23,053</b>	<b>30,416</b>	<b>53,469</b>
<b>Net book value</b>			
<b>At 31 August 2016</b>	<b>3,006,947</b>	<b>12,831</b>	<b>3,019,778</b>
At 21 May 2015	-	-	-

**THE OAK ACADEMY TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

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<b>12 Debtors</b>	<b>2016</b>
	<b>£</b>
Trade debtors	11,856
VAT recoverable	9,122
Prepayments	14,726
	<u>35,704</u>

<b>13 Creditors: amounts falling due within one year</b>	<b>2016</b>
	<b>£</b>
Trade creditors	2,066
Accruals	16,639
Other creditors	97,077
	<u>115,782</u>

Included in other creditors is amounts relating to deferred income as summarised below:

	<b>2016</b>
	<b>£</b>
Deferred income at 22 May 2015	-
Resources deferred in the period	96,785
Amounts released from previous years	-
Deferred income at 31 August 2016	<u>96,785</u>

At the balance sheet date the academy trust was holding funds received in advance for WSCC SEND funding, WSCC SSC funding, EFA UISFM, EFA fee rebates and lodge hill parents contributions.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

14 Funds	Balance at 22 May 2015	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2016
	£	£	£	£	£
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 (including deficit on conversion)	-	(310,000)	(31,000)	(209,000)	(550,000)
	-	1,435,790	(1,587,864)	(226,634)	(378,708)
<b>Restricted Fixed Asset Funds</b>					
DfE/EFA capital grants	-	-	-	-	-
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
<b>Total restricted funds</b>	-	4,498,789	(1,641,333)	(209,000)	2,648,456
<b>Unrestricted Funds</b>					
Activities other income	-	39,705	(24,045)	-	15,660
Voluntary income	-	3,535	-	-	3,535
<b>Total Unrestricted Funds</b>	-	43,240	(24,045)	-	19,195
<b>Total funds</b>	-	4,542,029	(1,665,378)	(209,000)	2,667,651

The specific purposes for which the funds are to be used 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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

<b>15 Analysis of net assets between funds</b>	<b>Unrestricted Funds</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total Funds</b>
	£	£	£	£
Tangible fixed assets	-	-	3,019,778	<b>3,019,778</b>
Current assets	19,195	294,460	-	<b>313,655</b>
Current liabilities	-	(123,168)	7,386	<b>(115,782)</b>
Pension scheme liability	-	(550,000)	-	<b>(550,000)</b>
<b>Total net assets</b>	<b>19,195</b>	<b>(378,708)</b>	<b>3,027,164</b>	<b>2,667,651</b>

**16 Pension commitments**

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

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

**Teachers Pension Scheme (TPS)**

**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**

Not less than every four years 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 will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

**16 Pension commitments continued....**

The employer's pension costs paid to TPS in the period amounted to £57,534.

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

Under the definitions set out in FRS 102, the TPS is 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 (LGPS)**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £94,683, of which employer's contributions totalled £75,484 and employees' contributions totalled £19,198. The agreed contribution rates for future years are 14.6 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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

**Principal actuarial assumptions**

**At 31 August 2016**

Rate of increase in salaries	<b>3.6%</b>
Rate of increase for pensions in payment/inflation.	<b>2.1%</b>
Discount rate for scheme liabilities	<b>2.0%</b>
Commutation of pensions to lump sums.	<b>50.0%</b>

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

**At 31 August 2016**

<i>Retiring today</i>	
Males	<b>24.4</b>
Females	<b>25.8</b>
 <i>Retiring in 20 years</i>	
Males	<b>26.9</b>
Females	<b>28.5</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

**16 Pension commitments continued....**

The academy trust's share of the assets in the scheme were:

	Fair value at 31 31 August
	£
Equity Instruments	477,420
Debt instruments	104,640
Property	52,320
Cash	19,620
<b>Total market value of assets.</b>	<b>654,000</b>

The actual return on scheme assets in the period was £74,000.

**Amount recognised Statement of Financial Activities**

	2016
	£
Current service cost (net of employee contributions)	(17,000)
Interest cost	(14,000)
<b>Total operating charge</b>	<b>(31,000)</b>

**Movement in surplus during the period**

	2016
	£
Surplus/(deficit) in the scheme at 22 May	-
On Conversion	(310,000)
Current service cost	(97,000)
Employer contributions	80,000
Interest costs	(14,000)
Actuarial losses	(209,000)
<b>Deficit in scheme at 31 August 2016</b>	<b>(550,000)</b>

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

	2016
	£
Scheme liabilities at 22 May	-
On Conversion	(768,000)
Current service cost	(97,000)
Interest cost	(37,000)
Contributions by members	(19,000)
Actuarial gains	(283,000)
<b>At 31 August 2016</b>	<b>(1,204,000)</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

**16 Pension commitments continued....**

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

	£
Scheme assets at 22 May	-
On Conversion	458,000
Income Interest	23,000
Contributions by Employers	80,000
Contributions by Members	19,000
Return on plan assets (excluding net interest on the net defined pensions liability)	74,000
<b>At 31 August 2016</b>	<b>654,000</b>

**17 Related Party Transactions**

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

During the year K Pawsey, the partner of S Pawsey (Trustee), received remuneration on an employed basis as a teaching assistant of £12,743, and K Patrick, the partner of I Patrick (Trustee) received remuneration on an employed basis as a member of support staff of £23,084.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

**18 Operating lease commitments**

	2016 £
At the period end the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases:	
Not later than one year	1,239
Later than one year and not later than five years	310
Later than five years	-
	<b>1,549</b>

**19 Reconciliation of net income to net cash inflow from operating activities**

	2016 £
Net income for the year	2,876,651
Net assets transferred on conversion (see note 22)	(2,842,364)
Capital grants from EFA and other capital income	(7,386)
Depreciation	53,469
Defined benefit pension scheme cost less contributions payable	17,000
Defined benefit scheme finance cost	14,000
Interest received	(286)
Increase in debtors	(35,704)
Increase in creditors	115,782
Net cash provided by / (used in) operating activities	<b>191,162</b>

**THE OAK ACADEMY TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016**

<b>20 Cash flows from investing activities</b>	<b>2016</b>
	<b>£</b>
Interest from investments	286
Purchase of tangible fixed assets	(17,634)
Devolved Formula Capital grant	<u>7,386</u>
Net cash provided by / (used in) investing activities	<u><u>(9,962)</u></u>

**21 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.

**22 Conversion to an Academy Trust**

On 22 May 2015 the Barnham Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Oak Academy Trust from the West Sussex County Council Local Authority for £nil consideration.

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

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

	<b>Pension reserve</b>	<b>Restricted General Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total Funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets				
Leasehold land and buildings	-	-	3,030,000	<b>3,030,000</b>
Other tangible assets	-	-	25,613	<b>25,613</b>
Budget surplus on LA funds	-	96,751	-	<b>96,751</b>
LGPS pension (deficit)	(310,000)	-	-	<b>(310,000)</b>
Net assets / (liabilities)	<u>(310,000)</u>	<u>96,751</u>	<u>3,055,613</u>	<u><u>2,842,364</u></u>

The land and buildings were transferred by way of a 125 year lease.

**23 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 2016 the trust received £38,687 and disbursed £25,154 from the fund. The balance of £15,553 is excluded from the accounts under the Academies Account Direction 2015 to 2016 and is held in trust awaiting expenditure.