

OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr G Smart Mrs S Hynds Mr T Cutting
Trustees	Miss E Wilkes, Headteacher ^{1,2} Mr T Cutting (resigned 31 August 2020) ¹ Ms K Hellard, Chair ^{1,2} Mr W de Bolla, Vice Chair ¹ Mr B Edwards ² Mrs C Hopkins ² Mrs S Hynds (resigned 31 August 2020) ^{1,2} Mr D McGrath ¹ Mrs L Peat Mr G Smart ^{1,2} Mrs K Stewart ¹ Mr M Higgins (appointed 21 January 2020) ¹ Ms S Hill (appointed 21 January 2020) ² Mr T Martin (appointed 21 January 2020, resigned 24 August 2020)

¹ Business & Finance Committee

² Pupil, Staff & Wellbeing

Company registered number

07694044

Company name

Oakfield School Academy Trust

Principal and Registered office

Oakfield School
Oakfield Road
Frome
Somerset
BA11 4JF

Accounting Officer

E Wilkes

Senior Leadership Team

E Wilkes, Head Teacher
C Cross, Assistant Head Teacher
R Griffiths, Assistant Head Teacher (SENDCo)
S Wells, Business Manager
E Thomas, Deputy Head Teacher
D McGrath, Deputy Head Teacher

Independent auditors

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
AS AT 31 AUGUST 2020**

Bankers

Lloyds Bank
37 Market Place
Warminster
Wiltshire
BA12 9BD

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 9 to 13 in Frome. It has a pupil capacity of 696 and had a roll of 663 in the Spring Census 2020. The Summer 2020 Census was cancelled by the DfE.

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 Oakfield School Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Oakfield School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 5 July 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

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

- Up to 1 LA Trustees who are appointed by the Local Authority;
- At least 2 Parent Trustees who are elected by Parents of registered pupils at the Academy;
- Staff trustees shall not exceed one third of the total number of Trustees;
- Up to 14 Trustees who are appointed by the members; and
- The Headteacher.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term with an additional usually in July to consider the Academy budget. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The committees as follows:

- Business & Finance Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee; and
- Pupil, Staff & Wellbeing Committee - this meets at least four times a year and is responsible for reviewing issues relating to all staff and pupils including their welfare. It also annually reviews pay scales, job descriptions and staff appraisals.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Headteacher and Clerk to the Trustees, to approve the Academy Improvement Plan and budget.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, 2 x Deputy Headteachers, 3 x Assistant Headteachers (including the Business Manager). The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running, and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles adjusting as appropriate for any additional responsibilities.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Oakfield School Academy Trust.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Oakfield School Academy Trust to provide free education and care for pupils of different abilities between the ages of 9 and 13.

Objectives, Strategies and Activities

Key priorities for 2019-20 are contained in our Academy Improvement Plan which is available from the Clerk to the Trustees.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its eighth year of operation and has exceeded the forecast number of students. The total number of students at the Spring 2020 was 663. The Census in the Summer term was cancelled by the DfE however there were 669 pupils on roll at the beginning of July 2020. This is an increase of 29% of pupils on role since 2014. The Academy is full in two-year groups and has a waiting list in operation.

The Academy was inspected by OFSTED in March 2016 and was judged to be Good in all areas.

During the year, the Academy completed an upgrade to the fire alarms throughout the academy which was funded by another successful CIF grants.

Continuing professional development for staff has been very successful with appropriate teaching staff undertaking both Middle and Senior Leadership training.

During the year, the Academy's fundraising activities raised £18,247 primarily through lettings.

The Academy has embarked upon Teaching for Mastery in Mathematics.

Key Performance Indicators

The main financial performance indicator is Pupil numbers as this influences the funding the academy receives. Pupil numbers have increased over the years with a prediction that these will remain high but not increase over the following years. With two year groups full, the academy has 15 spaces at present. The Finance & Audit Committee will continue to monitor pupil numbers.

Another key financial performance indicator is Pupil Teacher Ratio. The benchmark for Secondary Schools is 16.5-18.5. The academy was 16 this year based on 38.22 FTE teachers.

A review of Senior Leaders as a percentage of the workforce was undertaken this year as advised by the SRMA. This will reduce from 16.2 to 14.3 next year, a considerable reduction.

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 Going concern accounting policy.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2020, the Academy received total income of £3,233,532 and incurred total expenditure of £3,063,246 (excluding restricted fixed asset funds and the pension charge). The excess of income over expenditure for the year was £170,286 (excluding restricted fixed asset funds and the pension charge).

At 31 August 2020 the net book value of fixed assets was £5,293,456 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings.

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. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have reviewed the future plans of the Academy and have assessed the adequacy of reserves following the closure of the audit of each year's accounts. The Trustees consider that reserves should be targeted between £250k and £300k (equivalent to approximately one month's running costs) to cover the key risks described above. At the balance sheet date, the Academy had free reserves of £422,453 (2019: £252,167). The Trustees and Senior Leadership Team will review areas for expenditure of free reserves, which will be primarily on IT equipment and upgrades throughout the academy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short-term requirements. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates should the opportunity arise. No other form of investment is authorised.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Principal Risks and Uncertainties

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

- Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 97% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees, ensure that student success and achievement are closely monitored and reviewed;
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning; and
- Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Business and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 24 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

During the year, the Academy's fundraising activities raised £18,247 (2019: £20,859) primarily through lettings.

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of our plans for the future are given in our Academy Improvement Plan, which is available from the Clerk to the Trustees.

TRADE UNION FACILITY TIME

The number of employees who were relevant union officials during the year was 1 (FTE: 1). This employee spent between 1-50% of their time on facility time at a cost of £17, representing less than 1% of the academy's total pay bill. All the facility time was spent on trade union activities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has 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 charity's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the Board of Trustees on 16 December 2020 and signed on their behalf, by:



Ms K Hellard
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Oakfield School 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.

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

The board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Oakfield School 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 STATEMENT (CONTINUED)

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
Miss E Wilkes, Headteacher	6	6
Mr T Cutting	3	4
Ms K Hellard, Chair	6	6
Mr W de Bolla, Vice Chair	6	6
Mr B Edwards	5	6
Mrs C Hopkins	6	6
Mrs S Hynds	3	4
Mr D McGrath	6	6
Mrs L Peat	6	6
Mr G Smart	5	6
Mrs K Stewart	5	6
Mr M Higgins	3	3
Ms S Hill	3	3
Mr T Martin	1	3

Following meetings in the previous year between the Headteacher/Chair of Trustees and representatives from the Regional Schools Commissioners office, the articles of association have been reviewed and updated, with the expectation of adoption in 2020/21. Trustees have been involved in the exploration of potential Multi Academy Trust options with a series of visits and meetings to inform whether this is an appropriate future direction.

Due to the COVID-19 global pandemic, the Board of Trustees has had extra responsibilities to oversee as well as having to make adjustments to ensure a high standard of governance has been maintained. At a summary level this has meant ensuring safety of staff, pupils and the community while maintaining delivery of education and moving governance activities to a mostly virtual setting. While a challenging exercise during an unprecedented event, the Board of Trustees and senior leadership team (SLT) have risen to the challenge.

Improvement of governance structures has continued, using opportunities to learn from training, national guidance and local review meetings. Specifically, the detailed definition and responsibilities of sub-committees and link governors has been significantly changed and improved, with authority delegated such that these structures are in place for the start of the 2020/21 academic year.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The Business and Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees by enabling more detailed consideration to be given to the best means of fulfilling their responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters on a regular basis. Major issues will be referred to the Board of Trustees for ratification.

The committee will compose a minimum of three trustees chosen by the Board of Trustees, which include the

The committee will:

1. Consider the academy's indicative funding from the DfE, and to assess its implications for the academy, in consultation with the Headteacher, in advance of the financial year, drawing any matters of significance or concern to the attention of the Board of Trustees.
2. Consider and recommend acceptance/non-acceptance of the academy's budget at the start of the year taking into consideration priorities and allocation of funds prior to recommending them to the Full Trustee Board.
3. Contribute to the Academy's Improvement Plan.
4. Review and discuss income and expenditure to date with the appropriate portion of the budget for the year. This information will be documented on a report compiled monthly by the Business Manager.
5. The Finance Committee will report at least once per term to the Board of Trustees highlighting key points and make any necessary recommendations together with a suitable course of action.
6. The committee will delegate to the Business Manager authority for virements which do not exceed £3000. All virements carried out by the Business Manager must be reported at the next Finance Committee meeting. All virements carried out by the Business Manager must be reported at the next Finance Committee meeting.
7. Monitor and review procedures for ensuring the effective implementation and operation of financial procedures on a regular basis as detailed in the Finance Handbook, in line with the Academies Finance Handbook from the DfE and following recommendations from Independent Reviews.
8. Prepare the financial statement to form part of the annual report/accounts of the Board of Trustees for filing in accordance with Companies Act and Charity Commission requirements.
9. Receive auditors reports and recommend to the Board of Trustees action as appropriate in response to audit findings.
10. Recommend to the Board of Trustees the appointment or reappointment of the auditors of the academy.
11. The committee will consider and report to the Board of Trustees, financial issues to be addressed in:
 - i) the Academy Improvement Plan
 - ii) the Charging Policy for lettings
 - iii) and on such matters as are referred to it by other committees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Miss E Wilkes	5	6
Ms K Hellard	6	6
Mr D McGrath	6	6
Mr W de Bolla	6	6
Mr G Smart	6	6
Mrs S Hynds	3	3
Ms S Hill	1	1
Mr M Higgins	3	3

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the 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:

- Robust financial governance and budget management;
- Value for money purchasing;
- Reviewing controls and managing risk;
- Considering allocation/targeting/use of resources;
- Benchmarking against similar Academies using data provided by the ESFA and the Government;
- Challenging proposals and examining their effectiveness and efficiency;
- Deploying staff effectively though integrating our curriculum planning;
- Reviewing quality of curriculum provision and quality of teaching;
- Reviewing quality of children's learning to enable children to achieve nationally expected progress. Trustees review this through response to the Head teachers' report; and
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

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 Oakfield School Academy Trust for the year 1 September 2019 to 31 August 2020 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 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 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 Business and Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

GOVERNANCE STATEMENT (CONTINUED)

THE RISK AND CONTROL FRAMEWORK (CONTINUED)

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 Somerset County Council (as an Independent Reviewer) to carry out a programme of internal checks.

The Independent Reviewer's 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 account reconciliations
- Testing of income and expenditure

On a quarterly basis, the reviewer reports to the board of Trustees through the Business and Finance committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The schedule of work has been completed as planned with no significant Control issues to be addressed.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher 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 reviewer;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Business and Finance committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 16 December 2020 and signed on their behalf by:



Ms K Hellard
Chair of Trustees



Miss E Wilkes
Accounting Officer

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Oakfield School Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019-20.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019-20.

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.



Miss E Wilkes
Accounting Officer
Date: 16 December 2020

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
AS AT 31 AUGUST 2020**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements 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;
- 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 16 December 2020 and signed on its behalf by:



Ms K Hellard
Chair of Trustees

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

OPINION

We have audited the financial statements of Oakfield School Academy Trust (the 'academy trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 Trust 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 Trust'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.

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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.

USE OF OUR REPORT

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 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Scaife FCA DChA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

18 December 2020

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 9 October 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Oakfield School Academy Trust during the year 1 September 2019 to 31 August 2020 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 Oakfield School Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Oakfield School Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Oakfield School Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF OAKFIELD SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Oakfield School Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy Trust complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Joseph Scaife FCA DChA
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 18 December 2020

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
AS AT 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants	3	13,948	24,011	-	37,959	191,445
Charitable activities	4	17,549	3,159,482	-	3,177,031	2,980,027
Other trading activities	5	18,247	-	-	18,247	20,859
Investments	6	295	-	-	295	365
TOTAL INCOME		50,039	3,183,493	-	3,233,532	3,192,696
EXPENDITURE ON:						
Charitable activities		38,185	3,202,061	109,963	3,350,209	3,331,854
TOTAL EXPENDITURE		38,185	3,202,061	109,963	3,350,209	3,331,854
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)						
		11,854	(18,568)	(109,963)	(116,677)	(139,158)
Actuarial losses on defined benefit pension schemes	24	-	(577,000)	-	(577,000)	(277,000)
NET MOVEMENT IN FUNDS		11,854	(595,568)	(109,963)	(693,677)	(416,158)
RECONCILIATION OF FUNDS:						
Total funds brought forward		252,167	(1,991,000)	5,431,285	3,692,452	4,108,610
Net movement in funds		11,854	(595,568)	(109,963)	(693,677)	(416,158)
TOTAL FUNDS CARRIED FORWARD		264,021	(2,586,568)	5,321,322	2,998,775	3,692,452

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 46 form part of these financial statements.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07694044**

**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	5,293,456	5,366,538
CURRENT ASSETS			
Stocks		15,396	2,180
Debtors	14	86,269	169,095
Cash at bank and in hand		563,488	541,711
		665,153	712,986
Creditors: amounts falling due within one year	15	(135,591)	(300,267)
NET CURRENT ASSETS		529,562	412,719
TOTAL ASSETS LESS CURRENT LIABILITIES		5,823,018	5,779,257
Creditors: amounts falling due after more than one year	16	(79,243)	(95,805)
NET ASSETS EXCLUDING PENSION LIABILITY		5,743,775	5,683,452
Defined benefit pension scheme liability	24	(2,745,000)	(1,991,000)
TOTAL NET ASSETS		2,998,775	3,692,452
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	17	5,321,322	5,431,285
Restricted income funds	17	158,432	-
Pension reserve	17	(2,745,000)	(1,991,000)
Total restricted funds	17	2,734,754	3,440,285
Unrestricted income funds	17	264,021	252,167
TOTAL FUNDS		2,998,775	3,692,452

The financial statements on pages 21 to 46 were approved by the Trustees, and authorised for issue on 16 December 2020 and are signed on their behalf, by:



Ms K Hellard
Chair of Trustees



Miss E Wilkes
Accounting Officer

The notes on pages 24 to 46 form part of these financial statements.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	19	8,615	202,962
CASH FLOWS FROM INVESTING ACTIVITIES	21	29,713	(294,985)
CASH FLOWS FROM FINANCING ACTIVITIES	20	(16,551)	11,720
		<hr/>	<hr/>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		21,777	(80,303)
Cash and cash equivalents at the beginning of the year		541,711	622,014
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22, 23	563,488	541,711
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 24 to 46 form part of these financial statements

1. ACCOUNTING POLICIES

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.

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 historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Oakfield School Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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.

1.3 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 year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2020

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

• **Charitable activities**

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

1.5 TANGIBLE FIXED ASSETS

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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.

On conversion the academy trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the Local Authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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 land	- over the life of the lease
Long term leasehold buildings and improvements	- 2% Straight Line
Furniture and equipment	- 15% Straight Line
Computer equipment	- 20% Straight Line

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

1.6 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1. ACCOUNTING POLICIES (continued)

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 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 and cash on deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.9 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.

1.10 TAXATION

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

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

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

1. ACCOUNTING POLICIES (continued)

1.12 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 AGENCY ARRANGEMENTS

The Academy acts as an agent for distributing certain funds on behalf of other organisations. Payments received and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The funds received, paid and any balances held at period end are disclosed in Note 29.

1.14 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 the funders where the asset acquired or created is held for a specific purpose.

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1. ACCOUNTING POLICIES (continued)

1.15 OPERATING LEASES

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2020**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	13,948	24,011	-	37,959	59,238
Capital Grants	-	-	-	-	132,207
	<u>13,948</u>	<u>24,011</u>	<u>-</u>	<u>37,959</u>	<u>191,445</u>
TOTAL 2019	<u>7,573</u>	<u>51,665</u>	<u>132,207</u>	<u>191,445</u>	

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DFE/ESFA grants				
Capital grants	-	13,012	13,012	38,868
General Annual Grant	-	2,649,485	2,649,485	2,549,965
Other DfE/ESFA grants	-	368,859	368,859	256,063
	<u>-</u>	<u>3,031,356</u>	<u>3,031,356</u>	<u>2,844,896</u>
Other Government grants				
High Needs	-	79,169	79,169	97,066
Other government grants non capital	-	38,072	38,072	12,447
	<u>-</u>	<u>117,241</u>	<u>117,241</u>	<u>109,513</u>
Other funding				
PFSA and PSA income	-	10,885	10,885	4,369
Sales to Students	7,934	-	7,934	17,459
Other income	9,615	-	9,615	3,790
	<u>17,549</u>	<u>3,159,482</u>	<u>3,177,031</u>	<u>2,980,027</u>
TOTAL 2019	<u>20,758</u>	<u>2,959,269</u>	<u>2,980,027</u>	

OAKFIELD SCHOOL ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2020

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	8,780	8,780	15,074
Consultancy and reimbursements	9,467	9,467	5,785
	<u>18,247</u>	<u>18,247</u>	<u>20,859</u>
TOTAL 2019	<u>20,859</u>	<u>20,859</u>	

6. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	295	295	365
TOTAL 2019	<u>365</u>	<u>365</u>	

7. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Education					
Direct costs	2,296,883	109,963	166,737	2,573,583	2,516,028
Allocated support costs	554,945	88,179	133,502	776,626	815,826
	<u>2,851,828</u>	<u>198,142</u>	<u>300,239</u>	<u>3,350,209</u>	<u>3,331,854</u>
TOTAL 2019	<u>2,661,823</u>	<u>234,616</u>	<u>435,415</u>	<u>3,331,854</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education - Direct costs	2,573,583	776,626	3,350,209	3,331,854
Total 2019	2,516,028	815,826	3,331,854	

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Pension finance costs	36,000	41,000
Staff costs	2,289,573	2,140,648
Depreciation	109,963	132,977
Educational supplies	125,970	166,230
Staff development	4,767	10,617
Supply teachers	7,310	24,556
	2,573,583	2,516,028

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2020

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	554,945	496,619
Recruitment and support	3,671	3,494
Maintenance of premises and equipment	32,090	42,912
Cleaning	9,241	8,523
Rent and rates	18,757	17,747
Energy costs	20,477	22,620
Insurance	11,659	13,300
Security and transport	16,337	32,172
Catering	24,853	52,430
Technology costs	1,462	956
Office overheads	37,490	50,195
Legal and professional	35,228	63,769
Bank interest and charges	126	519
Governance costs	10,290	10,570
	<u>776,626</u>	<u>815,826</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	10,278	5,747
Depreciation of tangible fixed assets	109,963	132,977
Fees paid to auditors for:		
- audit	7,650	7,400
- other services	1,825	2,100
	<u>119,716</u>	<u>147,624</u>

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10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	2,030,480	1,988,075
Social security costs	189,663	176,999
Pension costs	624,375	472,193
	<u>2,844,518</u>	<u>2,637,267</u>
Agency staff costs	7,310	24,556
	<u>2,851,828</u>	<u>2,661,823</u>

b. STAFF NUMBERS

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

	2020	2019
	No.	No.
Teachers	36	32
Teaching support	31	31
Administration and support	32	34
Management	6	6
	<u>105</u>	<u>103</u>

The average headcount expressed as full-time equivalents was:

	2020	2019
	No.	No.
Teachers	33	30
Teaching support	24	28
Administration and support	16	15
Management	6	6
	<u>79</u>	<u>79</u>

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2020

10. STAFF (CONTINUED)

c. HIGHER PAID STAFF

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

	2020	2019
	No.	No.
In the band £70,001 - £80,000	1	1

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £394,856 (2019 £299,396).

11. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: E Wilkes remuneration £75,000 - £80,000 (2019: £75,000 - £80,000), employers pension contributions £15,000 - £20,000 (2019: £10,000 - £15,000), D McGrath remuneration £55,000 - £60,000 (2019: £50,000 - £55,000), employers pension contributions £10,000 - £15,000 (2019: £5,000 - £10,000), L Peat remuneration £45,000 - £50,000 (2019: £45,000 - £50,000), employers pension contributions £10,000 - £15,000 (2019: £5,000 - £10,000), K Stewart remuneration £45,000 - £50,000 (2019: £40,000 - £45,000), employers pension contributions £10,000 - £15,000 (2019: £5,000 - £10,000).

During the year ended 31 August 2020, expenses totalling £NIL were reimbursed or paid directly to 0 Trustees (2019 - £NIL to Trustee).

12. TRUSTEES' AND OFFICERS' INSURANCE

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

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13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2019	6,101,045	75,077	92,440	6,268,562
Additions	21,632	11,439	3,810	36,881
At 31 August 2020	<u>6,122,677</u>	<u>86,516</u>	<u>96,250</u>	<u>6,305,443</u>
DEPRECIATION				
At 1 September 2019	743,973	73,124	84,927	902,024
Charge for the year	99,751	4,916	5,296	109,963
At 31 August 2020	<u>843,724</u>	<u>78,040</u>	<u>90,223</u>	<u>1,011,987</u>
NET BOOK VALUE				
At 31 August 2020	<u>5,278,953</u>	<u>8,476</u>	<u>6,027</u>	<u>5,293,456</u>
At 31 August 2019	<u>5,357,072</u>	<u>1,953</u>	<u>7,513</u>	<u>5,366,538</u>

14. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
Trade debtors	540	540
VAT Recoverable	9,544	29,753
Prepayments and accrued income	76,185	138,802
	<u>86,269</u>	<u>169,095</u>

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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Salix loans	16,555	16,551
Pension contributions payable	55,868	44,004
Trade creditors	4,329	161,976
Other taxation and social security	45,845	44,286
Other creditors	4,975	5,999
Accruals and deferred income	8,019	27,451
	135,591	300,267

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

	2020	2019
	£	£
Salix loans	79,243	95,805

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020	2019
	£	£
Salix loans	13,010	29,569
	13,010	29,569

Included within other creditors due after more than one year are 4 loans from Salix Limited under the Schools Energy Efficiency Loans Programme. At the year end £95,798 (2019: £112,356) remains outstanding. The loans are unsecured and interest free. They are repayable by annual instalments over 8 years with more than 5 years remaining at the year end on all of the loans.

OAKFIELD SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2020

17. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS					
General funds	252,167	50,039	(38,185)	-	264,021
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	-	2,649,485	(2,491,053)	-	158,432
SEN funding	-	84,844	(84,844)	-	-
Pupil Premium	-	199,255	(199,255)	-	-
Other DfE/ESFA grants	-	220,688	(220,688)	-	-
Other non-government grants	-	29,221	(29,221)	-	-
Pension reserve	(1,991,000)	-	(177,000)	(577,000)	(2,745,000)
	<u>(1,991,000)</u>	<u>3,183,493</u>	<u>(3,202,061)</u>	<u>(577,000)</u>	<u>(2,586,568)</u>
RESTRICTED FIXED ASSET FUNDS					
Fixed asset funds brought forward	3,966,756	-	(87,162)	-	3,879,594
Fixed assets purchased from GAG and other restricted funds	209,693	-	(10,212)	-	199,481
DfE/ESFA Capital grants	1,254,836	-	(12,589)	-	1,242,247
	<u>5,431,285</u>	<u>-</u>	<u>(109,963)</u>	<u>-</u>	<u>5,321,322</u>
TOTAL RESTRICTED FUNDS	<u>3,440,285</u>	<u>3,183,493</u>	<u>(3,312,024)</u>	<u>(577,000)</u>	<u>2,734,754</u>
TOTAL FUNDS	<u>3,692,452</u>	<u>3,233,532</u>	<u>(3,350,209)</u>	<u>(577,000)</u>	<u>2,998,775</u>

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

17. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs - Funding received by the local authority to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Devolved formula capital is funding received from the ESFA to cover the cost of maintenance and purchase of the Academy's assets.

Other DfE/ESFA grants include PE/Sports Grants, Year 7 Catchup Grants, Devolved Formula Capital income, Teacher's Pay Grant, Teacher's Pension Grant and rates relief funding. PE/Sports Grants represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles. Year 7 Catchup Grants are provided to support the cost enhancing learning within Year 7 at the Academy. The rates relief grant is used to cover the cost of the academies annual rates bill. Devolved Formula Capital income is received from the ESFA for the maintenance and purchase of academy assets.

Other non government grants include Pupil Support Advisor (PSA) income and Parent Family Support Advisor (PFSA) income. The PSA income is received from Frome Learning Partnership and is a reimbursement of the costs of the PSA. Other income represents income received from Frome Learning Partnership relating to teaching assistant support for a specific pupil. PFSA income support to families of pupils at the Academy.

Other restricted funds includes school crossing patrol grant income received from the local authority. The grant has been used to implement safety procedures for pupils, both at the start and the end of the school day, parental contributions for educational visits and other restricted donations made to the academy. The funds had been spent in full for the purpose for which they had been received at the year end.

FIXED ASSET FUNDS

Fixed assets brought forward represent tangible fixed assets donated to the School from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG represent capital expenditure from GAG funding.

DfE/ESFA Capital grants relate to funds received for direct capital expenditure on fixed asset projects.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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17. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	256,550	49,555	(53,938)	-	-	252,167
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	12,494	2,549,965	(2,528,970)	(33,489)	-	-
SEN funding	-	97,066	(97,066)	-	-	-
Pupil Premium	-	200,202	(200,202)	-	-	-
Other DfE/ESFA grants	-	107,176	(107,176)	-	-	-
Other non-government grants	-	56,525	(56,525)	-	-	-
Pension reserve	(1,559,000)	-	(155,000)	-	(277,000)	(1,991,000)
	<u>(1,546,506)</u>	<u>3,010,934</u>	<u>(3,144,939)</u>	<u>(33,489)</u>	<u>(277,000)</u>	<u>(1,991,000)</u>

**OAKFIELD SCHOOL ACADEMY TRUST
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17. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Fixed asset funds brought forward	4,068,107	-	(101,351)	-	-	3,966,756
Fixed assets purchased from GAG and other restricted funds	194,666	-	(18,462)	33,489	-	209,693
DFE/ESFA Capital grants	1,135,793	132,207	(13,164)	-	-	1,254,836
	<u>5,398,566</u>	<u>132,207</u>	<u>(132,977)</u>	<u>33,489</u>	<u>-</u>	<u>5,431,285</u>
TOTAL RESTRICTED FUNDS	<u>3,852,060</u>	<u>3,143,141</u>	<u>(3,277,916)</u>	<u>-</u>	<u>(277,000)</u>	<u>3,440,285</u>
TOTAL FUNDS	<u><u>4,108,610</u></u>	<u><u>3,192,696</u></u>	<u><u>(3,331,854)</u></u>	<u><u>-</u></u>	<u><u>(277,000)</u></u>	<u><u>3,692,452</u></u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	5,293,456	5,293,456
Current assets	264,021	277,468	123,664	665,153
Creditors due within one year	-	(119,036)	(16,555)	(135,591)
Creditors due in more than one year	-	-	(79,243)	(79,243)
Provisions for liabilities and charges	-	(2,745,000)	-	(2,745,000)
TOTAL	<u><u>264,021</u></u>	<u><u>(2,586,568)</u></u>	<u><u>5,321,322</u></u>	<u><u>2,998,775</u></u>

NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 AUGUST 2020

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	5,366,538	5,366,538
Current assets	249,840	286,043	177,103	712,986
Creditors due within one year	2,327	(286,043)	(16,551)	(300,267)
Creditors due in more than one year	-	-	(95,805)	(95,805)
Provisions for liabilities and charges	-	(1,991,000)	-	(1,991,000)
TOTAL	252,167	(1,991,000)	5,431,285	3,692,452

19. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(116,677)	(139,158)
ADJUSTMENTS FOR:		
Depreciation	109,963	132,977
Capital grants from DfE and other capital income	(13,012)	(132,207)
Interest receivable	(295)	(365)
Defined benefit pension scheme cost less contributions payable	141,000	114,000
Defined benefit pension scheme finance cost	36,000	41,000
(Increase)/decrease in stocks	(13,216)	4,802
Decrease in debtors	29,539	195,358
Decrease in creditors	(164,687)	(13,445)
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,615	202,962

20. CASH FLOWS FROM FINANCING ACTIVITIES

	2020 £	2019 £
Receipt of Salix loans	-	25,224
Repayments of Salix loans	(16,551)	(13,504)
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES	(16,551)	11,720

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21. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Interest received	295	365
Purchase of tangible assets	(36,881)	(347,644)
Capital funding received	66,299	52,294
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	29,713	(294,985)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	563,488	541,711
TOTAL CASH AND CASH EQUIVALENTS	563,488	541,711

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	541,711	21,777	563,488
Debt due within 1 year	(16,551)	(4)	(16,555)
Debt due after 1 year	(95,805)	16,562	(79,243)
	429,355	38,335	467,690

24. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £55,868 were payable to the schemes at 31 August 2020 (2019 - £44,004) and are included within creditors.

24. PENSION COMMITMENTS (CONTINUED)

TEACHERS' PENSION SCHEME

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

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

VALUATION OF THE TEACHERS' PENSION SCHEME

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

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

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

The employer's pension costs paid to TPS in the year amounted to £481,375 (2019 - £340,193).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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24. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £182,000 (2019 - £169,000), of which employer's contributions totalled £143,000 (2019 - £132,000) and employees' contributions totalled £ 39,000 (2019 - £37,000). The agreed contribution rates for future years are 23.5 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2020 %	2019 %
RATE OF INCREASE IN SALARIES	3.75	3.70
RATE OF INCREASE FOR PENSIONS IN PAYMENT/INFLATION	2.25	2.30
DISCOUNT RATE FOR SCHEME LIABILITIES	1.60	1.85
INFLATION ASSUMPTION (CPI)	2.25	2.20

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

	2020 Years	2019 Years
<i>RETIRING TODAY</i>		
MALES	23.3	22.9
FEMALES	24.8	24.0
<i>RETIRING IN 20 YEARS</i>		
MALES	24.7	24.6
FEMALES	26.2	25.8

The Academy Trust's share of the assets in the scheme was:

	2020 £	2019 £
EQUITIES	1,340,000	1,195,000
BONDS	345,000	254,000
PROPERTY	141,000	137,000
CASH AND OTHER LIQUID ASSETS	100,000	100,000
TOTAL MARKET VALUE OF ASSETS	1,926,000	1,686,000

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24. PENSION COMMITMENTS (CONTINUED)

The actual return on scheme assets was £58,000 (2019 - £111,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020	2019
	£	£
CURRENT SERVICE COST	(284,000)	(246,000)
INTEREST INCOME	33,000	39,000
INTEREST COST	(68,000)	(80,000)
	<u><u> </u></u>	<u><u> </u></u>

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

	2020	2019
	£	£
AT 1 SEPTEMBER	3,677,000	3,034,000
CURRENT SERVICE COST	284,000	246,000
INTEREST COST	68,000	80,000
EMPLOYEE CONTRIBUTIONS	39,000	37,000
ACTUARIAL LOSSES	620,000	348,000
BENEFITS PAID	(17,000)	(68,000)
	<u><u> </u></u>	<u><u> </u></u>
AT 31 AUGUST	4,671,000	3,677,000
	<u><u> </u></u>	<u><u> </u></u>

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

	2020	2019
	£	£
AT 1 SEPTEMBER	1,686,000	1,475,000
INTEREST INCOME	33,000	40,000
ACTUARIAL GAINS	43,000	71,000
EMPLOYER CONTRIBUTIONS	143,000	132,000
EMPLOYEE CONTRIBUTIONS	39,000	37,000
BENEFITS PAID	(17,000)	(68,000)
ADMINISTRATION EXPENSE	(1,000)	(1,000)
	<u><u> </u></u>	<u><u> </u></u>
AT 31 AUGUST	1,926,000	1,686,000
	<u><u> </u></u>	<u><u> </u></u>

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25. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	10,278	10,278
Later than 1 year and not later than 5 years	5,379	15,657
	15,657	25,935

26. 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.

27. RELATED PARTY TRANSACTIONS

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

No related party transactions took place during the period.

28. CONTROLLING PARTY

The Academy is under the joint control of the trustees. There is no ultimate controlling party.

29. AGENCY ARRANGEMENTS

The Academy Trust administers and distributes funds for the FamilyM group. Included in Other Creditors at the year end are amounts held for the group relating to future periods totalling £4,975 (2019: £5,999).