

Registration number: 10654345

# OAK LEARNING TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

# Oak Learning Trust

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# Oak Learning Trust

## Reference and administrative details

|  |   |
|--|---|
| <b>Members</b>                         | A Bathan<br>R Thoburn, Chair (from 31 January 2022)<br>T Lillie, Chair (until 31 January 2022)  |
| <b>Trustees (Directors)</b>            | P Best<br>F Carroll<br>M Dixon<br>D Fenton<br>T Lillie (resigned 31 January 2022)<br>Councillor G Miller<br>R Skeoch<br>Dr A M Taylor, Chief Executive Officer (accounting officer)<br>R Thoburn, (from 31 January 2022)<br>Reverend J Wing, Vice Chair |
| <b>Senior Management Team</b>          | Dr A M Taylor, CEO<br>Mrs L McArdle, Deputy CEO, George Washington, Headteacher<br>Mr B Adams, John F Kennedy, Head of School<br>Ms B Parrish, Springwell Village, Headteacher<br>Mrs J Hayden, Trust Business Manager and CFO until 2 October 2022     |
| <b>Principal and Registered Office</b> | George Washington Primary School<br>Well Bank Road<br>Washington<br>Tyne And Wear<br>NE37 1NL   |
| <b>Company Name</b>                    | Oak Learning Trust  |
| <b>Company Registration Number</b>     | 10654345  |
| <b>Auditors</b>                        | Azets Audit Services<br>Chartered Accountants<br>Bulman House<br>Regent Centre<br>Gosforth<br>Newcastle upon Tyne<br>NE3 3LS  |
| <b>Bankers</b>                         | Lloyds Bank plc<br>54 Fawcett Street<br>Sunderland<br>SR1 1SF   |
| <b>Solicitors</b>                      | Watson Burton LLP<br>1 St James' Gate<br>Newcastle upon Tyne<br>NE99 1UQ  |

# Oak Learning Trust

## Trustees Report for the Year Ended 31 August 2022

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates three primary academies for pupils aged 4 to 11 serving catchment areas in Washington and Gateshead: George Washington Primary School, John F Kennedy Primary School and Springwell Village Primary School. Its academies have a combined pupil capacity of 1,096 in the school census in October 2021, with 1,026 on roll.

### Structure, governance and management

#### Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy.

The Trustees of Oak Learning Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Oak Learning Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

#### Members' liability

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

#### Trustees' indemnities

Every trustee of the Trust shall be indemnified out of the assets of the Trust against liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Trust

#### Method of recruitment and appointment or election of Trustees

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

Membership is determined in accordance with the composition set out in Article 12 onwards. This states that the Trust Board is comprised as follows:

9 trustees (1 of whom is the Chair of directors and one of whom shall be the CEO of the Trust).

The term of office of any director shall be 4 years. The limit shall not apply to the CEO. Notwithstanding this, any director may be reappointed or re elected.

## **Oak Learning Trust**

### **Trustees Report for the Year Ended 31 August 2022 (continued)**

#### **Policies adopted for the induction and training of Trustees**

New Trustees have a meeting with the CEO and training and induction is then provided dependent on existing experience. Where required induction will provide training on charity, educational, legal and financial matters. All directors are provided with copies of policies, accounts, budgets, articles of association, scheme of delegation and other documents they need to carry out their role

#### **Organisational structure**

The Trust is a multi-academy model. The Board of Trustees have overall responsibility and are ultimately accountable for all of the academies within the trust. The Board of Trustees meet at least 4 times per year to discuss strategic objectives and to hold to account the CEO who is the Accounting Officer of the Trust. The board has sub-committees who meet regularly to scrutinise the work and progress of the trust and feed this back to the board. The board also appoint local governing bodies who hold the school to account for performance and school development at a local level. These LGBs also feed into the board on a termly basis.

The CEO is responsible for developing and leading the strategic vision of the Trust and all of the schools within it. The newly appointed deputy CEO has added capacity and expertise at a senior level and is responsible for leadership of teaching and learning, ECT and learning related recruitment across the trust. The Trust business manager leads the Trust business team and is responsible for leading finance, health and safety, HR and premises across the Trust. Each school has a Head of School who is responsible for the day-to-day leadership and management of the school. They are supported by the individual schools' senior leadership team.

#### **Arrangements for setting pay and remuneration of key management personnel**

The remuneration of the key management personnel is reviewed annually by the personnel and CEO pay review subcommittees of the Board of Directors from which the CEO is excluded in relation to discussion of their own remuneration.

A range of criteria are used in setting remuneration levels: nature of the role and corresponding responsibilities, national pay awards and guidance, the sector average for comparable positions. Robust performance management policies and procedures are in place and are reviewed regularly. These form the basis of continuously improving performance and of performance related pay awards.

The committee is guided by an external HR partner who supports the Trust to ensure that legislative obligations as well as internal differentials, proposed costs and the ability to pay are considered and by an independent, suitable qualified education advisor in regards to the CEO pay review.

#### **Related parties and other connected charities and organisations**

Trustees have declared any business interests and these are displayed on the academy website. The Trust has adopted a policy that if there are any interests declared, the directors would remove themselves from the decision-making process.

The Trust is committed to partnership working and uses this commitment to ensure excellent opportunities for its pupils and to share good practice within and without the Trust. We have a range of strategic partners including Local Authority, feeder secondary academies, other schools, local universities and a range of cultural partners. During the academic year 2021-2022 our partnerships have remained strong both internally and externally as we have worked collegiately for the benefit of pupils in our own schools and in all schools.

# Oak Learning Trust

## Trustees Report for the Year Ended 31 August 2022 (continued)

### Objectives and activities

#### Objects and aims

The principle aim and objective of the Trust is to provide the highest possible quality of education to the pupils in its schools. The Trust is committed to delivering this by ensuring that its schools provides a broad, balanced and enriched curriculum focusing not only on academic success but in developing resilience and a sense of moral purpose. The Trust aims for children to leave its schools able to make their way successfully in the world, achieving their full potential and contributing to the society in which they live.

#### Objectives, strategies and activities

In the current period the trust's main objectives have been:

- To maintain and improve on the standard of educational achievement for all children
- To maintain a strong online, remote educational offer to continue to educate and support our pupils when they were not able to attend school in person
  - To ensure that all children within Trust schools have access to an enjoyable curriculum which is balanced and reflects and meets the differing needs of children, allowing everyone to achieve,
- To welcome and integrate a new school into the trust.
- To ensure that staff development is of high quality, building capacity within the Trust
- To maintain a safe working environment with robust policies and procedures in place to best protect pupils and staff
- To support children and families wellbeing, both physical and mental wellbeing throughout the year
- To support staff wellbeing, both physical and mental wellbeing throughout the year
- To provide value for money
- To comply with all statutory and curriculum requirements
- To continue to work collaboratively with other schools

#### Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. Charitable activities are undertaken to improve the standard of education offered to all children within the Trust.

Within the current period these have included supporting our pupils not only educationally, through strong in school and remote learning offers, but with their mental wellbeing and physical needs during a challenging academic year which saw many of our families struggling financially.

We continued our joint work with Sunderland City Council with pupils numbers of pupils in in our additionally resourced provision to support children with ASD increasing over the year. We worked together to plan for future years and future needs and agreed to expand the provision to 24 places from 1st September 2022.

The upgrading of the old buildings and facilities at John F Kennedy Primary school continued with the use of a CIF grant to replace all of the flat roofs in the school and upgrade some internal ceilings.

# Oak Learning Trust

## Trustees Report for the Year Ended 31 August 2022 (continued)

The Trust continued to support Springwell Village Primary School to become an Academy and they joined Oak Learning Trust family of schools on 1st November 2021. The trust continued with its outward facing work providing school improvement services and support to schools in South Tyneside and Durham over the course of the year.

The Trust continues to work with other schools in the region and with the local council and Together for Children to support education beyond itself. It has also been engaged by the DfE as partner in the Trust and School Improvement Offer programme to support schools facing individual challenges.

### Strategic report

#### Achievements and performance

##### Key performance indicators

The Trust KPI's are:

- All schools have a good or better Ofsted judgement.
- Children make a strong academic and holistic recovery from the pandemic building resilience and preparation of the next stages of their education as well as filling academic gaps created by the pandemic.
- Those pupils entitled to pupil premium are supported to achieve their potential in all areas and their academic performance by the end of KS2 is in line with national and approaching national other performance.
- All schools have a balanced in year budget with no end of year deficits.
- Trust reserves are invested to produce additional income to further the Trust charitable purposes.

Our analysis shows:

- All three schools are currently rated as good by Ofsted, one of our schools was inspected in the year and maintained its good judgement.
- All schools worked to re-invigorate the curriculum, to re-introduce trips and visits including residential. This help develop pupils' social skills and increase their resilience and wellbeing as well ensuring academic recovery. We used national tutoring grants to support individual pupils to fill identified gaps. We also identified, purchased and trained all staff on a new systematic phonics system. This will be implemented in schools from September 2022.
- Throughout the academic year, the wider curriculum offer was fully available in all schools and schools worked hard to support those entitled to pupil premium with targeted quality first teaching, small group and individual academic support. Pupils were also able to access wellbeing sessions
- The accounts show that Trust finances are healthy and that schools had balanced in year budgets with no deficits.
- Trust reserves continue to be invested across a range of accounts to provide a balance of easy access, secure returns, and capital growth across the reserve portfolio. have reduced over the financial year as detailed in the accounts.

## Oak Learning Trust

### Trustees Report for the Year Ended 31 August 2022 (continued)

#### Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies. The directors have considered the coronavirus pandemic and it has no impact on the going concern basis of accounting.

#### Promoting the success of the company - Achievements and performance:

During the year Oak Learning Trust welcomed a new school into the trust. Springwell village Primary School joined the trust in November 2021 following a period of collaborative working together. Over the remainder of the year the school and the trust worked to embed the school into the trust, to support the school and enhance the trust.

One of our schools, John F Kennedy had a successful Ofsted visit in September 2021. It was amongst the first schools in the country to be routinely inspected post- pandemic.

Reading leaders and Headteachers from across the trust researched and purchased a new phonics scheme for use in all trust schools. Extensive training in the scheme was undertaken across the summer term ready for implementation in September 2022.

The trust also welcomed a number of new children and families into the Treehouse at JFK. The additionally resourced provision became full during the year, allowing as many children as possible to benefit from attendance there. Staff continued to develop the curriculum to meet the needs of the individual pupils and worked with the school to ensure high quality integration into mainstream for pupils as appropriate.

Across the trust all schools continued their recovery from the pandemic by continuing to re-build their wider curriculum offer. Trips to local museums, galleries, theatres and sporting events began again and residential visits were re-instated. Residentials included those with on outward bound focus, cultural city trips and science related nature trips. All events were well attended and all pupils were supported to attend.

Schools also re-introduced parent events. It was delightful to see parents back on site for learning events, workshops, information evenings and school picnics. Parents were all delighted to be back within our schools again.

All schools celebrated the platinum jubilee of Her Majesty the Queen with a range of curriculum opportunities, parties and community events. The trust was part of the national mood of celebration and thanksgiving.

The trust continued to work beyond its own schools and support the DfE trust and school improvement programme by providing leadership expertise to an identified school. This was a successful piece of work and the school and the trust continue to work collaboratively together. The trust continued to provide school improvement services and to support with the new NPQ programmes providing facilitation expertise on the NPQH programme.

#### Financial review

The Academy achieved a net surplus of £1,605,127 before accounting for actuarial surpluses on pension schemes. This figure comprises net expenditure of £264,541 within the Academy's unrestricted and restricted income funds and a net surplus of £1,869,668 within its fixed asset funds.



## Oak Learning Trust

### Trustees Report for the Year Ended 31 August 2022 (continued)

At the year end, the Academy's free reserves totalled £2,958,494 (2021 - £2,574,057). Reserves are defined as the Academy's restricted income funds excluding pension reserve, plus unrestricted funds. This level of reserves is discussed further within the Reserves Policy section below.

Many of the Academy's non teaching staff are members of a local government pension scheme. Accounting regulations require the Academy to record its share of that pension scheme liability within its balance sheet. This year, the Academy's share of that liability decreased from £2,570,000 to £325,000. If this liability were to be included within the reserves figure, then reserves would fall to £2,633,494.

Cash resources and current asset investments (deposit accounts) held by the Academy total £2,530,459 a net increase of £175,564 over the previous year.

The Academy's financial management policies are set out in sections below relating to its level of reserves and its investment of surplus funds.

Most of the Trust's income is received from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period 1 September 2021 to 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Details of all grants and income received can be found in the notes to the financial statements two to five.

During the period 1 September 2021 to 31 August 2022 expenditure amounting to £5,823,131 was incurred or accrued, including depreciation. This was offset by grants receivable from the ESFA, the Local Authority and income from lettings, parents and fundraising.

At 31 August 2022 the net book value of fixed assets was £11,844,940. The assets were used exclusively to provide education and associated services to the pupils of the Academies and other Schools and organisations who hired our facilities. Investments held at the year-end amounted to £727,319.

#### **Reserves policy**

The value of free reserves held by the Academy, excluding the pension reserve and restricted fixed asset reserve, amount to £2,958,494, financial statements will provide this figure and details of how this figure is derived are provided within the financial review section.

The Trustees have a reserves policy and are responsible for determining the level of financial reserves to be carried forward at the end of any financial period. They have delegated the monitoring of potential period end reserves to the finance & general purposes committee as part of its terms of reference.

The Trustees will ensure that the level of reserves carried forward is in line with the guidance received from the DfE and ESFA on the treatment of General Annual Grant income and other grants.

The Trustees will always try to match income with expenditure in the current period and will only carry forward a reserve that it considers necessary for future expenditure as identified in the school improvement plan for capital developments. They may accumulate reserve funds raised from private sources to meet expenditure for the benefit of the Trust in future years.

The Trust recognises that it holds significant reserves. The Trustees have agreed that a minimum of the equivalent of 1 month's GAG is available at all times to ensure continuity of financial performance in case of unforeseen circumstances. For funds in excess of this the Trustees intend to seek investments to maximise the benefit to the Trust.

## Oak Learning Trust

### Trustees Report for the Year Ended 31 August 2022 (continued)

During 2018 the trustees completed a strategic review of reserves and having built up a significant cash balance it was decided to draft a new Investment Policy, a summary of which was as follows: to retain £200,000 in cash to be readily available at all time; to invest £200,000 in short term (up to 1 year) deposit accounts; to invest £600,000 from cash into a long term investment portfolio to be managed on a discretionary basis by Rathbone Investment Management.

These sums have been invested in line with the Trust investment policy and have earned additional income for the Trust during the year (see accounts). These short term deposits and long term investments will continue during the coming year.

#### Investment policy

The Trust constructs budgets and cash flow forecasts as required by legislation to ensure viability and sustainability of its activities. Reserves are currently held within the main school bank account and in two fixed term deposit accounts.

When substantial cash balances at the bank are evident over a sustained period, the Trust business manager and financial consultant will identify the situation and an investment will be made in accordance with the academy trust handbook. Prior to recommending an investment to the Board of Trustees, the CEO and Finance and Estates committee must be satisfied that the amount and time period of the investment will not compromise the viability and sustainability of the activities of the school.

As detailed within the reserves policy above £200,000 has been invested in short term deposit accounts and £600,000 was transferred to Rathbone Investment Management for investment into a long-term investment portfolio.

The primary objective of the investment portfolio is to preserve and grow the real value of the asset ahead of inflation in order to protect its long-term purchasing power. It is anticipated that the trustees' will not need to draw from the investment portfolio for several years but the position will be reviewed annually with a formal review of strategy at least every 5 years. As the time horizon for investment is long it was agreed that a higher level of risk is appropriate, particularly as the remaining balance of reserves will remain in cash. In addition, the trustees conducted a review of ethical policy and the following restrictions apply: no investment in companies associated with the production of armaments, alcohol, pornography or tobacco.

Investment performance is monitored against the following benchmarks: MSCI WMA Growth Total Return Index as a market linked measure; Inflation (CPI) +4% as a long term measure.

#### Principal risks and uncertainties

The Trust maintains a financial risk management plan which is reviewed by the finance committee and the full board at every meeting to ensure satisfactory arrangements are in place to manage risk. There is an ongoing review in response to situations, new legislation or information.

The Trust aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst protecting the value of any surplus balances. Surplus balances are currently held in the main school bank account, two deposit accounts and in an investment account.

In view of the nature of the Trust's business, its regular income from ESFA and considerable reserves, it is considered that the financial risks are not of a material nature. However, Trustees are aware of the need to maintain a good reputation locally to ensure that pupils numbers, and associated funding, remain buoyant.

## Oak Learning Trust

### Trustees Report for the Year Ended 31 August 2022 (continued)

The Trustees work within the Guidance of the Academies Trust handbook and have adopted the following policies relating to finance and governance and these are reviewed on a regular basis:

Finance Policy

Scheme of Delegation

Treasury Management Policy

Reserves Policy

Anti-Fraud, Corruption and Bribery Policy

Risk Management Assessment

Risk Management Policy

Business Continuity Plan

Assets Policy

Whistleblowing Policy

Investment Policy

The charity Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. The key identified risks for the coming year are ameliorated by:

- Ongoing Covid 19 related risks, including infection control, ability to operate schools due to staff absence levels, cost associated with increased hygiene and risk controls being implemented - ameliorated by thorough risk assessments and clear financial planning to allow implementation of mitigations.
- Systems of internal financial control monitored by senior staff and independent auditors who report to the Finance, Audit and Estates committee.
- Risks associated with the energy market which are resulting in significantly increased costs for energy across the trust estate. George Washington Primary School is particularly affected by these markets due to the operation of its pool. The trust is beginning to look at using more sustainable energy sources for energy such as solar and biomass as well as converting to more energy efficient lighting systems.
- Working with local community to maintain good standing of schools to maintain pupil numbers.
- Strategies to continue to develop leadership and support succession planning and to ensure continuity of service when key trust staff leave the organisation. This includes identifying external partners who can support the trust if internal capacity becomes stretched.

The uncertain future funding of schools remains a risk for the Trust and prudent financial planning allied with careful management of school funds has allowed the Trust to build reserves to support schools through this uncertain financial landscape.

## Oak Learning Trust

### Trustees Report for the Year Ended 31 August 2022 (continued)

#### Investment returns

The financial year to 31 August 2022 began with investors focusing on the outlook for global inflation and plans by Central Banks to manage the economy towards a so-called 'soft landing' through a series of steady interest rate rises. However, any chance of a relatively calm year for markets was wiped out early in 2022 following the invasion of Ukraine by Russia, the resulting global energy crisis and latterly, political instability in the UK. The spike in Oil prices sent energy costs soaring following the invasion and Governments across Europe have had to step in to protect consumers and businesses alike. This cost of living crisis continues to dominate as inflation remains elevated and Central banks have been forced to implement far more aggressive interest rate rises than expected in an effort to regain a level of control. As a result, this has exacerbated the already uncertain outlook for the global economy. Stock markets have been volatile and while previous winners of the post-Covid reopening such as technology stocks have fallen sharply in value, sectors such as Oil and Healthcare have held up relatively well. Fixed Income markets have been much weaker as a result of spiralling inflation and at time of writing, investor uncertainty remains at a level not witnessed since the 2008 financial crisis. As a result the investment portfolio fell in value during the financial year, posting an annual loss of -7.1%. While this loss is disappointing it is not unexpected and long-term performance remains positive, up 25% since inception in September 2018. As a long-term investment there is a relatively high exposure to equities which brings a correspondingly high level of short-term volatility. However, it remains well diversified for the long-term and is well positioned for the future.

#### Fundraising

The majority of fundraising within the Trust has been from school events. These have included sponsored events, "non-uniform" days and Christmas and summer fundraisers. Funds are also raised from the external school improvement work the trust offers.

#### Plans for future periods

The Trust intends to continue to provide a very high standard of education to all pupils. Further curriculum development led at a central level but then adapted by individual schools to meet the needs of their pupils and community will continue in the new academic year to ensure learning continues to be progressive and at a broad and deep level for all pupils.

To implement and embed the new approved phonics programme across Trust schools with high quality CPD and purchase of associated resource including monitoring and ongoing CPD to ensure improved outcomes for pupils.

The Trust will continue to work to improve attendance to at least 96% and to decrease the proportion of persistent absence.

To welcome more children in to the Treehouse at JFK and ensure that the curriculum and outcomes remain strong as pupil numbers increase. We will work to ensure that the increased capacity of the Treehouse does not have a negative impact on any of the pupils attending.

The Trust will continue its buildings and site improvements across its schools in the coming year. There are significant plans to upgrade buildings and facilities across the trust over the coming year.

To identify and work with potential partners to grow the trust so all schools can benefit from being part of a larger and more sustainable organisation.

The Trust will work to embed the new business team and develop the central services it offers to its schools.

# Oak Learning Trust

## Trustees Report for the Year Ended 31 August 2022 (continued)

### Auditor

Insofar as the trustees are aware:

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

### Reappointment of auditor

During the year MHA Tait Walker were appointed as auditors replacing Ryecroft Glenton.

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report, incorporating a Strategic Report, was approved and authorised for issue by order of the members of the Governing Body on 18 January 2023 and signed on its behalf by:

*A Taylor*

Ailsa Taylor 18 Jan 2023 12:55:59 GMT (UTC +0)

.....  
Dr A M Taylor  
Trustee



Ralph Thoburn 18 Jan 2023 15:22:52 GMT (UTC +0)

.....  
R Thoburn  
Trustee

# Oak Learning Trust

## Governance statement

### Scope of responsibility

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

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

### Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 5 times during the year.

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 5 times during the year.

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

| <b>Trustees</b>                          | <b>Meetings attended</b> | <b>Out of a possible</b> |
|--|--------------------------|--------------------------|
| P Best                                   | 4                        | 5                        |
| F Carroll                                | 4                        | 5                        |
| Councillor G Miller                      | 0                        | 5                        |
| Dr A M Taylor, Executive Head Teacher    | 5                        | 5                        |
| Reverend J Wing, Vice Chair              | 4                        | 4                        |
| T Lillie, Chair to 30th Jan 2022         | 1                        | 2                        |
| R Thoburn, Chair (elected 31st Jan 2022) | 3                        | 4                        |
| R Skeoch                                 | 4                        | 5                        |
| M Dixon                                  | 5                        | 5                        |
| D Fenton                                 | 2                        | 5                        |

The board meets regularly throughout the academic year. Whilst less than 6 board meetings have been held during the year, the Trustee's have maintained oversight by:

Link visits by trustees have taken place across the year. The Treehouse at JFK which has been visited by members of the FEA and S&W committees. Oversight of funds is managed by presentation at board and FEA committees (7 meetings per year).

## Oak Learning Trust

### Governance statement (continued)

The local governing bodies of both schools meet regularly and local governors undertake a robust programme of monitoring visits to their school. The Chair of Governors provides a written termly update to the board and the board provide the same to the local governing bodies. On joining the trust, a new governing body of Springwell Village Primary School was established in line with the trust's articles and scheme of delegation.

The Standards and Wellbeing Committee is also a subcommittee of the main Board of Trustees. Its purpose is to monitor academic and holistic performance in individual schools across the Trust. This committee also considers safeguarding practice across the trust and the link safeguarding trustee is a member of this committee and feeds back to it. The link safeguarding trustee conducts safeguarding monitoring visits to all schools in the trust each year in addition to the regular monitoring of safeguarding carried out by local governors. Trustees from this committee visit the schools on a regular basis to meet with children, school councils and staff so they gain an independent picture of the schools as well as receiving information from the Trust senior leadership team.

Attendance during the year at meetings was as follows:

| <b>Trustees</b>             | <b>Meetings attended</b> | <b>Out of a possible</b> |
|-----------------------------|--------------------------|--------------------------|
| Dr A. M Taylor              | 3                        | 3                        |
| P Best                      | 3                        | 3                        |
| Reverend J Wing, Vice Chair | 1                        | 2                        |
| Councillor G Miller         | 1                        | 3                        |
| R Skeoch                    | 3                        | 3                        |
| M Dixon                     | 1                        | 1                        |

During the year the personnel committee and Finance, Estates and Audit committee were merged. This was to provide the trust with greater agility in dealing with matters that come before this committee. In merging the committees, trustees also agreed that the new committee would meet more regularly to enable all business in these areas to be reviewed on a more frequent basis. The new committee undertakes the work detailed below under the individual committees.

The Finance, Estates and Audit Committee was a subcommittee of the main Board of Trustees. Its purpose was to monitor budgets and the Trust's financial spending and wellbeing, act as an audit committee to receive and scrutinise reports from external auditors and act as an authoriser of payments within the financial scheme of spending delegation. This committee is also responsible for investigating and recommending to the full Trust Board opportunities for financial investment of the Trust's surplus balances. During the current year the committee received and scrutinised audit reports and reports from the trust's investment bankers to ensure that the highest financial standards were being maintained. The committee were also involved in overseeing larger expenditures this year associated with building refurbishment works.

Attendance during the year at meetings was as follows:

| <b>Trustees</b> | <b>Meetings attended</b> | <b>Out of a possible</b> |
|-----------------|--------------------------|--------------------------|
| Dr A M Taylor   | 3                        | 3                        |
| F Carroll       | 2                        | 3                        |
| D Fenton        | 2                        | 3                        |
| M Dixon         | 2                        | 3                        |

## Oak Learning Trust

### Governance statement (continued)

|           |   |   |
|-----------|---|---|
| R Thoburn | 2 | 2 |
| P Best    | 1 | 1 |

The personnel committee is a subcommittee of the main board of Trustees. Its purpose is to deal with all issues relating to staffing and human resources. The personnel committee reviews annual performance related pay recommendations and approves them where it thinks this is appropriate (except for CEO pay which is reviewed by the CEO performance review Trustees). The committee reviews all policies related to HR before these are considered by the Trust board. The committee will review any restructure plans and will meet to consider any requests made from staff for flexible working or other decisions delegated to it in the scheme of delegation.

Attendance during the year at meetings was as follows:

| <b>Trustees</b> | <b>Meetings attended</b> | <b>Out of a possible</b> |
|-----------------|--------------------------|--------------------------|
| Dr A M Taylor   | 1                        | 1                        |
| M Dixon         | 1                        | 1                        |
| F Carroll       | 1                        | 1                        |
| P Best          | 1                        | 1                        |
| G Miller        | 1                        | 1                        |

### Conflicts of interest

All Trustees are required to identify any conflicts and notify the Trust Board as soon as they become aware of them. A Declaration of Business Interests is completed annually and retained by the Trust. Declaration of Interests is a standing agenda item at all Committee and Trust meetings. Trustees are reminded that they should declare any business or pecuniary interest in companies or individuals from which the academy trust may purchase goods and / or services at each meeting. Should a conflict be identified, the Trustee will be requested to leave the meeting. Declaration of Business Interests are published on the Trust website and kept up to date at all times. Where appropriate the declarations are made to the ESFA about related party transactions and such transactions are always carried out in line with requirements and at cost.

### Review of value for money

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



# Oak Learning Trust

## Governance statement (continued)

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

- utilising financial resources effectively to fund excellence in academic achievement.
- utilising financial resources effectively to fund development of premises.
- successfully utilising CIF funding to improve trust premises.
- Reviewing the trust's green agenda and beginning to move to more energy efficient systems across the trust.
- review of contracts to ensure competitive quotes across the Trust schools and best value principles consistently applied.
- improving income to the Trust by CEO external work.
- monitoring investments to ensure good returns are being achieved and reporting this to trustees termly.
- ensured high academic and remote education performance in schools within the Trust, developing consistency between schools.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Oak Learning Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

The Trust have considered the need for a specific internal audit function and appointed Azets Audit Services as the internal assurance auditor. The trustees also appointed MHA Tait Walker as the external auditor. We were notified these two firms had merged during the audit year. Division of roles was maintained to complete the 2021/22 audit year. A new internal assurance firm has been appointed to start from September 2022 - Clive Owen.

### Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees at every FEA committee meeting and at full board meeting and in between these meetings if required.

### The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- monthly meeting between the CEO and the chair of the Trust to review financial performance
- monthly management accounts and financial updates on performance provided to all Trustees

## Oak Learning Trust

### Governance statement (continued)

- regular reviews by the Governors of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees has decided to employ Clive Owen from September 2022 as internal auditor.

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

Controls around payroll processes

Controls around self generated income

Cash and treasury management

Control and recording of fixed asset controls

Effective management of resources

Correct application of financial considerations to the decisions of the trust board

On a termly basis, the internal auditor reports to the board of Trustees through the Finance, Estates and Audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned with no material control issues arising as a result of the work undertaken.

#### Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

# Oak Learning Trust

## Governance statement (continued)

Approved and authorised for issue by order of the members of the Governing Body on 18 January 2023  
and signed on its behalf by:

*A Taylor*

Ailsa Taylor 18 Jan 2023 12:55:59 GMT (UTC +0)

Dr A M Taylor  
Trustee



Ralph Thoburn 18 Jan 2023 15:22:52 GMT (UTC +0)

R Thoburn  
Trustee

## Oak Learning Trust

### Statement of regularity, propriety and compliance

As Accounting Officer of Oak Learning Trust I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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 Academy Trust Handbook 2021.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academy Trust Handbook 2021.

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 Governing Body and ESFA.

*A Taylor*

.....  
Ailsa Taylor 18 Jan 2023 12:55:59 GMT (UTC +0) .....

Dr A M Taylor, Chief Executive Officer  
Accounting officer

Date: 18 January 2023 .....

## Oak Learning Trust

### Statement of Trustees' Responsibilities

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 apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 and authorised for issue by order of the members of the Board on ~~18 January 2023~~ and signed on its behalf by:

*A Taylor*

Nilsa Taylor 18 Jan 2023 12:55:59 GMT (UTC +0) . . . .

Dr A M Taylor  
Trustee



Ralph Thoburn 18 Jan 2023 15:22:52 GMT (UTC +0)

R Thoburn  
Trustee

## Oak Learning Trust

### Independent Auditor's Report on the Financial Statements to the Members of Oak Learning Trust

#### Opinion

We have audited the financial statements of Oak Learning Trust (the 'Academy') for the year ended 31 August 2022, which comprise the Statement of Financial Activities for the (including Income and Expenditure Account), Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 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's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022.

#### 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 auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Oak Learning Trust

### Independent Auditor's Report on the Financial Statements to the Members of Oak Learning Trust (continued)

#### **Other information (covers the Reference and administrative details, the Trustees Report and the Governance statement)**

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 19], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Oak Learning Trust

### Independent Auditor's Report on the Financial Statements to the Members of Oak Learning Trust (continued)

#### **Auditor 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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiries of management and those charged with governance around any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading correspondence with regulators including the OFSTED;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## Oak Learning Trust

### Independent Auditor's Report on the Financial Statements to the Members of Oak Learning Trust (continued)

#### Use of our report

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

*Azets Audit Services*

Brian Laidlaw 18 Jan 2023 16:15:58 GMT (UTC +0)

Brian Laidlaw BA CA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Statutory Auditor

Chartered Accountants

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: 18 January 2023

Azets Audit Services is a trading name of Azets Audit Services Limited

## Oak Learning Trust

### Independent Reporting Accountant's Assurance Report on Regularity to Oak Learning Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 30 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Oak Learning Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 29 March 2017 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 from 1 September 2021 to 31 August 2022 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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.

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of available internal assurance reports;
- Completion of self assessment questionnaire by the Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting our responsibilities;
- Obtained a formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expense claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

## Oak Learning Trust

### Independent Reporting Accountant's Assurance Report on Regularity to Oak Learning Trust and the Education and Skills Funding Agency (continued)

- Evaluation of internal control procedures and reporting lines;
- Review of cash payments for unusual transactions;
- Review of purchasing card transactions;
- Review of register of interests;
- Review of related party transactions;
- Review of borrowing arrangements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review of gifts and hospitality on a sample basis to ensure in line with policy; and
- Consideration of governance issues.

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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

*Azets Audit Services*

Brian Laidlaw 18 Jan 2023 16:15:58 GMT (UTC +0)

Azets Audit Services  
Chartered Accountants  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: 18 January 2023.....

Azets Audit Services is a trading name of Azets Audit Services Limited

## Oak Learning Trust

### Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

|   | Note | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Restricted<br>Fixed Asset<br>Funds<br>£ | Total<br>2022<br>£ |
|---|------|----------------------------|-------------------------------------|---|--------------------|
| <b>Income and endowments from:</b>                          |      |                            |                                     |   |                    |
| Voluntary income  |      |                            |                                     |   |                    |
| Donations and capital grants                                | 2    | -                          | -                                   | 183,864                                 | 183,864            |
| Transfer from local authority on conversion                 |      | 114,347                    | (297,000)                           | 1,890,675                               | 1,708,022          |
| <i>Charitable activities:</i>                               |      |                            |                                     |   |                    |
| Funding for the Academy trust's educational operations      | 3    | -                          | 5,252,665                           | -                                       | 5,252,665          |
| Other trading activities                                    | 4    | 324,378                    | 21,764                              | -                                       | 346,142            |
| Investments   | 5    | 12,415                     | -                                   | -                                       | 12,415             |
| <b>Total</b>  |      | <b>451,140</b>             | <b>4,977,429</b>                    | <b>2,074,539</b>                        | <b>7,503,108</b>   |
| <b>Expenditure on:</b>                                      |      |                            |                                     |   |                    |
| <i>Charitable activities:</i>                               |      |                            |                                     |   |                    |
| Academy trust educational operations                        | 7    | 57,950                     | 5,560,310                           | 204,871                                 | 5,823,131          |
| <b>Total</b>  |      | <b>57,950</b>              | <b>5,560,310</b>                    | <b>204,871</b>                          | <b>5,823,131</b>   |
| Gains/losses on investment assets                           |      | (74,850)                   | -                                   | -                                       | (74,850)           |
| <b>Net income/(expenditure)</b>                             |      | <b>318,340</b>             | <b>(582,881)</b>                    | <b>1,869,668</b>                        | <b>1,605,127</b>   |
| Transfers between funds                                     |      | -                          | (56,022)                            | 56,022                                  | -                  |
| <b>Other recognised gains and losses</b>                    |      |                            |                                     |   |                    |
| Actuarial gains/(losses) on defined benefit pension schemes | 25   | -                          | 2,950,000                           | -                                       | 2,950,000          |
| <b>Net movement in funds</b>                                |      | <b>318,340</b>             | <b>2,311,097</b>                    | <b>1,925,690</b>                        | <b>4,555,127</b>   |
| <b>Reconciliation of funds</b>                              |      |                            |                                     |   |                    |
| Total funds/(deficit) brought forward at 1 September 2021   |      | 1,222,112                  | (1,218,055)                         | 9,922,993                               | 9,927,050          |
| <b>Total funds carried forward at 31 August 2022</b>        |      | <b>1,540,452</b>           | <b>1,093,042</b>                    | <b>11,848,683</b>                       | <b>14,482,177</b>  |

## Oak Learning Trust

### Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

|   | Note | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Restricted<br>Fixed Asset<br>Funds<br>£ | Total<br>2021<br>£ |
|---|------|----------------------------|-------------------------------------|---|--------------------|
| <b>Income and endowments from:</b>                          |      |                            |                                     |   |                    |
| Voluntary income  |      |                            |                                     |   |                    |
| Donations and capital grants                                | 2    | -                          | -                                   | 430,632                                 | 430,632            |
| <i>Charitable activities:</i>                               |      |                            |                                     |   |                    |
| Funding for the Academy trust's educational operations      | 3    | -                          | 4,240,336                           | -                                       | 4,240,336          |
| Other trading activities                                    | 4    | 147,503                    | 175,482                             | -                                       | 322,985            |
| Investments   | 5    | 12,915                     | -                                   | -                                       | 12,915             |
| <b>Total</b>  |      | <b>160,418</b>             | <b>4,415,818</b>                    | <b>430,632</b>                          | <b>5,006,868</b>   |
| <b>Expenditure on:</b>                                      |      |                            |                                     |   |                    |
| Raising funds   | 6    | 6,429                      | -                                   | -                                       | 6,429              |
| <i>Charitable activities:</i>                               |      |                            |                                     |   |                    |
| Academy trust educational operations                        | 7    | 153,941                    | 4,223,338                           | 202,004                                 | 4,579,283          |
| <b>Total</b>  |      | <b>160,370</b>             | <b>4,223,338</b>                    | <b>202,004</b>                          | <b>4,585,712</b>   |
| Gains/losses on investment assets                           |      | 122,245                    | -                                   | -                                       | 122,245            |
| Net income  |      | 122,293                    | 192,480                             | 228,628                                 | 543,401            |
| Transfers between funds                                     |      | -                          | (40,905)                            | 40,905                                  | -                  |
| <b>Other recognised gains and losses</b>                    |      |                            |                                     |   |                    |
| Actuarial gains/(losses) on defined benefit pension schemes | 25   | -                          | 109,000                             | -                                       | 109,000            |
| Net movement in funds                                       |      | 122,293                    | 260,575                             | 269,533                                 | 652,401            |
| <b>Reconciliation of funds</b>                              |      |                            |                                     |   |                    |
| Total funds/(deficit) brought forward at 1 September 2020   |      | 1,099,819                  | (1,478,630)                         | 9,653,460                               | 9,274,649          |
| Total funds/(deficit) carried forward at 31 August 2021     |      | 1,222,112                  | (1,218,055)                         | 9,922,993                               | 9,927,050          |

# Oak Learning Trust

## (Registration number: 10654345) Balance Sheet

|  | Note | 2022<br>£         | 2021<br>£          |
|--|------|-------------------|--------------------|
| <b>Fixed assets</b>                            |      |                   |                    |
| Tangible assets                                | 12   | 11,844,940        | 9,727,500          |
| Investments                                    | 13   | <u>727,319</u>    | <u>789,997</u>     |
|  |      | <u>12,572,259</u> | <u>10,517,497</u>  |
| <b>Current assets</b>                          |      |                   |                    |
| Debtors  | 14   | 480,133           | 177,426            |
| Current asset investments                      | 15   | 208,229           | -                  |
| Cash at bank and in hand                       |      | <u>2,322,230</u>  | <u>2,354,895</u>   |
|  |      | 3,010,592         | 2,532,321          |
| Creditors: Amounts falling due within one year | 16   | <u>(775,674)</u>  | <u>(552,768)</u>   |
| Net current assets                             |      | <u>2,234,918</u>  | <u>1,979,553</u>   |
| Total assets less current liabilities          |      | <u>14,807,177</u> | <u>12,497,050</u>  |
| Net assets excluding pension liability         |      | 14,807,177        | 12,497,050         |
| Pension scheme liability                       | 25   | <u>(325,000)</u>  | <u>(2,570,000)</u> |
| Net assets including pension liability         |      | <u>14,482,177</u> | <u>9,927,050</u>   |
| <b>Funds of the Academy:</b>                   |      |                   |                    |
| <b>Restricted funds</b>                        |      |                   |                    |
| Restricted income fund                         | 17   | 1,418,042         | 1,351,945          |
| Restricted fixed asset fund                    | 17   | 11,848,683        | 9,922,993          |
| Pension reserve                                | 17   | <u>(325,000)</u>  | <u>(2,570,000)</u> |
|  |      | 12,941,725        | 8,704,938          |
| <b>Unrestricted funds</b>                      |      |                   |                    |
| Unrestricted income fund                       | 17   | <u>1,540,452</u>  | <u>1,222,112</u>   |
| Total funds                                    |      | <u>14,482,177</u> | <u>9,927,050</u>   |

The financial statements on pages 26 to 55 were approved and authorised for issue by the trustees, on 18 January 2023 and signed on their behalf by:

*A Taylor*

Ailsa Taylor 18 Jan 2023 12:55:59 GMT (UTC +0).....

Dr A M Taylor  
Trustee

*R Thoburn*

Ralph Thoburn 18 Jan 2023 15:22:52 GMT (UTC +0)...

R Thoburn  
Trustee

## Oak Learning Trust

### Statement of Cash Flows

|  | Note | 2022<br>£               | 2021<br>£               |
|--|------|-------------------------|-------------------------|
| <b>Cash flows from operating activities</b>            |      |                         |                         |
| Net cash provided by (used in) operating activities    | 20   | 423,094                 | 662,856                 |
| <b>Cash flows from investing activities</b>            |      |                         |                         |
|  | 21   | <u>(455,759)</u>        | <u>134,582</u>          |
| <b>Change in cash and cash equivalents in the year</b> |      | (32,665)                | 797,438                 |
| <b>Cash and cash equivalents at 1 September</b>        |      | <u>2,354,895</u>        | <u>1,557,457</u>        |
| <b>Cash and cash equivalents at 31 August</b>          | 22   | <u><u>2,322,230</u></u> | <u><u>2,354,895</u></u> |

# Oak Learning Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022

### 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.

#### Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with 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 2019 (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

#### Going concern

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

#### Income

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

#### Grants

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

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

Capital grants are recognised 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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.



# Oak Learning Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### Sponsorship income

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

#### Donations

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

#### Other income

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

#### Investment income

Interest receivable is included in the statement of financial activities on an accruals basis.

#### Donated goods, facilities and services

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

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

#### Transfer on conversion

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

#### Donated fixed assets

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

# Oak Learning Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

#### 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on either a straight-line or reducing balance basis over its expected useful lives, per the table below.

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

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

| <b>Asset class</b>           | <b>Depreciation method and rate</b> |
|------------------------------|-------------------------------------|
| Long term leasehold property | 15-50 years straight line           |
| Roof replacements            | 25 years straight line              |
| Furniture and fixtures       | 7 years straight line               |
| Plant and machinery          | 25 years straight line              |
| Computer equipment           | 3 years straight line               |

# Oak Learning Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### Liabilities

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

#### Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

#### Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

#### Investments

The academy holds an investment portfolio to invest part of its endowment funds, which are managed in line with the academy Investment Policy. The investment objective of endowment funds is to achieve an absolute rate of return deemed achievable in the market place and sufficient to fulfil the charitable objectives of the endowment, taking into account risk and any requirements to preserve capital.

Non-current investments are held on the balance sheet at fair value. Fair value gains and losses are recognised in the Statement of Financial Activity.

#### Financial Instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 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 charity's wholly owned subsidiary are held at face value less any impairment.

# Oak Learning Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### 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.

#### Pension benefits

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.

# Oak Learning Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### Fund accounting

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

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

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

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

#### Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

#### Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £205,000 (2021 - £202,000).

# Oak Learning Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 1 Accounting policies (continued)

#### Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

### 2 Donations and capital grants

|                               | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|-------------------------------|----------------------------|--------------------------|---|--------------------|--------------------|
| <b>Other voluntary income</b> |                            |                          |   |                    |                    |
| Capital grants                | -                          | -                        | 183,864                                 | 183,864            | 430,632            |
|                               | £                          | £                        | £                                       | £                  |                    |
| Total 2021                    | -                          | -                        | 430,632                                 | 430,632            |                    |

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 3 Funding for the Academy Trust's educational operations

|   | Unrestricted<br>funds<br>£      | Restricted<br>funds<br>£      | Restricted<br>fixed asset<br>funds<br>£   | Total<br>2022<br>£      | Total<br>2021<br>£ |
|---|---------------------------------|-------------------------------|---|-------------------------|--------------------|
| <b>DfE/ESFA revenue grants</b>                    |                                 |                               |   |                         |                    |
| General Annual Grant GAG                          | -                               | 4,143,114                     | -   | 4,143,114               | 3,192,112          |
| Other ESFA Group grants                           | -                               | 597,661                       | -   | 597,661                 | 651,495            |
|   | <u>-</u>                        | <u>4,740,775</u>              | <u>-</u>                                  | <u>4,740,775</u>        | <u>3,843,607</u>   |
| <b>Other government grants</b>                    |                                 |                               |   |                         |                    |
| Local authority grants                            | -                               | 458,373                       | -   | 458,373                 | 285,095            |
|   | <u>-</u>                        | <u>458,373</u>                | <u>-</u>                                  | <u>458,373</u>          | <u>285,095</u>     |
| <b>COVID-19 additional funding (DfE/ESFA)</b>     |                                 |                               |   |                         |                    |
| Catch-up Premium                                  | -                               | 37,481                        | -   | 37,481                  | 62,400             |
|   | <u>-</u>                        | <u>37,481</u>                 | <u>-</u>                                  | <u>37,481</u>           | <u>62,400</u>      |
| <b>COVID-19 additional funding (non-DfE/ESFA)</b> |                                 |                               |   |                         |                    |
| Coronavirus Job Retention Scheme grant            | -                               | -                             | -   | -                       | 16,227             |
| Other Coronavirus funding                         | -                               | 16,036                        | -   | 16,036                  | 33,007             |
|   | <u>-</u>                        | <u>16,036</u>                 | <u>-</u>                                  | <u>16,036</u>           | <u>49,234</u>      |
| Total grants                                      | <u>-</u>                        | <u>5,252,665</u>              | <u>-</u>                                  | <u>5,252,665</u>        | <u>4,240,336</u>   |
|   | <b>Unrestricted funds<br/>£</b> | <b>Restricted funds<br/>£</b> | <b>Restricted fixed asset funds<br/>£</b> | <b>Total 2021<br/>£</b> |                    |
| Total 2021  | <u>-</u>                        | <u>4,240,336</u>              | <u>-</u>                                  | <u>4,240,336</u>        |                    |

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 3 Funding for the Academy Trust's educational operations (continued)

|  | 2022<br>£      | 2021<br>£      |
|--|----------------|----------------|
| <b>Other DfE/ESFA Grants</b>               |                |                |
| Rates reclaim                              | 6,812          | -              |
| Pupil Premium and Service Premium          | 376,573        | 327,030        |
| Universal Infant Free School Meals (UiFSM) | 113,008        | 118,679        |
| PE and Sports Grant                        | 46,027         | 38,630         |
| Other                                      | 47,535         | 18,379         |
| Teachers' Pay Grant                        | 7,706          | 148,777        |
|  | <u>597,661</u> | <u>651,495</u> |

#### 4 Other trading activities

|                                | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|--------------------------------|----------------------------|--------------------------|---|--------------------|--------------------|
| Hire of facilities             | 99,450                     | -                        | -                                       | 99,450             | 28,345             |
| Catering income                | 48,517                     | -                        | -                                       | 48,517             | 36,581             |
| Recharges and reimbursements   | 29,659                     | -                        | -                                       | 29,659             | 30,779             |
| Other sales                    | 84,352                     | 21,764                   | -                                       | 106,116            | 217,545            |
| Trips and music lessons income | 62,400                     | -                        | -                                       | 62,400             | 9,735              |
|                                | <u>324,378</u>             | <u>21,764</u>            | <u>-</u>                                | <u>346,142</u>     | <u>322,985</u>     |
|                                | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>2021<br>£ |                    |
| Total 2021                     | <u>147,503</u>             | <u>175,482</u>           | <u>-</u>                                | <u>322,985</u>     |                    |

#### 5 Investment income

|                     | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|---------------------|----------------------------|--------------------------|---|--------------------|--------------------|
| Short term deposits | 12,415                     | -                        | -                                       | 12,415             | 12,915             |
|                     | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Restricted<br>fixed asset<br>funds<br>£ | Total<br>2021<br>£ |                    |
| Total 2021          | <u>12,915</u>              | <u>-</u>                 | <u>-</u>                                | <u>12,915</u>      |                    |



## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 6 Expenditure

|   | Non Pay Expenditure |                |                  | 2021/22<br>Total<br>£ | 2020/21<br>Total<br>£ |
|---|---------------------|----------------|------------------|-----------------------|-----------------------|
|   | Staff costs<br>£    | Premises<br>£  | Other costs<br>£ |                       |                       |
| <b>Expenditure on raising funds</b>     |                     |                |                  |                       |                       |
| Direct costs                            | -                   | -              | -                | -                     | 6,429                 |
| <b>Academy's educational operations</b> |                     |                |                  |                       |                       |
| Direct costs                            | 3,342,990           | 204,871        | 302,140          | 3,850,001             | 3,391,540             |
| Allocated support costs                 | 910,988             | 458,359        | 603,783          | 1,973,130             | 1,187,743             |
|   | <u>4,253,978</u>    | <u>663,230</u> | <u>905,923</u>   | <u>5,823,131</u>      | <u>4,585,712</u>      |

|            | Non Pay Expenditure |                |                  | Total<br>2021<br>£ |
|------------|---------------------|----------------|------------------|--------------------|
|            | Staff costs<br>£    | Premises<br>£  | Other costs<br>£ |                    |
| Total 2021 | <u>3,498,648</u>    | <u>464,729</u> | <u>622,335</u>   | <u>4,585,712</u>   |

#### Net income/(expenditure) for the year includes:

|  | 2022<br>£    | 2021<br>£    |
|--|--------------|--------------|
| Operating lease rentals                        | 4,825        | 13,196       |
| Depreciation                                   | 204,872      | 202,004      |
| Fees payable to auditor - audit                | 8,400        | 7,385        |
| Fees payable to auditor - other audit services | <u>2,100</u> | <u>7,791</u> |

#### 7 Charitable activities

|  | 2022<br>£        | 2021<br>£        |
|--|------------------|------------------|
| Direct costs - educational operations  | 3,850,001        | 3,391,540        |
| Support costs - educational operations | <u>1,973,130</u> | <u>1,187,743</u> |
|  | <u>5,823,131</u> | <u>4,579,283</u> |

# Oak Learning Trust

## Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

### 7 Charitable activities (continued)

|                                  | Educational<br>operations<br>£ | Total<br>2022<br>£ | Total<br>2021<br>£ |
|----------------------------------|--------------------------------|--------------------|--------------------|
| <b>Analysis of support costs</b> |                                |                    |                    |
| Support staff costs              | 910,988                        | 910,988            | 732,633            |
| Technology costs                 | 73,232                         | 73,232             | 42,536             |
| Premises costs                   | 458,359                        | 458,359            | 306,260            |
| Legal costs                      | 97,274                         | 97,274             | 50,462             |
| Other support costs              | 414,053                        | 414,053            | 38,276             |
| Governance costs                 | 19,224                         | 19,224             | 17,576             |
| Total support costs              | <u>1,973,130</u>               | <u>1,973,130</u>   | <u>1,187,743</u>   |

### 8 Staff

#### Staff costs

|  | 2022<br>£        | 2021<br>£         |
|--|------------------|-------------------|
| <b>Staff costs during the year were:</b>           |                  |                   |
| Wages and salaries                                 | 2,833,682        | 2,375,972         |
| Social security costs                              | 265,261          | 224,320           |
| Operating costs of defined benefit pension schemes | <u>988,371</u>   | <u>782,841</u>    |
|  | 4,087,314        | 3,383,133         |
| Supply staff costs                                 | 166,664          | 104,515           |
| Staff restructuring costs                          | <u>-</u>         | <u>11,000</u>     |
|  | <u>4,253,978</u> | <u>3,498,648</u>  |
|  |                  | <b>2021<br/>£</b> |

#### Staff restructuring costs comprise:

|                    |               |
|--------------------|---------------|
| Severance payments | <u>11,000</u> |
|--------------------|---------------|

#### Severance payments

The Academy trust paid - severance payments in the year disclosed in the following bands:

|             | 2021/22<br>No. | 2020/21<br>No. |
|-------------|----------------|----------------|
| 0 - £25,000 | <u>-</u>       | <u>1</u>       |

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 8 Staff (continued)

##### Staff numbers

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

|                              | <b>2022</b> | <b>2021</b> |
|------------------------------|-------------|-------------|
|                              | <b>No.</b>  | <b>No.</b>  |
| <b>Charitable Activities</b> |             |             |
| Teachers                     | 47          | 27          |
| Administration and support   | 71          | 51          |
| Management                   | 5           | 18          |
|                              | <u>123</u>  | <u>96</u>   |

##### Staff numbers (full time equivalent)

The average number of persons, expressed as a full time equivalent, employed by the academy trust during the year was as follows:

|                            | <b>2021/22</b> | <b>2020/21</b> |
|----------------------------|----------------|----------------|
|                            | <b>No</b>      | <b>No</b>      |
| Teachers                   | 46             | 24             |
| Administration and support | 46             | 40             |
| Management                 | 5              | 17             |
|                            | <u>97</u>      | <u>81</u>      |

##### Higher paid staff

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

|                     | <b>2022</b> | <b>2021</b> |
|---------------------|-------------|-------------|
|                     | <b>No.</b>  | <b>No.</b>  |
| £60,001 - £70,000   | 1           | 2           |
| £70,001 - £80,000   | 1           | -           |
| £120,001 - £130,000 | 1           | 1           |
|                     | <u>1</u>    | <u>1</u>    |

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £490,446 (2021 - £418,707).

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 9 Central services

The academy trust has provided the following central services to its academies during the year:

- Human resources
- Professional services
- Audit and accountancy
- Investment management services
- Staffing including finance, management and CEO services

The academy trust charges for these services on the following basis:

6% of GAG and nursery income.

The actual amounts charged during the year were as follows:

|                                   | 2021/22        | 2020/21        |
|-----------------------------------|----------------|----------------|
|                                   | £              | £              |
| George Washington Primary School  | 105,385        | 95,398         |
| John F Kennedy Primary School     | 114,864        | 107,066        |
| Springwell Village Primary School | 42,977         | -              |
|                                   | <u>263,226</u> | <u>202,464</u> |

#### 10 Related party transactions - trustees' remuneration and expenses

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

Dr A M Taylor (CEO):

Remuneration: £120,000 - £125,000 (2021 - £120,000 - £125,000)

Employer's pension contributions: £25,000 - £30,000 (2021 - £25,000 - £30,000)

Other related party transactions involving the trustees are set out in note 26.

#### 11 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.

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 12 Tangible fixed assets

|                       | Leasehold<br>land and<br>buildings<br>£ | Furniture<br>and<br>equipment<br>£ | Computer<br>equipment<br>£ | Plant and<br>equipment<br>£ | Total<br>£        |
|-----------------------|---|------------------------------------|----------------------------|-----------------------------|-------------------|
| <b>Cost</b>           |   |                                    |                            |                             |                   |
| At 1 September 2021   | 10,004,177                              | 204,059                            | 41,235                     | 254,208                     | 10,503,679        |
| Additions             | 331,405                                 | 20,679                             | 9,122                      | 70,431                      | 431,637           |
| Inherited assets      | <u>1,887,000</u>                        | <u>-</u>                           | <u>3,675</u>               | <u>-</u>                    | <u>1,890,675</u>  |
| At 31 August 2022     | <u>12,222,582</u>                       | <u>224,738</u>                     | <u>54,032</u>              | <u>324,639</u>              | <u>12,825,991</u> |
| <b>Depreciation</b>   |   |                                    |                            |                             |                   |
| At 1 September 2021   | 688,162                                 | 63,259                             | 17,979                     | 6,779                       | 776,179           |
| Charge for the year   | <u>179,531</u>                          | <u>7,644</u>                       | <u>13,848</u>              | <u>3,849</u>                | <u>204,872</u>    |
| At 31 August 2022     | <u>867,693</u>                          | <u>70,903</u>                      | <u>31,827</u>              | <u>10,628</u>               | <u>981,051</u>    |
| <b>Net book value</b> |   |                                    |                            |                             |                   |
| At 31 August 2022     | <u>11,354,889</u>                       | <u>153,835</u>                     | <u>22,205</u>              | <u>314,011</u>              | <u>11,844,940</u> |
| At 31 August 2021     | <u>9,316,015</u>                        | <u>140,800</u>                     | <u>23,256</u>              | <u>247,429</u>              | <u>9,727,500</u>  |

The academy trust's transactions relating to land and buildings included:

- the acquisition of the freehold on Springwell Village Primary School which was donated to the academy trust at a value of £1,887,000

The land and buildings were valued by the Estate and Valuation Manager (MRICS) for Sunderland City Council.

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 13 Investments

|                       | Shares<br>£     |
|-----------------------|-----------------|
| <b>Fair value</b>     |                 |
| At 1 September 2021   | 789,997         |
| Revaluation           | (74,850)        |
| Additions             | 75,766          |
| Disposals             | <u>(63,594)</u> |
| At 31 August 2022     | <u>727,319</u>  |
| <b>Provision</b>      |                 |
| At 1 September 2021   | <u>-</u>        |
| At 31 August 2022     | <u>-</u>        |
| <b>Net book value</b> |                 |
| At 31 August 2022     | <u>727,319</u>  |
| At 31 August 2021     | <u>789,997</u>  |

The historic cost of the listed investments at 31 August 2022 is £634,870.

At the year end, the following investments represented more than 5% of the total value of the investment portfolio:

SPDR SERIES TRUST SP 500 ETF (GBP) £78,699

#### 14 Debtors

|                 | 2022<br>£      | 2021<br>£      |
|-----------------|----------------|----------------|
| Trade debtors   | 44,030         | 30,141         |
| VAT recoverable | 307,367        | 22,099         |
| Other debtors   | 84,100         | 79,737         |
| Prepayments     | <u>44,636</u>  | <u>45,449</u>  |
|                 | <u>480,133</u> | <u>177,426</u> |

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 15 Current asset investments

|                     |                |
|---------------------|----------------|
|                     | <b>2022</b>    |
|                     | £              |
| Fixed term deposits | <u>208,229</u> |

#### 16 Creditors: amounts falling due within one year

|  | <b>2022</b>     | <b>2021</b>     |
|--|-----------------|-----------------|
|  | £               | £               |
| Trade creditors                        | 653,856         | 404,824         |
| Other creditors                        | 535             | 3,204           |
| Accruals                               | 50,096          | 87,015          |
| Deferred income                        | <u>71,187</u>   | <u>57,725</u>   |
|  | <u>775,674</u>  | <u>552,768</u>  |
|  | <b>2022</b>     | <b>2021</b>     |
|  | £               | £               |
| <b>Deferred income</b>                 |                 |                 |
| Deferred income at 1 September 2021    | 57,725          | 81,207          |
| Resources deferred in the period       | 71,187          | 57,725          |
| Amounts released from previous periods | <u>(57,725)</u> | <u>(81,207)</u> |
| Deferred income at 31 August 2022      | <u>71,187</u>   | <u>57,725</u>   |

At the balance sheet date, the Trust was holding funds received in advance in relation to universal infant free school meals.

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 17 Funds

|                                     | Balance at<br>1<br>September<br>2021<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains,<br>losses<br>and<br>transfers<br>£ | Balance at<br>31 August<br>2022<br>£ |
|-------------------------------------|---|----------------------------|----------------------------|---|--------------------------------------|
| <b>Restricted general funds</b>     |   |                            |                            |   |                                      |
| General annual grant (GAG)          | 1,351,125                                 | 4,143,114                  | (4,020,995)                | (56,022)                                  | 1,417,222                            |
| Other DfE/ESFA grants               | -   | 597,661                    | (597,661)                  | -   | -                                    |
| Other government grants             | -   | 458,373                    | (458,373)                  | -   | -                                    |
| COVID-19                            | -   | 53,517                     | (53,517)                   | -   | -                                    |
| Other income                        | -   | 21,764                     | (21,764)                   | -   | -                                    |
| Hardship fund                       | 820                                       | -                          | -                          | -   | 820                                  |
|                                     | <u>1,351,945</u>                          | <u>5,274,429</u>           | <u>(5,152,310)</u>         | <u>(56,022)</u>                           | <u>1,418,042</u>                     |
| <b>Restricted fixed asset funds</b> |   |                            |                            |   |                                      |
| Restricted fixed asset funds        | 9,922,993                                 | 2,074,539                  | (204,871)                  | 56,022                                    | 11,848,683                           |
| <b>Pension Reserve</b>              |   |                            |                            |   |                                      |
| LGPS                                | <u>(2,570,000)</u>                        | <u>(297,000)</u>           | <u>(408,000)</u>           | <u>2,950,000</u>                          | <u>(325,000)</u>                     |
| Total restricted funds              | 8,704,938                                 | 7,051,968                  | (5,765,181)                | 2,950,000                                 | 12,941,725                           |
| <b>Unrestricted funds</b>           |   |                            |                            |   |                                      |
| General funds                       | <u>1,222,112</u>                          | <u>451,140</u>             | <u>(57,950)</u>            | <u>(74,850)</u>                           | <u>1,540,452</u>                     |
| Total funds                         | <u><u>9,927,050</u></u>                   | <u><u>7,503,108</u></u>    | <u><u>(5,823,131)</u></u>  | <u><u>2,875,150</u></u>                   | <u><u>14,482,177</u></u>             |



## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 17 Funds (continued)

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

|                                     | Balance at<br>1<br>September<br>2020<br>£ | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Gains,<br>losses<br>and<br>transfers<br>£ | Balance at<br>31 August<br>2021<br>£ |
|-------------------------------------|---|----------------------------|----------------------------|---|--------------------------------------|
| <b>Restricted general funds</b>     |   |                            |                            |   |                                      |
| General annual grant (GAG)          | 909,550                                   | 3,192,112                  | (2,709,632)                | (40,905)                                  | 1,351,125                            |
| Other DfE/ESFA grants               | -   | 651,495                    | (651,495)                  | -   | -                                    |
| Other government grants             | -   | 383,829                    | (383,829)                  | -   | -                                    |
| COVID-19                            | -   | 62,400                     | (62,400)                   | -   | -                                    |
| Other income                        | -   | 125,982                    | (125,982)                  | -   | -                                    |
| Hardship fund                       | 820                                       | -                          | -                          | -   | 820                                  |
|                                     | <u>910,370</u>                            | <u>4,415,818</u>           | <u>(3,933,338)</u>         | <u>(40,905)</u>                           | <u>1,351,945</u>                     |
| <b>Restricted fixed asset funds</b> |   |                            |                            |   |                                      |
| Restricted fixed asset funds        | 9,653,460                                 | 430,632                    | (202,004)                  | 40,905                                    | 9,922,993                            |
| <b>Pension Reserve</b>              |   |                            |                            |   |                                      |
| LGPS                                | <u>(2,389,000)</u>                        | <u>-</u>                   | <u>(290,000)</u>           | <u>109,000</u>                            | <u>(2,570,000)</u>                   |
| Total restricted funds              | 8,174,830                                 | 4,846,450                  | (4,425,342)                | 109,000                                   | 8,704,938                            |
| <b>Unrestricted funds</b>           |   |                            |                            |   |                                      |
| General funds                       | <u>1,099,819</u>                          | <u>160,418</u>             | <u>(160,370)</u>           | <u>122,245</u>                            | <u>1,222,112</u>                     |
| Total funds                         | <u><u>9,274,649</u></u>                   | <u><u>5,006,868</u></u>    | <u><u>(4,585,712)</u></u>  | <u><u>231,245</u></u>                     | <u><u>9,927,050</u></u>              |

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

The General Annual Grant (GAG) must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at the balance sheet date.

A start up grant was received from the ESFA as a result of the conversion to academy status. The full grant was allocated.

Other DfE/ESFA grants include teachers pay and pension grants, pupil premium, PE and sports grant and other DfE/ESFA grants.

Other government grants comprise funding received from the Local Authority.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to Local Government Pension Scheme ('LGPS') and the pension liability has therefore been aligned with these funds. The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 17 Funds (continued)

The inherited fixed asset fund reflects the fixed assets acquired from the Local Authority on conversion to academy status. Depreciation on these assets is charged against this fund.

DfE/ESFA capital grants received in year consist of capital grants received in the year which have been received for expenditure on acquisition and maintenance of fixed assets.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

#### Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

|   | 2022<br>£  | 2021<br>£   |
|---|------------|-------------|
| George Washington Primary School              | 1,326,252  | 1,203,898   |
| John F Kennedy Primary School                 | 1,339,018  | 1,162,345   |
| Springwell Village Primary School             | 89,253     | -           |
| Central services                              | 203,971    | 207,814     |
|   | <hr/>      | <hr/>       |
| Total before fixed assets and pension reserve | 2,958,494  | 2,574,057   |
| Fixed asset reserve                           | 11,848,683 | 9,922,993   |
| Pension reserve                               | (325,000)  | (2,570,000) |
|   | <hr/>      | <hr/>       |
| Total   | 14,482,177 | 9,927,050   |

#### Total cost analysis by academy

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

|                                      | Teaching<br>and<br>educational<br>support<br>staff<br>costs<br>£ | Other<br>support<br>staff<br>costs<br>£ | Educational<br>supplies<br>£ | Other costs<br>(excluding<br>LGPS<br>pension and<br>depreciation)<br>£ | Total<br>2022<br>£ |
|--------------------------------------|--|---|------------------------------|--|--------------------|
| George Washington<br>Primary School  | 1,357,118  | 175,210                                 | 85,587                       | 512,167  | 2,130,082          |
| John F Kennedy Primary<br>School     | 1,376,703  | 196,129                                 | 96,483                       | 371,231  | 2,040,546          |
| Springwell Village<br>Primary School | 538,845  | 125,974                                 | 33,839                       | 140,593  | 839,251            |
| Central services                     | 90,196   | 53,630                                  | 714                          | 55,841   | 200,381            |
|                                      | <hr/>  | <hr/>                                   | <hr/>                        | <hr/>  | <hr/>              |
| Academy Trust                        | 3,362,862  | 550,943                                 | 216,623                      | 1,079,832  | 5,210,260          |

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 17 Funds (continued)

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

|                                     | Teaching<br>and<br>educational<br>support<br>staff<br>costs<br>£ | Other<br>support<br>staff<br>costs<br>£ | Educational<br>supplies<br>£ | Other costs<br>(excluding<br>depreciation)<br>£ | Total<br>2021<br>£ |
|-------------------------------------|--|---|------------------------------|---|--------------------|
| George Washington<br>Primary School | 1,373,397  | 290,006                                 | 75,536                       | 365,136   | 2,104,075          |
| John F Kennedy Primary<br>School    | 1,397,643  | 262,695                                 | 92,438                       | 292,290   | 2,045,066          |
| Central services                    | 92,172   | 82,733                                  | -                            | 59,662  | 234,567            |
| Academy Trust                       | <u>2,863,212</u>   | <u>635,434</u>                          | <u>167,974</u>               | <u>717,088</u>                                  | <u>4,383,708</u>   |

#### 18 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

|                          | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Restricted<br>Fixed Asset<br>Funds<br>£ | Total Funds<br>£  |
|--------------------------|----------------------------|-------------------------------------|---|-------------------|
| Tangible fixed assets    | -                          | -                                   | 11,844,940                              | 11,844,940        |
| Investments              | 727,319                    | -                                   | -                                       | 727,319           |
| Current assets           | 813,133                    | 2,193,716                           | 3,743                                   | 3,010,592         |
| Current liabilities      | -                          | (775,674)                           | -                                       | (775,674)         |
| Pension scheme liability | -                          | (325,000)                           | -                                       | (325,000)         |
| Total net assets         | <u>1,540,452</u>           | <u>1,093,042</u>                    | <u>11,848,683</u>                       | <u>14,482,177</u> |

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

|                          | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Restricted<br>Fixed Asset<br>Funds<br>£ | Total Funds<br>£ |
|--------------------------|----------------------------|-------------------------------------|---|------------------|
| Tangible fixed assets    | -                          | -                                   | 9,727,500                               | 9,727,500        |
| Investments              | 789,997                    | -                                   | -                                       | 789,997          |
| Current assets           | 437,115                    | 1,899,713                           | 195,493                                 | 2,532,321        |
| Current liabilities      | (5,000)                    | (547,768)                           | -                                       | (552,768)        |
| Pension scheme liability | -                          | (2,570,000)                         | -                                       | (2,570,000)      |
| Total net assets         | <u>1,222,112</u>           | <u>(1,218,055)</u>                  | <u>9,922,993</u>                        | <u>9,927,050</u> |

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 19 Long-term commitments, including operating leases

##### Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

|  | 2022<br>£     | 2021<br>£    |
|--|---------------|--------------|
| Amounts due within one year            | 8,732         | 3,299        |
| Amounts due between one and five years | 31,580        | -            |
|  | <u>40,312</u> | <u>3,299</u> |

#### 20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

|  |    | 2022<br>£      | 2021<br>£      |
|--|----|----------------|----------------|
| Net income   |    | 1,679,977      | 421,156        |
| Depreciation   | 6  | 204,872        | 202,004        |
| Capital grants from DfE and other capital income               |    | (183,864)      | (430,632)      |
| Assets transferred on conversion from Local Authority          |    | (1,890,675)    | -              |
| Interest receivable  | 5  | (12,415)       | (12,915)       |
| Defined benefit pension scheme obligation inherited            | 25 | 297,000        | -              |
| Defined benefit pension scheme cost less contributions payable | 25 | 362,000        | 250,000        |
| Defined benefit pension scheme finance cost                    | 25 | 46,000         | 40,000         |
| Increase in debtors  |    | (302,707)      | (61,413)       |
| Increase in creditors  |    | 222,906        | 259,872        |
| Net cash provided by Operating Activities                      |    | <u>423,094</u> | <u>668,072</u> |

#### 21 Cash flows from investing activities

|   |  | 2022<br>£        | 2021<br>£      |
|---|--|------------------|----------------|
| Dividends, interest and rents from investments      |  | 12,415           | 12,915         |
| Purchase of tangible fixed assets                   |  | (431,637)        | (308,965)      |
| Purchase of investments                             |  | (75,766)         | -              |
| Proceeds from sale of investments                   |  | 63,594           | -              |
| (Increase)/decrease in fixed term deposits          |  | (208,229)        | -              |
| Capital funding received from sponsors and others   |  | 183,864          | 430,632        |
| Net cash (used in)/provided by investing activities |  | <u>(455,759)</u> | <u>134,582</u> |

#### 22 Analysis of cash and cash equivalents

|                                 |  | 2022<br>£        | 2021<br>£        |
|---------------------------------|--|------------------|------------------|
| Cash at bank and in hand        |  | <u>2,322,230</u> | <u>2,354,895</u> |
| Total cash and cash equivalents |  | <u>2,322,230</u> | <u>2,354,895</u> |

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 23 Analysis of changes in net debt

|       | At 1<br>September<br>2021<br>£ | Cash flows<br>£  | Acquisition /<br>disposal of<br>academies<br>£ | At 31 August<br>2022<br>£ |
|-------|--------------------------------|------------------|--|---------------------------|
| Cash  | <u>2,354,895</u>               | <u>(147,012)</u> | <u>114,347</u>                                 | <u>2,322,230</u>          |
| Total | <u>2,354,895</u>               | <u>(147,012)</u> | <u>114,347</u>                                 | <u>2,322,230</u>          |

#### 24 Member liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while 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.

#### 25 Pension and similar obligations

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

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

#### Teachers' Pension Scheme

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

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 25 Pension and similar obligations (continued)

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury 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 period amounted to £431,834 (2021: £376,575).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy 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.

##### Local government pension scheme

South Tyneside Council

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £255,000 (2021 - £208,000), of which employer's contributions totalled £197,000 (2021 - £160,000) and employees' contributions totalled £58,000 (2021 - £48,000). The agreed contribution rates for future years are 25.2 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.

Due to the current level of high inflation we have instructed the actuary to make an allowance in the Defined Benefit Obligation of the expected impact of CPI inflation on the pension increase order for April 2023. This is a change in accounting policy from previous years. It is expected that the April 2023 pension increase order will reflect CPI inflation therefore an allowance has been included in the results presented for CPI between September 2021 and the accounting date. This is recognised in other comprehensive income and reflects the market expectations at the accounting date.

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 25 Pension and similar obligations (continued)

##### Principal actuarial assumptions

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | %           | %           |
| Rate of increase in salaries                       | 4.20        | 4.10        |
| Rate of increase for pensions in payment/inflation | 2.70        | 2.60        |
| Discount rate for scheme liabilities               | 4.10        | 1.70        |
| Inflation assumptions (CPI)                        | <u>2.70</u> | <u>2.60</u> |

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

|                              | <b>2022</b>  | <b>2021</b>  |
|------------------------------|--------------|--------------|
| <b>Retiring today</b>        |              |              |
| Males retiring today         | 21.80        | 21.90        |
| Females retiring today       | 25.00        | 25.10        |
| <b>Retiring in 20 years</b>  |              |              |
| Males retiring in 20 years   | 23.50        | 23.60        |
| Females retiring in 20 years | <u>26.70</u> | <u>26.90</u> |

##### Sensitivity analysis

|  | <b>At 31 August<br/>2022</b> | <b>At 31 August<br/>2021</b> |
|--|------------------------------|------------------------------|
|  | £                            | £                            |
| Discount rate +0.1%                    | 4,300,000                    | 5,994,000                    |
| Discount rate -0.1%                    | 4,525,000                    | 6,308,000                    |
| Mortality assumption – 1 year increase | 4,287,000                    | 5,921,000                    |
| Mortality assumption – 1 year decrease | 4,533,000                    | 6,382,000                    |
| CPI rate +0.1%                         | 4,436,000                    | 6,185,000                    |
| CPI rate -0.1%                         | <u>4,384,000</u>             | <u>6,111,000</u>             |

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

|                              | <b>2022</b>      | <b>2021</b>      |
|------------------------------|------------------|------------------|
|                              | £                | £                |
| Equities                     | 2,198,000        | 1,990,000        |
| Corporate bonds              | 760,000          | 719,000          |
| Government bonds             | 65,000           | 75,000           |
| Property                     | 453,000          | 286,000          |
| Cash and other liquid assets | 74,000           | 143,000          |
| Other                        | 355,000          | 365,000          |
| Multi Asset Credit           | 180,000          | -                |
| Total market value of assets | <u>4,085,000</u> | <u>3,578,000</u> |

The actual return on scheme assets was (£74,000) (2021 - £560,000).

## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 25 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

|                                     | 2022<br>£      | 2021<br>£      |
|-------------------------------------|----------------|----------------|
| Current service cost                | 559,000        | 410,000        |
| Interest income                     | (68,000)       | (50,000)       |
| Interest cost                       | 114,000        | 90,000         |
|                                     | <u>605,000</u> | <u>450,000</u> |
| Total amount recognised in the SOFA | <u>605,000</u> | <u>450,000</u> |

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

|                              | 2022<br>£        | 2021<br>£        |
|------------------------------|------------------|------------------|
| At start of period           | 6,148,000        | 5,281,000        |
| Conversion of academy trusts | 649,000          | -                |
| Current service cost         | 559,000          | 410,000          |
| Interest cost                | 114,000          | 90,000           |
| Employee contributions       | 58,000           | 48,000           |
| Actuarial (gain)/loss        | (3,092,000)      | 401,000          |
| Benefits paid                | (26,000)         | (82,000)         |
|                              | <u>4,410,000</u> | <u>6,148,000</u> |
| At 31 August                 | <u>4,410,000</u> | <u>6,148,000</u> |

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

|                              | 2022<br>£        | 2021<br>£        |
|------------------------------|------------------|------------------|
| At start of period           | 3,578,000        | 2,892,000        |
| Conversion of academy trusts | 352,000          | -                |
| Interest income              | 68,000           | 50,000           |
| Actuarial gain/(loss)        | (142,000)        | 510,000          |
| Employer contributions       | 197,000          | 160,000          |
| Employee contributions       | 58,000           | 48,000           |
| Benefits paid                | (26,000)         | (82,000)         |
|                              | <u>4,085,000</u> | <u>3,578,000</u> |
| At 31 August                 | <u>4,085,000</u> | <u>3,578,000</u> |

#### 26 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. The following related party transactions took place in the financial period.



## Oak Learning Trust

### Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

#### 26 Related party transactions (continued)

##### Expenditure related party transactions

During the year the academy trust made the following related party transactions:

##### Mrs Moira Fitzpatrick

Mrs Moira Fitzpatrick is the mother of the Executive Head of Oak Learning Trust.

During the year the Trust obtained school improvement services totalling £7,000 (2021 - £4,800).

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2021.

The element above £2,500 has been provided 'at no more than cost' and Mrs Moira Fitzpatrick has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Mrs Moira Fitzpatrick was £Nil (2021 - £Nil).

#### 27 Conversion to an Academy Trust

On 1 November 2021 the Springwell Village Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Oak Learning Trust from the Gateshead Council Local Authority for £Nil consideration.

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

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

|                              | Unrestricted<br>fund<br>£ | Restricted<br>general fund<br>£ | Restricted<br>fixed asset<br>fund<br>£ | Total<br>£       |
|------------------------------|---------------------------|---------------------------------|--|------------------|
| Tangible fixed assets        |                           |                                 |  |                  |
| Leasehold land and buildings | -                         | -                               | 1,887,000                              | 1,887,000        |
| Other tangible fixed assets  | -                         | -                               | 3,675                                  | 3,675            |
| Budget surplus on LA funds   | 114,347                   | -                               | -                                      | 114,347          |
| LGPS pension deficit         | -                         | (297,000)                       | -                                      | (297,000)        |
| Net assets/(liabilities)     | <u>114,347</u>            | <u>(297,000)</u>                | <u>1,890,675</u>                       | <u>1,708,022</u> |

The above net assets include £114,347 that were transferred as cash.