

Company Registration Number: 10654345 (England & Wales)

**OAK LEARNING TRUST**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**OAK LEARNING TRUST**  
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**

R Thoburn (resigned 28 February 2019)  
J Moore  
A Bathan  
T Lillie (appointed 28 February 2019)

**Trustees**

P Best<sup>2,3</sup>  
F Cain<sup>2</sup>  
F Carroll<sup>1,3</sup>  
Councillor G Miller<sup>2,3</sup>  
Dr A.M. Taylor, Chief Executive Officer<sup>1,2,3</sup>  
I Oswald (resigned 1 March 2019)<sup>1</sup>  
R Thoburn, Chair to 28 February 2019 (resigned 28 February 2019)<sup>1</sup>  
Reverend J Wing, Vice Chair<sup>2,3</sup>  
T Lillie, Chair from 28 February 2019<sup>1</sup>

<sup>1</sup> Finance and General Purposes Committee

<sup>2</sup> Standards and Wellbeing Committee

<sup>3</sup> Personnel Committee

**Company registered number**

10654345

**Company name**

Oak Learning Trust

**Principal and registered office**

George Washington Primary School  
Well Bank Road  
Washington  
Tyne and Wear  
NE37 1NL

**Chief executive officer**

Dr A M Taylor

**Senior management team**

Dr A.M. Taylor, CEO  
Mrs L. McArdle, Head of School  
Miss V. Mellor, Head of School  
Mrs J. Hayden, Trust Business Manager

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

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**Independent auditors**

Ryecroft Glenton  
32 Portland Terrace  
Newcastle upon Tyne  
NE2 1QP

**Bankers**

Lloyds Bank plc  
54 Fawcett Street  
Sunderland  
SR1 1SF

**Solicitors**

Watson Burton LLP  
1 St James' Gate  
Newcastle upon Tyne  
NE99 1UQ

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**OAK LEARNING TRUST**  
(A company limited by guarantee)

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates 2 primary academies for pupils aged 4 to 11 serving catchment areas in Washington: George Washington Primary School and John F Kennedy Primary School. Its academies have a combined pupil capacity of 866 in the school census in October 2019, with 783 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 them 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.

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

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**Structure, governance and management (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 company 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 CEO is responsible for developing and leading the strategic vision of the Trust and all of the schools within it. Each school has a Head of School who are 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 pay review sub committee 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 a formal report from 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.

● **Trade union facility**

No employees are trade union representatives.

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

Directors 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.

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

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**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 providing a broad and balanced 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 Trusts main objectives have been:

- To maintain and improve on the standard of educational achievement for all children
- To ensure both schools continue to achieve above floor targets and above national average attainment and progress by the end of KS2
- 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 ensure that staff development is of high quality, building capacity within the Trust
- To develop a strong and effective Trust leadership team to promote further development of the Trust and the schools within it
- To improve and develop school sites across the trust
- To embed financial systems and procedures to comply with the AFH requirements
- To provide value for money
- To comply with all statutory and curriculum requirements
- To develop external collaboration working 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 improvements to the fabric and internal environment at John F Kennedy school site to maintain the building and improve the learning environments for pupils and staff. Across the Trust provision for mental health and wellbeing has also been developed.

The CEO has developed outward facing work this year working with both Together for Children and the North East Teaching Schools Partnership to support the development of leadership across the region.

The trust expanded its collaborative working with other schools and began to offer senior leadership support to a school locally.

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

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**Strategic report**

**Achievements and performance**

● **Key performance indicators**

The Trust KPI are:

1. All schools have a good or better Ofsted judgement.
2. Academic achievement across Trust schools is in line with or better than national averages by the end of KS2.
3. 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.
4. Pupil attendance is above 95% and approaching 96%.
5. All schools have a balanced in year budget with no end of year deficits.
6. Trust reserves are invested to produce additional income to further the Trust charitable purposes.

Our analysis shows:

1. Both schools are currently rated as good by Ofsted.
2. Academic achievement in both schools was above national averages by the end of KS2 with the exception of EGPS at GWPS.
3. In line with Trust policy, children entitled to pupil premium are included in all trips and residential regardless of ability to pay. They are actively included in sporting events, clubs and music tuition and their involvement is tracked in schools and where it is found to be low this is addressed by staff.
4. Annual attendance at GWPS was 94.2% last year and at JFKPS 95.1%. This is an area for improvement and a new post has been created by the trust to support pupil attendance and family wellbeing. The impact of this post will be closely monitored by the Heads of School and Trustees.
5. The accounts show that Trust finances are healthy and that both schools had balanced in year budgets with no deficits.
6. Trust reserves have generated additional income for the Trust over the financial year as detailed in the accounts.

● **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.



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

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**Strategic report (continued)**

**Achievements and performance (continued)**

● **Achievements and performance**

Schools within the Trust continue to perform well in academic tests. This is testament to the hard work and dedication of the pupils and staff and shows our approach of personalised learning through a vibrant and enriched curriculum leads to academic success.

Over the past year the Trust has encouraged its schools to develop not only the academic curriculum but also the wider, more holistic curriculum. School improvement has included work and initiatives to improve health outcomes, including mental health and overall wellbeing. The work for the mental health charter mark, the presence of a school counsellor, the Friends café to support those with dementia, the growing links between early years classes and local care homes, the introduction of the daily mile, extended and enriched outdoor play and learning opportunities and the installation of sensory and nurture rooms have all contributed to improved outcomes for our pupils and an improvement in their understanding of their own needs and the needs of those around them, including those from other generations.

George Washington Primary was part of a local pilot in the previous year to develop a mental health charter mark in the area which it achieved and it is now helping to spread this good practice across the local area by providing support to other schools and by a staff member acting as an accreditor for the award. The school also engaged in research with Schools North East as part of their Healthy MindEd project. The positive effect of the outdoors and exercise on wellbeing is well documented and the school embraces this in developing mental health provision. As well as continuing with a strong forest school programme across school, George Washington Primary school also implemented the Daily Mile programme to increase levels of exercise and time in the outdoors amongst pupils and staff. The school took part in a pilot of new SEND arrangements within the local authority to improve processes and procedures around SEND needs and funding. In response to local interest, the school worked collaboratively with Holy Trinity Church in High Usworth to open and host a café to support those suffering with dementia and their carers. This was an opportunity for intergenerational interaction and chance for pupils to learn more about dementia and to enjoy social activities alongside suffers and their carers.

John F Kennedy began to engage with the Mental Health Charter Mark this year and has reviewed its play provision at playtimes and lunchtimes and began an OPAL project to improve the quality of outdoor exploration and play at these times. The school also developed its forest school provision to include access to the on-site forest area by all year groups and to families through weekend workshops. John F Kennedy has developed its 30 hour Nursery provision this year in response to parental demand and this is now full. This has had a positive impact on the progress of those pupils attending for 30 hours.

The board is aware that both schools serve communities that have pockets of significant deprivation, recent IDACI reports showing that levels of deprivation are growing in our communities, and that because of this they need to continue to ensure that children are given chances to take part in a range of sporting and cultural activities that they may not have access to but that many of their age would take for granted.

Our strong commitment to sport, arts and performance continues and children have visited a range of local museums and theatres, successfully complete music exams with the ABRSM, worked with Opera North and taken part in a number of varied local sports competitions and sporting leagues.

All children in years 4, 5 and 6 are offered a place on a residential trip each year and take up is very high. Over the three years these trips offer an appreciation of the natural world (Y4), a cultural city visit (Y5) and an outward bound challenge trip (Y6). Feedback from children shows that they value these trips, enjoying the opportunity to be away from home with their friends and to learn in a different environment. The trust board appreciates the huge effort and commitment that staff in its schools make to enable these opportunities to take

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

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Strategic report (continued)

Achievements and performance (continued)

place.

Academically both schools traditionally have entry cohorts in which a significant number of children enter school below the expected level of development and yet by the time they leave school at the end of year 6, data shows cohorts performing in line and generally above the national average standard in both schools.

The Trust has worked hard to ensure that the academic performance of both schools was maintained or improved during the period. Close cross Trust working ensured that there was improving consistency between the schools and that staff development was supported cross Trust. This is apparent in the statutory outcomes. The strength within the Trust for supporting pupils to achieve at greater depth continues and will continue to be built upon to support more able pupils to reach their full potential. Where results have fallen short of the high standards we set plans are in place to address this within individual schools and across the Trust.

Key academic performance indicators are detailed overleaf; all attainment results are given as percentages:

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

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Strategic report (continued)

Achievements and performance (continued)

**Early Years**

	Reception GLD	National GLD
George Washington Primary	68	72
John F Kennedy Primary	71	72

**Key Stage 1 SATS**

Phonics

	Year 1 phonics check	National
George Washington Primary	74	82
John F Kennedy Primary	84	82

Key Stage 1 SATs

		KS1 school expected	KS1 National expected	KS1 school GDS	KS1 National GDS
George Washington Primary	R	78	75	32	25
	W	78	69	30	15
	M	82	76	35	22
John F Kennedy Primary	R	80	75	29	25
	W	76	69	22	15
	M	81	76	27	22

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

Strategic report (continued)

Achievements and performance (continued)

**KEY STAGE 2**

		KS2 Average score	National KS2 Average score	KS2 result expected	KS2 National expected	KS2 result GDS	KS2 National GDS	Progress KS1-2
G W P	R	106.1	104.4	85	73	31	27	0.43
	W	-	-	89	78	45	20	2.38
	GPaS	103.5	106.3	69	78	27	36	-
	M	106.1	105.4	88	79	28	29	-0.13
	RWM	-	-	82	66	18	11	-
J F K P	R	106.0	104.4	83	73	34	27	2.01
	W	-	-	84	78	38	20	3.10
	GPaS	106.2	106.3	81	78	33	36	-
	M	106.2	105.4	86	79	38	27	1.69
	RWM	-	-	79	66	17	11	-

**Financial review**

The Academy incurred a net surplus of £108,909 before accounting for actuarial losses on pension schemes. This figure comprises net income of £192,789 within the Academy's unrestricted and restricted income funds and a net deficit of £83,880 within its fixed asset funds.

At the year end, the Academy's free reserves totalled £1,605,248 (last year £1,232,458). 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 increased from £917,000 to £1,768,000 from the previous year. If this liability were to be included within the reserves figure, then reserves would fall to a deficit of £162,753.

Cash resources held by the Academy total £1,080,075 a net decrease of £373,861 over the previous year. In the year £600,000 has been invested from cash reserves with Rathbone for longer term investment.

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 2018 to 31st August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities on page 29 and 30. Details of all grants and income received can be found in notes 3 to 6.

During the period 1 September 2018 to 31 August 2019 expenditure amounting to £4,030,051 was incurred or accrued, including depreciation. This was offset by grants receivable from the ESFA, the Local Authority and

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

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Strategic report (continued)

Achievements and performance (continued)

income from lettings, parents and fundraising.

At 31 August 2019 the net book value of fixed assets was £9,696,950. 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 £625,805.

• Reserves policy

The value of free reserves held by the Academy, including the GAG and excluding the pension reserve, amount to £1,605,248 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.

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 is 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.

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

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**Strategic report (continued)**

(continued)

● **Investment policy**

The Trust construct 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 business manager and financial consultant will identify the situation and an investment will be made in accordance with the academy's financial 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 has been 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 will be monitored against the following benchmarks: MSCI WMA Growth Total Return Index as a short-term market-linked measure; Inflation (CPI) +4% as a long-term measure.

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

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**Strategic report (continued)**

(continued)

● **Principal risks and uncertainties**

The Trust maintains a financial risk management plan which is reviewed by the finance committee, to ensure satisfactory arrangements are in place to manage risk. There is an on going 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 and two deposit accounts .

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.

The Trustees work within the Guidance of the Academies Financial 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:

Systems of internal financial control monitored by senior staff and independent auditors who report to Finance, Audit and Estates committee.

Working with local community to maintain good standing of schools to maintain pupil numbers.

Strategies to continue to develop leadership and support succession planning. This year this has borne fruit as a senior member of staff has been seconded to another school and the capacity that has been developed previously has allowed internal temporary promotion of staff younger in their career into middle leadership roles and a middle leader into a senior leader role for the year 19/20. These strategies ensure that outcomes for pupils remain outstanding and the school's capacity to support improvement in other schools has been utilised and continues to be built.

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.

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

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**Strategic report (continued)**

(continued)

● **Investment returns**

The year ending 31 August 2019 was particularly volatile with the sharp sell-off in equities seen during the closing months of 2018 reversed by a snap recovery during the first half of 2019. Global economic activity slowed throughout the year, owing to a number of headwinds including ongoing trade tensions between America and China as well as continued uncertainty surrounding Brexit and the wider health of the European economy. However, against this backdrop of political upheaval, there was no evidence of an imminent worldwide recession into the financial year-end and investment markets returned their focus on the perceived positives of further monetary stimulus and no immediate threat of spiralling inflation. This saw the Oak Learning Trust investment deliver a positive return for the financial year, posting an overall net gain of 4.7%. Performance is measured against a peer group benchmark, MSCI WMA Growth (total return) which rose 3.6%. The drivers of returns during the year were mainly US equities, boosted by continued weakness in Sterling as well as many of the internationally focused, UK-listed equities which also benefited from the exchange rate movement. The outlook remains uncertain for the coming year with hopes pinned on an easing of US vs. China tensions and central banks remaining accommodative in monetary policy.

**Fundraising**

The majority of fundraising within the Trust has been from in school events. These have included sponsored events, "non uniform" days and Christmas and summer Fairs.

**Plans for future periods**

The Trust intends to continue to provide a very high standard of education to all pupils.

Schools across the Trust will continue to share good practice and staff CPD will be focussed on ensuring all schools are performing academically at the same consistently high level.

The Trust will continue to work to improve attendance to at least 96% and to decrease the proportion of persistent absence, this will be led by a new Trust attendance lead who will work across the Trust to support the improvement of attendance.

To work collaboratively with Sunderland Council and Together for Children to open an additionally resourced provision within JFK to meet the needs of pupils with autistic spectrum disorder.

To support a partner school with senior leadership resource and school improvement opportunities.

The Trust will continue to develop leadership at all levels, particularly in the foundation subjects. This will build capacity in the Trust leading to improved curricula, improved outcomes for pupils and will also motivate staff to remain with the Trust to develop their careers.



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

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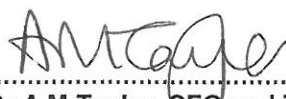
**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 11 December 2019 and signed on its behalf by:

  
.....  
**T Lillie, Chair of Trustees**

  
.....  
**Dr A M Taylor, CEO and Trustee**

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**OAK LEARNING TRUST**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT**

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**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.

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 4 times during the year.

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

Trustee	Meetings attended	Out of a possible
P Best	4	4
F Cain	4	4
F Carroll	4	4
Councillor G Miller	1	4
Dr A.M. Taylor, CEO	4	4
I Oswald	1	2
R Thoburn, Chair to 28 February 2019	2	2
Reverend J Wing, Vice Chair	4	4
T Lillie, Chair from 28 February 2019	2	4

The Trust board underwent change this year as the inaugural chair of the Trust resigned and an experienced Trustee was elected as the new Chair of Trustees. This was a smooth process and there was no negative impact on the working of the Trust. Recruitment of new trustees has been a focus for the Chair and CEO and they have undertaken robust recruitment processes to ensure that new Trustees matching the skills needs of the board were able to be appointed in the new academic year.

The local governing bodies of both schools are now well established and monitoring of school performance and holding the school leadership to account is embedded. Both bodies consist of staff, parent and community governors and have grown in skill and expertise over the year. This year improved communications between the local governing bodies and the board have been developed and both levels of governance report on their work to the other. This reporting strengthens governance within the Trust as communication is direct and is not solely through the Trust executive.

The Trust board and executive began work on reviewing its vision and values and developing a new strategic plan. This work is ongoing and a new strategic plan will be agreed in late 2019.

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. Trustees from this committee visit the schools on a termly 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.

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**OAK LEARNING TRUST**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

The Standards and Wellbeing Committee holds the CEO to account by closely scrutinising statutory data at the year end and internal termly assessment data looking for trends, underperformance and also good practice. This allows the Trustees to satisfy themselves that underperformance is being recognised and addressed and good practice is disseminated.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr A M Taylor, CEO	3	3
F Cain	3	3
P Best	3	3
Reverend J Wing, Vice Chair	2	3
Councillor G Miller	0	3

The Finance and Estates Committee is a subcommittee of the main Board of Trustees. Its purpose is 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 spent time researching investment opportunities and meeting with financial advisors to enable the committee to advise the board on an investment strategy moving forward. This was completed and a new investment strategy is now in place

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Dr A M Taylor, CEO	3	3
F Carroll	3	3
I Oswald	0	1
T Lillie	3	3
R Thoburn	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:

Trustee	Meetings attended	Out of a possible
Dr A M Taylor, CEO	2	2
F Carroll	1	2
P Best	2	2
G Miller (left committee March 19)	1	1
J Wing (joined March 19)	1	1

**GOVERNANCE STATEMENT (CONTINUED)**

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**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.

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:

- maintenance of some services "in house" to save on fees to external service providers
- review of contracts to ensure competitive quotes across the Trust schools and best value principles
- sharing of staffing resources across the Trust has reduced costs while improving performance
- developed staff to build capacity in the trust to endure strong academic outcomes
- ensured high academic 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

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

**GOVERNANCE STATEMENT (CONTINUED)**

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**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
- 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 considered the need for a specific internal audit function and has decided to appoint Ryecroft Glenton 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  
Cash and treasury management  
Fixed asset controls  
Procurement and purchasing controls  
Controls and invoicing on non GAG income

The auditors were satisfied with the standard of bookkeeping and internal controls used to protect the principles of regularity, propriety, and value for money and found no material or significant control issues.

On a termly basis, the internal auditor reports to the board of Trustees through the finance and estates committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. The report from the internal auditor was presented to the Finance and Estates committee by the Trust Business Manager.

**GOVERNANCE STATEMENT (CONTINUED)**

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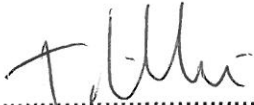
**Review of effectiveness**

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 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 and estates committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 11 December 2019 and signed on their behalf by:



.....  
**T. Lillie, Chair of Trustees**



.....  
**Dr A M Taylor, CEO and Accounting Officer**

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**OAK LEARNING TRUST**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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



**Dr A M Taylor, CEO and Accounting Officer**

Date: 11/12/19

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**OAK LEARNING TRUST**  
(A company limited by guarantee)

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2019**

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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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

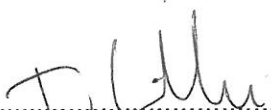
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 11 December 2019 and signed on its behalf by:

  
.....  
T Lillie, Chair of Trustees

  
.....  
Dr A M Taylor, CEO and Trustee



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

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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**OAK LEARNING TRUST**  
(A company limited by guarantee)

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

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**Other information**

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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**OAK LEARNING TRUST**  
(A company limited by guarantee)

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

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**Responsibilities of trustees**

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

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

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

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

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

**Use of our report**

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



**Detlev Anderson (Senior statutory auditor)**

for and on behalf of  
**Ryecroft Glenton**  
32 Portland Terrace  
Newcastle upon Tyne

NE2 1QP

16 December 2019

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**OAK LEARNING TRUST**  
(A company limited by guarantee)

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

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In accordance with the terms of our engagement letter dated 3 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Oak Learning Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Oak Learning Trust's funding agreement with the Secretary of State for Education dated 29 March 2017 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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### Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry with the Accounting Officer of her work done to support her statement on regularity, proprietary and compliance;
- Review of finance policies in place;
- Review of minutes for any significant items that may affect our conclusion;
- Enquiry into whether there have been any payments or write offs incurred under delegated authority which should be disclosed to the ESFA;
- Inspection of the register of pecuniary interests of the Trustees and a review of transactions to disclose any related or connected party transactions;
- Review of connected and related party transactions to ensure that correct procedures had been followed and that these were appropriate transactions for the Academy to enter into;
- Review of income streams for any activities which may be outside the Academy's charitable objectives;
- Inspection of BACS payment reports to ensure that correct procedures and authorisations had been observed;
- Review of cashbook transactions for significant or unusual transactions in the year and confirmed that these related to applicable charitable purposes;
- Review of credit card expenditure for indicators of purchases being made for personal use;
- Inspection of a number of purchase invoices during the year to ensure that the correct purchasing and procurement procedures had been followed;
- Review of expenditure to confirm that this has been applied in line with the grant terms;
- Enquiry with finance staff as to whether any borrowing has been entered into and whether this breaches the borrowing limits imposed by the funding agreement;
- Inspection of payroll reports for the year and confirmed that these have been suitably authorised;
- Review of a sample of employees from the monthly payroll reports to confirm existence and agree remuneration to supporting documentation; and
- Inspection of a sample of journals in the year to ensure that the correct authorisation procedures have been followed and that the adjustments relate to applicable charitable activities

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OAK LEARNING TRUST  
(A company limited by guarantee)

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

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**Conclusion**

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



Detlev Anderson (Senior Statutory Auditor)

Ryecroft Glenton

Date: 16 December 2019

**OAK LEARNING TRUST**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	-	3,000	-	3,000	-
Charitable activities	4	-	3,786,803	49,945	3,836,748	3,768,819
Investments	5	13,412	-	-	13,412	687
Other income	6	263,705	-	-	263,705	257,677
<b>Total income</b>		<b>277,117</b>	<b>3,789,803</b>	<b>49,945</b>	<b>4,116,865</b>	<b>4,027,183</b>
<b>Expenditure on:</b>						
Raising funds	7	4,066	-	-	4,066	-
Charitable activities	8	224,574	3,634,463	166,948	4,025,985	4,045,682
<b>Total expenditure</b>		<b>228,640</b>	<b>3,634,463</b>	<b>166,948</b>	<b>4,030,051</b>	<b>4,045,682</b>
Net gains on investments		22,095	-	-	22,095	-
<b>Net income/ (expenditure)</b>		<b>70,572</b>	<b>155,340</b>	<b>(117,003)</b>	<b>108,909</b>	<b>(18,499)</b>
Transfers between funds	19	-	(33,123)	33,123	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>70,572</b>	<b>122,217</b>	<b>(83,880)</b>	<b>108,909</b>	<b>(18,499)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(671,000)	-	(671,000)	334,000
<b>Net movement in funds</b>		<b>70,572</b>	<b>(548,783)</b>	<b>(83,880)</b>	<b>(562,091)</b>	<b>315,501</b>

OAK LEARNING TRUST  
(A company limited by guarantee)

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

Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Total funds brought forward	983,337	(667,879)	9,793,294	10,108,752	9,793,251
Net movement in funds	70,572	(548,783)	(83,880)	(562,091)	315,501
<b>Total funds carried forward</b>	<b>1,053,909</b>	<b>(1,216,662)</b>	<b>9,709,414</b>	<b>9,546,661</b>	<b>10,108,752</b>

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

The notes on pages 34 to 60 form part of these financial statements.



**OAK LEARNING TRUST**  
(A company limited by guarantee)  
REGISTERED NUMBER: 10654345

**BALANCE SHEET**  
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	9,696,950	9,793,294
Investments	15	625,805	-
		<u>10,322,755</u>	<u>9,793,294</u>
<b>Current assets</b>			
Debtors	16	117,691	189,223
Cash at bank and in hand		1,080,075	1,453,936
		<u>1,197,766</u>	<u>1,643,159</u>
Creditors: amounts falling due within one year	17	(205,859)	(410,701)
<b>Net current assets</b>		<u>991,907</u>	<u>1,232,458</u>
<b>Total assets less current liabilities</b>		<u>11,314,662</u>	<u>11,025,752</u>
<b>Net assets excluding pension liability</b>		<u>11,314,662</u>	<u>11,025,752</u>
Defined benefit pension scheme liability	25	(1,768,000)	(917,000)
<b>Total net assets</b>		<u><u>9,546,662</u></u>	<u><u>10,108,752</u></u>
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	9,709,414	9,793,294
Restricted income funds	19	551,338	249,121
		<u>10,260,752</u>	<u>10,042,415</u>
Restricted funds excluding pension asset	19	10,260,752	10,042,415
Pension reserve	19	(1,768,000)	(917,000)
<b>Total restricted funds</b>	19	<u>8,492,752</u>	<u>9,125,415</u>
<b>Unrestricted income funds</b>	19	<u>1,053,910</u>	<u>983,337</u>
<b>Total funds</b>		<u><u>9,546,662</u></u>	<u><u>10,108,752</u></u>

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**OAK LEARNING TRUST**  
(A company limited by guarantee)

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

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The financial statements on pages 29 to 60 were approved by the Trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:

  
T Lillie, Chair of Trustees

  
Dr A M Taylor, CEO and Accounting Officer

The notes on pages 34 to 60 form part of these financial statements.

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**OAK LEARNING TRUST**  
(A company limited by guarantee)

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

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	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	233,385	156,017
<b>Cash flows from investing activities</b>	22	(607,246)	(76,077)
<b>Change in cash and cash equivalents in the year</b>		(373,861)	79,940
Cash and cash equivalents at the beginning of the year		1,453,936	1,373,996
<b>Cash and cash equivalents at the end of the year</b>	23	<u>1,080,075</u>	<u>1,453,936</u>

The notes on pages 34 to 60 form part of these financial statements

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

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**1. Accounting policies**

**General information**

Oak Learning Trust is a charitable company incorporated in England and Wales (company number: 10654345). The address of its registered office and principal place of business is George Washington Primary School, Well Bank Road, Washington, Tyne and Wear, NE37 1NL.

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

**1.1 Basis of preparation of financial statements**

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

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

**1.2 Going concern**

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

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

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1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.4 Expenditure

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

• **Expenditure on raising funds**

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

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

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**1. Accounting policies (continued)**

**1.4 Expenditure (continued)**

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

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

**1.6 Tangible fixed assets**

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

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- Straight line over 15 / 50 years
Furniture and fixtures	- Straight line over 7 years
Computer equipment	- Straight line over 3 years

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

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

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1. Accounting policies (continued)

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments held as fixed assets are shown at cost less provision for impairment.

1.8 Debtors

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

1.9 Cash at bank and in hand

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

1.10 Liabilities

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

1.11 Financial instruments

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

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

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

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

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**1. Accounting policies (continued)**

**1.12 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

The academy is a member of a multi-employer plan. Where it is not possible for the academy to obtain sufficient information to enable it to account for the plan as a defined benefit plan, it accounts for the plan as a defined contribution plan.

**1.13 Fund accounting**

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

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

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

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



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

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

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

Critical accounting estimates and assumptions:

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

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

**3. Income from donations**

	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>
Donations	3,000	3,000
<i>Total 2018</i>	-	-

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NOTES TO THE FINANCIAL STATEMENTS  
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4. Funding for the academy's direct costs

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	3,068,172	3,068,172	3,143,630
Other DfE / ESFA grants	505,122	505,122	481,168
Capital grants	49,944	49,944	17,397
	<u>3,623,238</u>	<u>3,623,238</u>	<u>3,642,195</u>
SEN funding	53,634	53,634	18,415
Early years funding	146,591	146,591	108,209
Other government grants	13,285	13,285	-
	<u>3,836,748</u>	<u>3,836,748</u>	<u>3,768,819</u>

5. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income - local cash	5,891	5,891	687
Investment income - other investments	7,521	7,521	-
	<u>13,412</u>	<u>13,412</u>	<u>687</u>

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**6. Other incoming resources**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Other self generated income	24,320	<b>24,320</b>	36,715
Lettings and out of school club	101,920	<b>101,920</b>	101,067
Trips and music lessons income	62,547	<b>62,547</b>	53,005
Lunch income	74,918	<b>74,918</b>	66,225
	<u>263,705</u>	<u><b>263,705</b></u>	<u>257,677</u>

**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>
Expenditure on investment management	-	-	4,066	<b>4,066</b>
Direct costs	2,253,636	154,883	557,977	<b>2,966,496</b>
Allocated support costs	637,977	274,810	146,702	<b>1,059,489</b>
	<u>2,891,613</u>	<u>429,693</u>	<u>708,745</u>	<u><b>4,030,051</b></u>

	<i>Staff Costs 2018 £</i>	<i>Premises 2018 £</i>	<i>Other 2018 £</i>	<i>Total 2018 £</i>
Direct costs - Educational Operations				
Direct costs	2,263,956	154,346	567,956	2,986,258
Allocated support costs	582,964	341,332	135,128	1,059,424
	<u>2,846,920</u>	<u>495,678</u>	<u>703,084</u>	<u>3,845,682</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Educational Operations	2,966,496	1,059,489	<b>4,025,985</b>

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Direct costs - Educational Operations	2,986,258	1,059,424	4,045,682

Analysis of direct costs

	Activities 2019 £	Total funds 2019 £	Total funds 2018 £
Pension interest	23,000	23,000	27,000
Staff costs	2,253,637	2,253,637	2,263,956
Depreciation	166,948	166,948	161,993
Educational Operations	195,679	195,679	190,880
Technology costs	789	789	8,756
Professional services	12,354	12,354	19,101
Other staff costs	21,589	21,589	19,000
Other direct costs	11,744	11,744	8,209
Transport costs	15,006	15,006	16,518
Catering	265,750	265,750	270,845
	<b>2,966,496</b>	<b>2,966,496</b>	2,986,258

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NOTES TO THE FINANCIAL STATEMENTS  
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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2019 £	Total funds 2019 £	Total funds 2018 £
Staff costs	637,977	637,977	582,964
Technology costs	28,352	28,352	14,459
Premises costs	274,809	274,809	341,332
Other support costs	101,866	101,866	107,729
Support costs - Governance	16,485	16,485	12,940
	<u>1,059,489</u>	<u>1,059,489</u>	<u>1,059,424</u>

Governance costs (Support) consist of:

	2019 £	2018 £
Auditors' remuneration	7,380	6,000
Accountancy	5,325	4,500
Internal audit services	3,780	2,440
	<u>16,485</u>	<u>12,940</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	13,196	21,232
Depreciation of tangible fixed assets	166,947	161,993
Governance internal audit costs	3,780	2,440
Fees paid to auditors for:		
- audit	7,380	6,000
- other services	5,325	4,500
	<u>186,528</u>	<u>195,165</u>

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

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**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	2,080,260	2,076,043
Social security costs	190,252	194,407
Pension costs	542,526	472,659
	<u>2,813,038</u>	<u>2,743,109</u>
Agency staff costs	70,880	83,116
Staff restructuring costs	7,695	20,695
	<u><u>2,891,613</u></u>	<u><u>2,846,920</u></u>

Staff restructuring costs comprise:

	2019	2018
	£	£
Severance payments	7,695	20,695
	<u>7,695</u>	<u>20,695</u>

**b. Non-statutory/non-contractual staff severance payments**

Non contractual severance payments were made to no members of staff in the year. (2018: 2 members of staff of £5,000 and £8,000).

**c. Staff numbers**

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

	2019	2018
	No.	No.
Management	13	13
Teaching	32	32
Administration and support	50	46
	<u>95</u>	<u>91</u>

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

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10. Staff costs (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Management	13	13
Teaching	28	28
Administration and support	32	31
	<u>73</u>	<u>72</u>

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	1	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>-</u>

e. Key management personnel

The key management personnel of the academy trust comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust for the year to 31 August 2019 was £319,202 (2018 : £347,043).

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**11. Central services**

The academy 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 charges for these services on the following basis:

The charge is 6% of GAG and nursery income.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
George Washington Primary School	93,869	-
John F Kennedy Primary School	97,899	-
<b>Total</b>	<u>191,768</u>	<u>-</u>

**12. Trustees' remuneration and expenses**

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

		2019 £	2018 £
Dr A M Taylor, Executive Head Teacher	Remuneration	110,000 -	105,000 -
		115,000	110,000
	Pension contributions paid	15,000 -	15,000 -
		20,000	20,000

During the year, retirement benefits were accruing to 1 Trustees (2018 - 1) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).



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FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

**14. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2018	9,950,401	68,076	-	10,018,477
Additions	-	52,267	18,336	70,603
At 31 August 2019	<u>9,950,401</u>	<u>120,343</u>	<u>18,336</u>	<u>10,089,080</u>
<b>Depreciation</b>				
At 1 September 2018	217,536	7,647	-	225,183
Charge for the year	154,883	11,626	438	166,947
At 31 August 2019	<u>372,419</u>	<u>19,273</u>	<u>438</u>	<u>392,130</u>
<b>Net book value</b>				
At 31 August 2019	<u>9,577,982</u>	<u>101,070</u>	<u>17,898</u>	<u>9,696,950</u>
At 31 August 2018	<u>9,732,865</u>	<u>60,429</u>	<u>-</u>	<u>9,793,294</u>

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

George Washington Primary School was valued on 1st April 2013 at £4,851,000 which included land of £1,469,730.

John F Kennedy Primary School was valued on 31 March 2017 at £5,051,000 which included land of £849,400.

Included within the figures above is land of £2,319,130 which is not depreciated.

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NOTES TO THE FINANCIAL STATEMENTS  
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15. Fixed asset investments

	Listed investments £	Other fixed asset investments £	Total £
<b>Cost or valuation</b>			
Additions	624,283	600,000	1,224,283
Disposals	(56,287)	(564,287)	(620,574)
Revaluations	22,095	-	22,095
<b>At 31 August 2019</b>	<b>590,092</b>	<b>35,713</b>	<b>625,805</b>
<b>Net book value</b>			
<b>At 31 August 2019</b>	<b>590,092</b>	<b>35,713</b>	<b>625,805</b>

16. Debtors

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	372	17,662
Other debtors	81,032	141,312
Prepayments and accrued income	36,287	30,249
	<b>117,691</b>	<b>189,223</b>

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	130,866	333,177
Other creditors	61,946	60,798
Accruals	13,047	16,726
	<b>205,859</b>	<b>410,701</b>

Other creditors relate to deferred income as detailed per the note below. At the balance sheet date the academy trust was holding funds received in advance in relation to universal infant school meals.

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NOTES TO THE FINANCIAL STATEMENTS  
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Deferred income

	2019 £	2018 £
Deferred income at 1 September 2018	60,798	66,534
Resources deferred during the period	61,946	60,798
Amounts released from previous years	(60,798)	(66,534)
<b>Deferred income at 31 August 2019</b>	<b>61,946</b>	<b>60,798</b>

18. Financial instruments

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	625,805	-
Financial assets that are debt instruments measured at amortised cost	55,631	73,104
	<u>681,436</u>	<u>73,104</u>
	2019 £	2018 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(173,357)	(410,701)

Financial assets measured at fair value through income and expenditure comprise listed investments.

Financial assets that are debt instruments measured at amortised cost comprise trade and sundry debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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NOTES TO THE FINANCIAL STATEMENTS  
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19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	983,337	277,117	(228,639)	-	22,095	1,053,910
<b>Restricted general funds</b>						
General Annual Grant (GAG)	249,121	3,068,172	(2,567,132)	(201,123)	-	549,038
Other DfE / ESFA grants	-	505,122	(505,122)	-	-	-
Other government grants	-	213,509	(213,509)	-	-	-
Hardship fund	-	3,000	(700)	-	-	2,300
Pension reserve	(917,000)	-	(348,000)	168,000	(671,000)	(1,768,000)
	<u>(667,879)</u>	<u>3,789,803</u>	<u>(3,634,463)</u>	<u>(33,123)</u>	<u>(671,000)</u>	<u>(1,216,662)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	9,793,294	49,945	(166,948)	33,123	-	9,709,414
<b>Total Restricted funds</b>	<u>9,125,415</u>	<u>3,839,748</u>	<u>(3,801,411)</u>	<u>-</u>	<u>(671,000)</u>	<u>8,492,752</u>
<b>Total funds</b>	<u>10,108,752</u>	<u>4,116,865</u>	<u>(4,030,050)</u>	<u>-</u>	<u>(648,905)</u>	<u>9,546,662</u>

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

General Annual Grant - General Annual Grant must be used for the normal running of the Academy.

Other DfE/ ESFA grants include Pupil premium, PE and sports grant, Teachers pay grant and Universal infant free school meals funding.

Other government grants include SEN and Early Years funding and miscellaneous grants.

The Hardship fund comprises money received from Holy Trinity Church High Usworth to help families in need.

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

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

Restricted fixed asset funds relate to assets transferred from the Local Authority and Sunderland City Council on conversion to an Academy Trust and subsequent additions purchased from capital grants from DfE / ESFA.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
George Washington Primary School	837,281	675,424
John F Kennedy Primary School	728,778	557,034
Oak Learning Trust - Central Services	39,189	-
Total before fixed asset funds and pension reserve	<u>1,605,248</u>	<u>1,232,458</u>
Restricted fixed asset fund	9,709,414	9,793,294
Pension reserve	(1,768,000)	(917,000)
<b>Total</b>	<u><u>9,546,662</u></u>	<u><u>10,108,752</u></u>

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

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
George Washington Primary School	1,182,608	238,345	116,373	357,280	<b>1,894,606</b>
John F Kennedy Primary School	1,144,246	176,772	116,652	326,228	<b>1,763,898</b>
Oak Learning Trust - Central Services	73,006	78,036	1,200	52,357	<b>204,599</b>
<b>Academy</b>	<b>2,399,860</b>	<b>493,153</b>	<b>234,225</b>	<b>735,865</b>	<b>3,863,103</b>

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19. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
<b>Unrestricted funds</b>						
General Funds	926,919	257,010	(200,592)	-	-	983,337
<b>Restricted general funds</b>						
General Annual Grant (GAG)	136,731	3,143,630	(2,808,951)	(222,289)	-	249,121
Other DfE / ESFA grants	-	481,168	(481,168)	-	-	-
Other government grants	-	126,624	(126,624)	-	-	-
Apprenticeship grant	-	500	(500)	-	-	-
Community Chest grant	-	854	(854)	-	-	-
Pension reserve	(1,149,000)	-	(265,000)	163,000	334,000	(917,000)
	<u>(1,012,269)</u>	<u>3,752,776</u>	<u>(3,683,097)</u>	<u>(59,289)</u>	<u>334,000</u>	<u>(667,879)</u>
<b>Restricted fixed asset funds</b>						
Restricted fixed asset funds	9,878,601	17,397	(161,993)	59,289	-	9,793,294
<b>Total Restricted funds</b>	<u>8,866,332</u>	<u>3,770,173</u>	<u>(3,845,090)</u>	<u>-</u>	<u>334,000</u>	<u>9,125,415</u>
<b>Total funds</b>	<u><u>9,793,251</u></u>	<u><u>4,027,183</u></u>	<u><u>(4,045,682)</u></u>	<u><u>-</u></u>	<u><u>334,000</u></u>	<u><u>10,108,752</u></u>

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20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	9,696,950	9,696,950
Fixed asset investments	625,805	-	-	625,805
Current assets	633,964	551,338	12,464	1,197,766
Creditors due within one year	(205,859)	-	-	(205,859)
Provisions for liabilities and charges	-	(1,768,000)	-	(1,768,000)
<b>Total</b>	<b>1,053,910</b>	<b>(1,216,662)</b>	<b>9,709,414</b>	<b>9,546,662</b>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	9,793,294	9,793,294
Current assets	1,394,038	249,121	-	1,643,159
Creditors due within one year	(410,701)	-	-	(410,701)
Provisions for liabilities and charges	-	(917,000)	-	(917,000)
<b>Total</b>	<b>983,337</b>	<b>(667,879)</b>	<b>9,793,294</b>	<b>10,108,752</b>



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21. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	108,909	(18,499)
<b>Adjustments for:</b>		
Depreciation	166,947	161,993
Capital grants from DfE and other capital income	(49,945)	(17,397)
Interest receivable	(13,412)	(687)
Defined benefit pension scheme cost less contributions payable	157,000	75,000
Defined benefit pension scheme finance cost	23,000	27,000
Decrease/(increase) in debtors	71,680	(26,994)
Decrease in creditors	(204,842)	(44,399)
Gains on investments	(22,095)	-
Income retained within investments	(7,923)	-
Expenditure within investments	4,066	-
<b>Net cash provided by operating activities</b>	<b>233,385</b>	<b>156,017</b>

22. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	13,412	687
Purchase of tangible fixed assets	(70,603)	(94,161)
Transfer to Investment advisors	(600,000)	-
Capital grants from DfE Group	49,945	17,397
<b>Net cash used in investing activities</b>	<b>(607,246)</b>	<b>(76,077)</b>

23. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,080,075	1,453,936
<b>Total cash and cash equivalents</b>	<b>1,080,075</b>	<b>1,453,936</b>

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**24. Contingent liabilities**

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation has been made in the FRS102 LGPS pension liability for this year. Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced.

**25. Pension commitments**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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25. Pension commitments (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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £216,816 (2018 - £234,657).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £207,000 (2018 - £206,000), of which employer's contributions totalled £168,000 (2018 - £163,000) and employees' contributions totalled £39,000 (2018 - £38,000). 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.

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25. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.6	3.5
Rate of increase for pensions in payment/inflation	2.1	2
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.1	2

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.9	22.9
Females	25.1	26.4
<i>Retiring in 20 years</i>		
Males	23.6	25.1
Females	26.9	28.7

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	4,353	3,201
Discount rate -0.1%	4,560	3,353
Mortality assumption - 1 year increase	4,606	3,369
Mortality assumption - 1 year decrease	4,306	3,184
Rate of general increase in salaries +0.1%	4,502	3,311
Rate of general increase in salaries -0.1%	4,408	3,241

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25. Pension commitments (continued)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,761,000	1,592,000
Corporate bonds	306,000	264,000
Property	231,000	201,000
Cash and other liquid assets	56,000	52,000
Government bonds	110,000	94,000
Other	223,000	156,000
<b>Total market value of assets</b>	<b>2,687,000</b>	<b>2,359,000</b>

The actual return on scheme assets was £137,000 (2018 - £144,000).

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

	2019 £	2018 £
Current service cost	225,000	238,000
Past service cost	100,000	-
Interest cost	23,000	27,000
<b>Total amount recognised in the Statement of financial activities</b>	<b>348,000</b>	<b>265,000</b>

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

	2019 £	2018 £
<b>At 1 September</b>	<b>3,276,000</b>	<b>3,170,000</b>
Current service charge	225,000	238,000
Interest cost	92,000	80,000
Employee contributions	39,000	38,000
Actuarial losses/(gains)	739,000	(243,000)
Benefits paid	(16,000)	(7,000)
Past service costs	100,000	-
<b>At 31 August</b>	<b>4,455,000</b>	<b>3,276,000</b>

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**25. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>2,359,000</b>	<b>2,021,000</b>
Interest income	69,000	53,000
Actuarial gains	68,000	91,000
Employer contributions	168,000	163,000
Employee contributions	39,000	38,000
Benefits paid	(16,000)	(7,000)
<b>At 31 August</b>	<b><u>2,687,000</u></b>	<b><u>2,359,000</u></b>

**26. Operating lease commitments**

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

	2019 £	2018 £
Later than 1 year and not later than 5 years	<b><u>13,196</u></b>	<b><u>26,393</u></b>

**27. Members' liability**

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

**28. Related party transactions**

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

In the year to 31st August 2019, school improvement services to the individual schools have been purchased from Mrs Moira Fitzpatrick, the mother of the Executive Head amounting to £4,800 (2018: £1,000 at cost).