

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	H King N Cavill T Blackshaw H Callaghan (appointed 30 June 2020)
Trustees	G Beattie, Trustee B Braes, Chair (appointed 1 September 2020) A Gibson, Trustee (resigned 9 October 2019) M Greaves, Trustee N Hancock, Trustee P Hoare, Trustee (resigned 16 September 2019) H King, Chair (resigned 31 August 2020) I Robinson, Chief Executive P Smith, Trustee J Steward, Trustee A Webster, Trustee (appointed 30 June 2020) J Coop, Trustee (appointed 30 June 2020) M Hurst, Trustee (appointed 15 January 2020) D McKechnie, Trustee (appointed 30 June 2020)
Company registered number	11692743
Company name	The Oak Partnership Trust
Principal and registered office	West Monkton Church of England Primary School Bridgewater Road Bathpool Taunton TA2 8FT
Company secretary	C Brown
Chief executive officer	I Robinson
Senior management team	I Robinson, Chief Executive Officer T Robb, Executive School Business Manager (resigned 14/08/2020) S Harber, Acting Executive School Business Manager (from 14/08/2020)
Independent auditors	Griffin Chartered Accountants Registered Auditors 165 High Street Honiton EX14 1LQ

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Bankers

Lloyds Bank PLC
3rd Floor Citymark
150 Fountainbridge
Edinburgh
EH3 9PE

THE OAK PARTNERSHIP TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Oak Partnership Multi Academy Trust operates four schools located in North Taunton, Somerset over five sites:

- Blackbrook Community Primary School
- Ruishton CE Primary School and Woodlands Pre-school
- Selworthy Special School Oakhill Primary Campus
- Selworthy Special School Hazelbrook Secondary Campus
- West Monkton CE Primary School and Little Herons Nursery

With a special school, three primary schools of different sizes and successful nursery and pre-school provision, The Oak Partnership demonstrates richness and diversity.

Its academies have a combined learner capacity of 1048 across Reception to Year 14 and had 996 on roll in the October census in 2020, as well as an additional 97 pre-school and nursery learners.

Structure, governance and management

a. Constitution

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

The charitable company's Articles of Association is the primary governing document of the Academy Trust.

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

The charitable company is known as The Oak Partnership 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.

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides unlimited cover on any one claim the cost of this insurance is included in the total RPA insurance cost.

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

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Oak Partnership Trust has set out in its Articles of Association and Funding Agreements:

- up to 9 Directors who are appointed by members
- up to 3 Directors who are appointed by the Diocese of Bath & Wells, provided that the total number of these Directors would not exceed 25% of the total number of Directors.
- up to 2 Co-opted Directors who are appointed by the Board of Directors.
- the Chief Executive Officer
- the Academies within the Trust all have Local Governing Committees, but if this were not the case, there is allowance for at least 2 and up to 3 Parent Directors elected by Parents of learners at the academies.

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

When appointing new Directors, the Board gives consideration to the skills and experience mix of existing Directors in order to ensure that the Board has the necessary skills to contribute fully to the Academy Trust's development.

e. Policies adopted for the induction and training of Trustees

The Academy Trust has a Director Recruitment, Induction and Training policy available from the Clerk to the Oak Partnership. The Trust buys in support from the Local Authority Governor Services Team and other external bodies. The training and induction provided for new Directors will depend upon their existing experience but would in normal circumstances include a tour and a chance to meet staff and learners. Covid-19 has clearly impacted on this arrangement but is hoped will resume at the earliest opportunity. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors. As there are normally only two or three new Directors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

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

Structure, governance and management (continued)

f. Organisational structure

The Board of Directors of The Oak Partnership Trust usually meets 6 times per academic year. The Board formally met 8 times during the academic year 2019-20 including 5 virtual meetings and the Directors and Members were satisfied that this was sufficient to ensure the necessary governance and especially the challenges presented by Covid-19. The Board has established a framework for the governance of the Academy Trust, and through its Scheme of Delegation determines the membership, terms of reference and procedures of the Local School Committees of the Board. The Board of Directors has an agreed governance structure, Scheme of Delegation and Scheme of Financial Delegation.

During 2019-20, the following sub Committees met:

- Finance and Audit Committee: this meets at least three and usually five times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the internal audit and recommending to the Board the annual budget including staffing levels. It met 5 times in 2019/20 including 2 virtual meetings
- Standards Committee: this will meet at least three times during each academic year. The purpose of the committee is to consider, report back and make recommendations to the Board of Directors on issues relating to educational standards, the Oak Partnership curriculum and statutory requirements. It met only 2 times in 2019/20 as scheduled meeting 17th March was cancelled
- Pay Committee: this will meet at least twice during each academic year. The purpose of this committee is to achieve the aims of the Trust's pay policy in a fair and equal manner.

The Board of Directors reserves some decisions to itself. These include:

- Appointment of CEO
- Appointment of Company Secretary
- Establishment of Governance Structure
- Determination of the vision, values and ethos of The Oak Partnership Trust
- Approval of the Annual Budget

The Directors are responsible for setting general policy, adopting an annual strategic plan and budget, approving the statutory accounts, monitoring individual academies within the Trust by the use of budgets and other data, and making major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Board of Directors has devolved responsibility for day to day management of the Academy Trust to the Central Executive Team, including the Chief Executive Officer (CEO) and the Executive Schools Business Manager (ESBM). The Executive Team ensure that individual academies implement the policies as laid down by the Directors and report back to them on performance.

The Trust has a Governance and leadership structure which consists of the Directors, CEO, ESBM and the Senior Leadership Team. The Senior Leadership Team (SLT) consists of the Academy Headteachers. The Headteachers manage their academies, implementing the policies laid down by the Directors. Budget holders are responsible for the authorisation of spending within agreed budgets, as laid out in the Financial Scheme of Delegation.

The CEO is the Accounting Officer.

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

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The members of the senior leadership team and the Headteachers comprise the key management personnel of each academy in charge of directing and controlling, running and operating the Trust on a day to day basis.

All Directors give their time freely and no Director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is based on recommended national pay scales with an element of performance related pay.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	-
Total pay bill	3,770,955
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

i. Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence the decisions and operations of The Oak Partnership Trust. There are no sponsors associated with the Trust.

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

Structure, governance and management (continued)

Objectives and activities

a. Objects and aims

The Trust's object is to advance education for the public benefit, by establishing and maintaining Academies which shall offer a broad and balanced curriculum. This includes Church of England Academies, and Academies without a designated religious character.

b. Objectives, strategies and activities

As an ambitious Partnership we will demonstrate a commitment, both individually and collectively, to: continuous improvement; ongoing development; recognition of achievement; empowering and building aspiration.

The ability to show compassion is a core value for The Oak Partnership Trust and is reflected through understanding, kindness and awareness. Every child matters and integral to this value is the need to be forgiving, tolerant and demonstrate empathy to others.

As an inclusive Partnership, belonging to our community means everyone's voice is heard. We build equality of opportunity for all to flourish.

The Oak Partnership Vision

- Inspiring children to be life-long learners, our schools create a rich and varied curriculum that excites and inspires.
- Working together we develop great teaching and create inspiring learning environments.
- Leaders support, challenge and hold each other to account.
- Promoting personal development, welfare and character our schools ensure individual achievement and success.
- Making the most of partnerships, we collaborate both within The Oak Partnership and beyond.
- All our staff expect high standards of attainment and progress.

The Oak Partnership is underpinned by the following values:

- Community
- Trust
- Responsibility
- Respect
- Compassion

As a Multi Academy Trust we have agreed a set of values which underpin how we will live our life together as a community of schools. Each school has well established values that they promote within their own school community, to set the ethos and tone, which has served them well and The Oak Partnership support these. Our wish is that our values will evolve and develop into a defined model as we grow.

The Oak Partnership operates on the basis of mutual accountability. This means that each individual Academy needs to be responsible to its fellow Academies within the Trust. The Board retains ultimate accountability and responsibility, but within this, each Academy recognises its mutual responsibility to ensure responsibility and governance within the Trust. All Academies and the Trust Central Function and the Trust Board are therefore mutually accountable to each other.

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

Objectives and activities (continued)

The Oak Partnership Trust has developed a set of guiding principles from which the aims and curriculum domains have been developed. These provide a secure base on which local decisions are made. All our school curriculums should:

- Support the basic and psychological needs to enable all learners to achieve their full potential.
- Prepare our learners for the world so that they can manage and find meaning in life.
- Provide equity for all learners with a focus on increasing social and cultural capital.
- Have a clearly defined set of values at its core
- Balance between different types of knowledge
- Develop their metacognitive and learning behaviours
- Develop partnerships between school and local organisations to enrich learning
- Expect the highest standards in all areas of learning
- Excite children's imagination so they readily engage and advance their understanding.

c. Public benefit

The Directors confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties.

They have referred to the relevant guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities. The Academy Trust aims to advance for the public benefit, education in Somerset. In particular, by maintaining, managing and development schools and offering a broad curriculum. The Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the community.

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

Objectives and activities (continued)

Strategic report

Achievements and performance

The Trust has supported ambitious School Development Plans within each Academy, and a MAT Development Plan reflects the key priorities for the Trust for the year ahead. These have been cascaded down to the Headteacher's and are identified as school priorities, and are in turn, cascaded down within the schools performance management process to leaders and teachers.

The Trust's approach to performance management in general this year, given the impact of the Covid-19 measures on the objectives set for a wide range of staff, might be described as: reviewers should be minded to allow progression against the objectives and to progression along the pay spine, unless there are strong reasons not to do so (a separate procedure outside of the performance management process but which impacts upon it, for instance).

Key performance indicators

As schools have been partially closed from March to September 2020, statutory assessments used to measure progress and attainment were not undertaken. We therefore have no headline data for EYFS, Phonics, KS1 or KS2.

Upon fully opening in September, the schools have undertaken a rigorous summative assessment process in order to establish re-entry baselines from which we will be able to demonstrate the impact of our post-closure strategies.

OFSTED Ratings

Blackbrook – Good (11/04/2018)
Ruishton – Good (22/05/2018)
Selworthy – Good (16/11/2017)
West Monkton – Good (15/03/2018)

Audit Review and Ratings

Selworthy's Challenge Partners QA Review – Good (05/02/2019 – 07/02/2019)

The external QA Reviews were scheduled for March for the three primary schools, due to partial closure these did not take place.

Environment

The Trust also takes its duty to our environment seriously. The Trust recognises that the learners for whom it cares and provides are growing up with the prospect of significant adverse impacts from climate change. The Trust has recycling provision at all of its sites. The new facility at Hazelbrook Campus which opened in September 2019 has solar panels installed to reduce the carbon footprint of the facility, and the Trust has Electric vehicle charging points installed, and is pursuing grants to fund the expansion of this facility, with the possibility that these will positively impact on the community by being available for public use.

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

Strategic report (continued)

Achievements and performance (continued)

a. Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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.

Financial review

a. Reserves policy

The Board of Trustees agreed a reserves policy in-line with Department for Education guidance. The Trust will aim to keep a minimum of one month's salary expenditure (approximately £600,000) to guard against short-term risks, with revenue reserves at the year end being £405,298. Where possible and appropriate, the Trust Board will decide to reinvest carried forward reserve to improve the education for our learners. The Trust's reserve policy will be reviewed on at least an annual basis.

b. Investment policy

The Trust uses its banking facilities with Lloyds to hold any cash balances surplus to immediate needs. This reflects an appropriate risk averse approach to investments, and attracts interest payments. The Trust does not hold any volatile financial investments or instruments.

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TRUSTEES' REPORT (CONTINUED)
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c. Principal risks and uncertainties

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

Learner Attainment and Engagement: the Trust's core purpose is to provide excellent education to its learners. To mitigate against the risk of learner attainment and engagement falling, the Trust ensures that a broad and high quality curriculum is delivered and monitored through Local Governing Committees and other governance systems.

Financial: the Trust has considerable reliance on continued Government funding through the ESFA. A very high proportion of the Trust's income is ultimately Government funded; were this to reduce it would put the Trust under considerable financial strain.

Failures in governance and/or management: the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational: the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Directors ensure that learner success and achievement are closely monitored and reviewed.

Safeguarding and child protection: the Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, and health and safety.

Staffing: the success of the Trust is reliant upon the quality of its staff and so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. Recruitment of high quality staff who demonstrate enthusiasm for teaching and learning is a key area and therefore the Trust will continue to ensure that staff employed are the best for the Trust.

Fraud and mismanagement of funds: The Trust has appointed an external body to carry out Responsible Officer duties on an internal audit basis, to carry out checks on financial systems, processes and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

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

d. Financial review 2019/20

The Trust's principal income comes from the Education and Skills Funding Agency (ESFA). The Trust also receives significant income from Somerset County Council (SCC), particularly Selworthy Special School. Grants and related expenditure are shown under restricted funds in the Statement of Financial Activities (SoFA).

During the period September 2019 to 31st August 2020, the Trust received total funds of £7.8m (2019: £8.7m), of which £7.2m (2019: £4.3m) were restricted funds for operating (non-capital) costs. The total unrestricted funds carried forward for the Trust are £0.4m (2019: £0.7m), and the total Restricted funds are -£6.5m (2019: -£5.5m) (exactly equivalent to the non-cash Pension Deficit adjustment) and the Restricted Fixed Asset Fund carried forwards is £6.7m (2019: £6.6m).

The LGPS deficit relates purely to non-teaching staff members. The trust makes contributions to the LGPS on behalf of these staff, and the assets and liabilities held by the scheme are subject to actuarial variations on a triennial basis and are attributable to individual employees. The existence of a deficit on the scheme does not mean an immediate liability will become payable, nor does it have a direct impact on either the employee or employer rates paid, which are determined using longer-term funding assumptions.

The Trust also makes contributions to the Teachers' Pension Scheme (TPS) on behalf of teaching staff in the schools. It is a national scheme managed by the Department for Education. Assets and liabilities are not assigned to individual employers, such as the Trust.

The cash balance at 31st August was £0.4m (2019: £0.8m). Included within current creditors is £0.2m (2019: £0.2m) owing to HMRC, the Local Government Pension Scheme, and the Teachers' Pension Scheme. These are regular payments that are made in arrears each month, and are within the Trust's cashflow plans.

The total expenditure of the Trust for the September 2019 to 31st August 2020 was £8.9m (2019: £5.4m). Of this, almost all was expenditure on revenue on the Trust's core business of providing education. £71k (2019: £39k) was spent on raising funds, most of which relates to one post within the Trust. Of the £8.9m spent, £7.2m (2019: £4.4m), or 81.3% (2019: 80.6%), was on staff costs, including Pension and National Insurance costs.

Fundraising

The Trust's fundraising is carried out with due regard for the provisions of the Charities (Protection and Social Investment) Act 2016. The schools do not work with commercial or professional partners to raise funds directly for the Trust. All fundraising activities directly involving the public (including parents) are small scale, and carried out directly by the schools and not by third parties. The schools and Trust have an established complaints procedure for all types of complaint. The Trust also applies for grants and funds from third party charitable organisations.

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

Plans for future periods

In 2020-21, the following goals will be monitored:

- Teachers, School Leaders and Governance at all levels can demonstrate an understanding of what good progress looks like for all children in all settings.
- All schools have a clear mechanism in place to measure progress for all groups, in particular a clear approach is in place for pupils with SEND. All settings are able to demonstrate good progress against these agreed mechanisms.
- Scaled Scores and Progress Measures for Disadvantaged Pupils improve across the primary schools combined in 2019/20 and 2020/21, so that we can show an upward trend towards national expectations, thereby diminishing the difference in attainment gap.

Educational outcomes:

- All current schools will report meaningful improvements in progress scores in Reading, Writing and Maths at KS2, as compared to the national averages and overall trends, by Summer 2021.
- Results in all schools will demonstrate year on year improvement in outcomes for disadvantaged pupils – i.e. there will be a narrowing of the disadvantage attainment gap.

Funds held as custodian on behalf of others

The Trust and its Directors do not act as the Custodian Trustees of any other Charity.

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 2 December 2020 and signed on its behalf by:

B Braes
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of responsibility

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

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Oak Partnership 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 7 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
G Beattie, Trustee	6	7
B Braes, Chair	7	7
A Gibson, Trustee	0	0
M Greaves, Trustee	6	6
N Hancock, Trustee	7	7
P Hoare, Trustee	0	0
H King, Chair	7	7
I Robinson, Chief Executive	7	7
P Smith, Trustee	2	7
J Steward, Trustee	7	7
A Webster, Trustee	3	4
J Coop, Trustee	1	1
M Hurst, Trustee	4	5
D McKechnie, Trustee	4	4

3 Directors have left the Trust's Board during the course of the year. The Trust has taken on 4 further Directors in this time, and when doing so sort to ensure that the Board's skillset was widened and strengthened, in particular the Board was able to bring in considerable expertise in the areas of Ofsted, Business Management, Accountancy and IT.

The Board has focussed on developing the new Trust's governance frameworks, and ensuring that procedures are in place to consistently monitor progress across the Trust, and to sought to build upon the Trust's sense of purpose and momentum. The Board's work has particularly looked at those areas that are key to the Trust's success and management of risks: Safeguarding, curriculum and finance. external safeguarding audits were commissioned and completed at all 4 schools.

An external review of Governance was undertaken at one of the primary schools and an action plan has been developed using the services of an external adviser to facilitate greater effectiveness of the Local School Committee, clearer understanding of roles and responsibilities and improved communication between the Board and the Local School Committee. The aim is to roll out the key points from the action plan to all the Trust's Local School Committees.

The data the Board receives is based on a variety of sources, including both data and qualitative information, to seek to better understand and support the delivery of teaching and learning, ensure that safeguarding policies and risks are appropriately managed, and to ensure that the Trust is on a stable financial footing. The Trust has also sought to develop its central function, so that the benefits of being a multi-academy trust can be fully realised. Since September 2019, the Trust has appointed a Trust Finance Manager and recruited internally and externally to support the leadership of Safeguarding and Early Years Intervention.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Purpose of the Finance and Audit Committee

The purpose of the Finance and Audit Committee is to consider, report back and make recommendations to the Board of Directors on issues relating to matters of finance and operations. Policies delegated to the committee will be reviewed and approved by the committee on behalf of the Board of Directors. It is the primary committee for assessing the implications of DfE funding, reviewing and approving the Trust's annual budgets, monitoring expenditure, recommending the approval of Annual Accounts to the Board, and reviewing Financial Policies and Procedures.

The Committee also has oversight of Health and Safety, Risk Management, Asset Management, and General Data Protection Regulations and related policies..

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
B Braes	3	5
M Greaves	4	5
N Hancock	5	5
M Hurst	3	3
I Robinson	5	5

Review of value for money

The trust has in place procedures, outlined in its Financial Scheme of Delegation to help deliver Value For Money. It has put in place an online system for the booking of various clubs and wraparound care at the three primary schools. This has been a cost effective way of improving the effectiveness of the administrative processes and saved staff time. The Trust has also sought to purchase jointly where appropriate, and saved money in the process, for example by the joint purchasing of internet services. The Trust has also used pilot sites and negotiated joint discounts for certain services, including support for Teachers' professional development and the delivery of an effective curriculum.

The Trust Finance Manager works across multiple schools, to ensure appropriate professional expertise is in place and to facilitate fast and effective benchmarking and other cost comparisons on an ongoing basis.

The Trust Finance Manager meets regularly with the Head Teachers and Finance Link Member of the Local School Committee to assist in monitoring the school's budget and provide support where necessary.

A new financial accounting system, 'Access Educational Financial's' has been purchased for the new financial year 2020/21 which is compatible with the ESFA chart of accounts and reporting format.

The central production kitchen at West Monkton School is providing from September 2020 a meals service to Creech St Michael Primary School as well as providing a meals service for all 4 schools within the Trust. As a result of investing in new equipment within the production kitchen and additional catering staff following a TUPE process of transferring staff across from Heathfield School, the Trust now has greater capacity to extend its meals service to other schools and generate additional income for the Trust.

West Monkton School has terminated its cleaning contract with its external provider and moved its cleaning provision in-house. In the next few months, the Trust will be considering this approach for its other schools to achieve greater efficiency and economies of scale

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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Oak Partnership Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ Griffin Chartered Accountants as internal auditor.

Due to the revised FRS Ethical Standard, which states that a firm providing external audit to an entity shall not provide internal audit services as well, the Trust is currently seeking new internal auditors for the year to 31 August 2021.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included purchase and cash controls, payroll procedures, income procedures, fixed asset controls, regularity, governance and risk management.

On a semi-annual basis, the internal auditor reports to the board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The reviewers delivered their schedule of work as planned, provided details of any material control issues and the necessary remedial action has been taken.

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit 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 2 December 2020 and signed on their behalf by:

B Braes
Chair of Trustees

I Robinson
Accounting Officer

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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.

I Robinson
Accounting Officer
Date: 2 December 2020

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make 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 2 December 2020 and signed on its behalf by:

B Braes
Chair of Trustees

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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

Misty Nickells FCA (Senior statutory auditor)

for and on behalf of
Griffin
Statutory Auditor

165 High Street
Honiton
EX14 1LQ

2 December 2020

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 18 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Oak Partnership Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Oak Partnership Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Oak Partnership 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 The Oak Partnership Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Oak Partnership Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Oak Partnership Trust's funding agreement with the Secretary of State for Education dated 1 January 2019 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

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

Conclusion

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

Misty Nickells FCA (Senior statutory auditor)
Reporting Accountants

165 High Street
Honiton
EX14 1LQ

Date: 2 December 2020

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Amounts transferred on conversion		-	-	-	-	3,834,483
Other donations and capital grants		114,429	-	222,094	336,523	181,998
Charitable activities		115,130	7,199,450	-	7,314,580	4,408,376
Other trading activities		198,400	-	-	198,400	237,644
Investments	6	365	-	-	365	114
Total income		428,324	7,199,450	222,094	7,849,868	8,662,615
Expenditure on:						
Raising funds		71,208	-	-	71,208	38,911
Charitable activities		656,476	8,003,450	155,360	8,815,286	5,376,183
Total expenditure		727,684	8,003,450	155,360	8,886,494	5,415,094
Net movement in funds before other recognised gains/(losses)		(299,360)	(804,000)	66,734	(1,036,626)	3,247,521
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(233,000)	-	(233,000)	(1,432,000)
Net movement in funds		(299,360)	(1,037,000)	66,734	(1,269,626)	1,815,521
Reconciliation of funds:						
Total funds brought forward		704,658	(5,491,000)	6,601,863	1,815,521	-
Net movement in funds		(299,360)	(1,037,000)	66,734	(1,269,626)	1,815,521
Total funds carried forward		405,298	(6,528,000)	6,668,597	545,895	1,815,521

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

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The notes on pages 32 to 64 form part of these financial statements.

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 11692743

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	6,548,564	6,591,082
		<u>6,548,564</u>	<u>6,591,082</u>
Current assets			
Debtors	15	526,350	244,855
Cash at bank and in hand		424,476	829,961
		<u>950,826</u>	<u>1,074,816</u>
Creditors: amounts falling due within one year	16	(425,495)	(359,377)
Net current assets		<u>525,331</u>	<u>715,439</u>
Total assets less current liabilities		<u>7,073,895</u>	<u>7,306,521</u>
Net assets excluding pension liability		<u>7,073,895</u>	<u>7,306,521</u>
Defined benefit pension scheme liability	23	(6,528,000)	(5,491,000)
Total net assets		<u><u>545,895</u></u>	<u><u>1,815,521</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	6,668,597	6,601,863
Restricted funds excluding pension asset	17	6,668,597	6,601,863
Pension reserve	17	(6,528,000)	(5,491,000)
Total restricted funds	17	<u>140,597</u>	<u>1,110,863</u>
Unrestricted income funds	17	<u>405,298</u>	<u>704,658</u>
Total funds		<u><u>545,895</u></u>	<u><u>1,815,521</u></u>

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The financial statements on pages 27 to 64 were approved by the Trustees, and authorised for issue on 02 December 2020 and are signed on their behalf, by:

B Braes
Chair of Trustees

I Robinson
Accounting Officer

The notes on pages 32 to 64 form part of these financial statements.

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(514,737)	912,582
Cash flows from investing activities	20	109,252	(82,621)
Change in cash and cash equivalents in the year		(405,485)	829,961
Cash and cash equivalents at the beginning of the year		829,961	-
Cash and cash equivalents at the end of the year	21, 22	<u>424,476</u>	<u>829,961</u>

The notes on pages 32 to 64 from part of these financial statements

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

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

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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

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

• **Donations**

Donations are recognised on a receivable basis (where 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 Trust has provided the goods or services.

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 Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

• **Charitable activities**

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

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 Expenditure (continued)

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 Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

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

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

1.7 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	- 50 years straight line (buildings) and 125 years straight line (land)
Furniture and equipment	- 14% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 20% straight line

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

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 Pensions

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

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

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

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

1.13 Fund accounting

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

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

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

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

THE OAK PARTNERSHIP TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 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 23, 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

3. Donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	114,429	-	23,160	137,589
Capital Grants	-	-	198,934	198,934
	<u>114,429</u>	<u>-</u>	<u>222,094</u>	<u>336,523</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Donations and capital grants (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations				
Amounts transferred on conversion	870,958	(3,544,000)	6,507,525	3,834,483
	<u>870,958</u>	<u>(3,544,000)</u>	<u>6,507,525</u>	<u>3,834,483</u>
Donations	55,980	-	-	55,980
Capital Grants	-	-	126,018	126,018
	<u>55,980</u>	<u>-</u>	<u>126,018</u>	<u>181,998</u>
	<u>926,938</u>	<u>(3,544,000)</u>	<u>6,633,543</u>	<u>4,016,481</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the academy trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant	-	4,220,844	4,220,844
Other DfE/ESFA Grants	-	423,257	423,257
Pupil Premium	-	192,044	192,044
	-	4,836,145	4,836,145
Other government grants			
Higher Needs	-	1,946,937	1,946,937
Other Local Authority Grants	-	346,443	346,443
	-	2,293,380	2,293,380
Other funding			
Other income from the academy trust's educational operations	115,130	6,500	121,630
	115,130	6,500	121,630
Exceptional government funding			
Coronavirus exceptional support	-	63,425	63,425
Total 2020	115,130	7,199,450	7,314,580

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £63,425 of additional free school meals costs, premises costs above the usual during holiday periods and additional cleaning. These costs are included in note 8 as appropriate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the academy trust's educational operations (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant	-	2,572,553	2,572,553
Other DfE/ESFA Grants	-	282,157	282,157
Pupil Premium	-	199,818	199,818
	-	3,054,528	3,054,528
Other government grants			
Higher Needs	-	998,280	998,280
Local Authority Grants	-	271,446	271,446
	-	1,269,726	1,269,726
Other funding			
Other income from the academy trust's educational operations	83,622	500	84,122
	<u>83,622</u>	<u>4,324,754</u>	<u>4,408,376</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Hire of facilities	36,361	36,361
Fees received	162,039	162,039
	198,400	198,400
	198,400	198,400
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Hire of facilities	25,487	25,487
Fees received	212,157	212,157
	237,644	237,644
	237,644	237,644

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Interest received	365	365
	365	365
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Interest received	114	114
	114	114

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NOTES TO THE FINANCIAL STATEMENTS
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7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Expenditure on raising voluntary income:				
Direct costs	-	-	71,208	71,208
Education:				
Direct costs	5,346,025	89,176	369,558	5,804,759
Allocated support costs	1,876,829	507,872	625,826	3,010,527
	<u>7,222,854</u>	<u>597,048</u>	<u>1,066,592</u>	<u>8,886,494</u>
	<u><u>7,222,854</u></u>	<u><u>597,048</u></u>	<u><u>1,066,592</u></u>	<u><u>8,886,494</u></u>
	<i>Staff Costs</i> <i>2019</i> £	<i>Premises</i> <i>2019</i> £	<i>Other</i> <i>2019</i> £	<i>Total</i> <i>2019</i> £
Expenditure on raising voluntary income:				
Direct costs	-	-	38,911	38,911
Education:				
Direct costs	3,393,535	84,715	199,090	3,677,340
Allocated support costs	972,770	237,868	488,205	1,698,843
	<u>4,366,305</u>	<u>322,583</u>	<u>726,206</u>	<u>5,415,094</u>
	<u><u>4,366,305</u></u>	<u><u>322,583</u></u>	<u><u>726,206</u></u>	<u><u>5,415,094</u></u>

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8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Education	5,804,759	3,010,527	8,815,286

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Education	3,677,340	1,698,843	5,376,183

Analysis of direct costs

	Education 2020 £	Total funds 2020 £
Staff costs	5,248,225	5,248,225
Depreciation	126,784	126,784
Educational supplies	255,277	255,277
Other staff costs	33,687	33,687
Other costs	4,285	4,285
Supply teachers	97,800	97,800
Insurance	38,701	38,701
	5,804,759	5,804,759

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Education</i> 2019 £	<i>Total</i> <i>funds</i> 2019 £
Staff costs	3,352,596	3,352,596
Depreciation	96,951	96,951
Educational supplies	95,950	95,950
Examination fees	3,573	3,573
Other staff costs	47,365	47,365
Other costs	12,177	12,177
Supply teachers	40,939	40,939
Insurance	27,789	27,789
	<u>3,677,340</u>	<u>3,677,340</u>

Analysis of support costs

	Education 2020 £	Total funds 2020 £
Pension finance costs	99,000	99,000
Staff costs	1,876,829	1,876,829
Depreciation	28,576	28,576
Other staff costs	8,286	8,286
Other costs	55,039	55,039
Premises costs	463,124	463,124
Insurance	17,244	17,244
Catering	149,638	149,638
Technology costs	88,742	88,742
Legal and professional costs	221,967	221,967
Bank charges	2,082	2,082
	<u>3,010,527</u>	<u>3,010,527</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Education</i> 2019 £	<i>Total</i> <i>funds</i> 2019 £
Pension finance costs	65,000	65,000
Staff costs	972,770	972,770
Depreciation	28,131	28,131
Other staff costs	1,678	1,678
Other costs	26,267	26,267
Premises costs	213,287	213,287
Insurance	20,678	20,678
Catering	103,713	103,713
Technology costs	68,331	68,331
Legal and professional	189,798	189,798
Bank interest and charges	1,240	1,240
Governance costs	7,950	7,950
	<u>1,698,843</u>	<u>1,698,843</u>

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2020 £	2019 £
Operating lease rentals	23,086	6,958
Depreciation of tangible fixed assets	155,360	125,082
Fees paid to auditors for:		
- audit	7,950	7,950
- other services	3,000	3,000
	<u>189,396</u>	<u>143,990</u>

THE OAK PARTNERSHIP TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	4,976,846	3,078,998
Social security costs	376,518	240,245
Pension costs	1,771,690	996,093
	<u>7,125,054</u>	<u>4,315,336</u>
Agency staff costs	97,800	40,939
Staff restructuring costs	-	10,030
	<u>7,222,854</u>	<u>4,366,305</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	-	10,030
	<u>-</u>	<u>10,030</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2019 - £10,030). This all related to two staff members in 2019 with the two payments being individually £6,030 and £4,000.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	64	64
Administration and support	205	199
Management	2	2
	<u>271</u>	<u>265</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

d. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	4	-
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	1	-
	<u>6</u>	<u>-</u>

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £207,498 (2019 - £119,575).

THE OAK PARTNERSHIP TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Central services

The Academy Trust has provided the following central services to its academies during the year:

- Finance and business management
- Human resources, including payroll
- Legal support
- IT licenses
- Accountancy and audit
- Marketing, communications and PR support
- Actuarial valuation

The Academy Trust charges for these services on the following basis:

The individual schools contribute 5.81% (2019: 3.4%) percent of their revenue funding towards these costs.

The actual amounts charged during the year were as follows:

	2020	<i>2019</i>
	£	£
Blackbrook Community Primary School	69,246	<i>26,095</i>
Ruishton Church of England Primary School	59,817	<i>21,834</i>
Selworthy Special School	192,806	<i>60,779</i>
West Monkton Church of England Primary School	51,672	<i>47,604</i>
Total	373,541	<i>156,312</i>

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

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

		2020	<i>2019</i>
		£	£
I Robinson, Chief Executive	Remuneration	90,000 - 95,000	<i>55,000 - 60,000</i>
	Pension contributions paid	20,000 - 25,000	<i>5,000 - 10,000</i>

During the year ended 31 August 2020, expenses totalling £228 were reimbursed to 1 Trustee (2019 - £114 to 2 Trustees) to cover travel expenses.

13. Trustees' and Officers' insurance

The Academy Trust 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	6,627,922	63,148	13,094	12,000	6,716,164
Additions	-	30,120	70,722	12,000	112,842
At 31 August 2020	<u>6,627,922</u>	<u>93,268</u>	<u>83,816</u>	<u>24,000</u>	<u>6,829,006</u>
Depreciation					
At 1 September 2019	109,296	9,022	4,364	2,400	125,082
Charge for the year	109,296	13,325	27,939	4,800	155,360
At 31 August 2020	<u>218,592</u>	<u>22,347</u>	<u>32,303</u>	<u>7,200</u>	<u>280,442</u>
Net book value					
At 31 August 2020	<u><u>6,409,330</u></u>	<u><u>70,921</u></u>	<u><u>51,513</u></u>	<u><u>16,800</u></u>	<u><u>6,548,564</u></u>
At 31 August 2019	<u><u>6,518,626</u></u>	<u><u>54,126</u></u>	<u><u>8,730</u></u>	<u><u>9,600</u></u>	<u><u>6,591,082</u></u>

15. Debtors

	2020 £	2019 £
Due within one year		
Other debtors	-	9,635
Prepayments and accrued income	142,459	77,250
VAT recoverable	383,891	157,970
	<u><u>526,350</u></u>	<u><u>244,855</u></u>

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16. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	-	88,989
Other taxation and social security	86,459	81,573
Other creditors	118,308	96,357
Accruals and deferred income	220,728	92,458
	425,495	359,377
	2020	2019
	£	£
Deferred income at 1 September 2019	84,508	-
Resources deferred during the year	80,141	84,508
Amounts released from previous periods	(84,508)	-
	80,141	84,508

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals funding for 2020/21.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General funds	704,658	428,324	(727,684)	-	405,298
Restricted general funds					
General Annual Grant (GAG)	-	4,220,844	(4,220,844)	-	-
Pupil Premium	-	192,044	(192,044)	-	-
Other DfE/ESFA grants	-	486,682	(486,682)	-	-
High Needs	-	1,946,937	(1,946,937)	-	-
Other Local Authority grants	-	346,443	(346,443)	-	-
Other restricted grants	-	6,500	(6,500)	-	-
Pension reserve	(5,491,000)	-	(804,000)	(233,000)	(6,528,000)
	<u>(5,491,000)</u>	<u>7,199,450</u>	<u>(8,003,450)</u>	<u>(233,000)</u>	<u>(6,528,000)</u>
Restricted fixed asset funds					
Transferred on conversion	6,389,844	-	(115,518)	-	6,274,326
Capital expenditure from GAG	92,809	-	(5,965)	-	86,844
DfE capital grants	22,271	28,824	(18,698)	-	32,397
LA capital grants	96,939	170,110	(14,716)	-	252,333
Other capital donations	-	23,160	(463)	-	22,697
	<u>6,601,863</u>	<u>222,094</u>	<u>(155,360)</u>	<u>-</u>	<u>6,668,597</u>
Total Restricted funds	<u>1,110,863</u>	<u>7,421,544</u>	<u>(8,158,810)</u>	<u>(233,000)</u>	<u>140,597</u>
Total funds	<u><u>1,815,521</u></u>	<u><u>7,849,868</u></u>	<u><u>(8,886,494)</u></u>	<u><u>(233,000)</u></u>	<u><u>545,895</u></u>

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

General Annual Grant (GAG)

Income from the ESFA which is to be used for the normal running costs of the academy, including education and support costs.

Pupil Premium

Funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

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17. Statement of funds (continued)

Other DfE/ESFA grants

This includes, Universal Infant Free School Meals, Sports funding, rates relief and start up grants.

Higher Needs

Income received from the Local Authority to fund further support for pupils with additional needs.

Other Local Authority grants

Grants received from the Local Authority, excluding the higher needs and capital funding received from the Local Authority..

Pension Reserve

The academy's share of the assets and liabilities in the Local Government Pension Scheme. This is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to academy.

Fixed assets transferred on conversion

This presents the buildings and equipment donated to the school on conversion to an academy trust.

Capital expenditure from GAG

Funds transferred from the restricted GAG fund to purchase fixed assets.

DfE/ESFA capital grants

Funding received from the DfE/ESFA to cover the maintenance and purchase of fixed asset additions.

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

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17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Blackbrook Community Primary School	93,938	116,032
Ruishton Church of England Primary School	15,452	26,749
Selworthy Special School	277,439	337,382
West Monkton Church of England Primary School	100,275	207,754
Central services	(81,806)	16,741
	405,298	704,658
Total before fixed asset funds and pension reserve	405,298	704,658
Restricted fixed asset fund	6,668,597	6,601,863
Pension reserve	(6,528,000)	(5,491,000)
	545,895	1,815,521
Total	545,895	1,815,521

The following location is carrying a net deficit on its portion of the funds as follows:

	Deficit £
Central services	(81,806)
	(81,806)

The Academy Trust allocates a lot of its commercial operations such as lettings income, nursery and catering to central services, which has been the areas most negatively impacted financially as a result of Covid-19, hence contributed towards a net deficit.

The Academy Trust is taking the following action to return the academy to surplus:

Previously, the individual schools have been recharged 3.4% of revenue income to cover central services, which has been upped to 5.81% this year. In normal circumstances without Covid-19, a deficit wouldn't have been incurred centrally. Going forwards, the Academy Trust is using a new accounting software which will make it easier to monitor central costs, to ensure costs can be managed more easily or recharges to individual schools can be upped, which will return the central services funds to a net positive reserve within the next three years.

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NOTES TO THE FINANCIAL STATEMENTS
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17. 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 2020
	£	£	£	£	£
Blackbrook Community Primary School	832,175	108,374	108,995	95,138	1,144,682
Ruishton Church of England Primary School	661,142	170,193	80,012	69,687	981,034
Selworthy Special School	2,481,433	207,440	103,044	393,740	3,185,657
West Monkton Church of England Primary School	1,229,780	193,380	98,650	221,215	1,743,025
Central services	127,632	502,441	16,320	226,343	872,736
	<u>5,332,162</u>	<u>1,181,828</u>	<u>407,021</u>	<u>1,006,123</u>	<u>7,927,134</u>

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

	<i>Teaching and educational support staff costs</i>	<i>Other support staff costs</i>	<i>Educational supplies</i>	<i>Other costs excluding depreciation</i>	<i>Total 2019</i>
	£	£	£	£	£
Blackbrook Community Primary School	523,919	69,312	43,788	90,830	727,849
Ruishton Church of England Primary School	407,629	116,344	32,230	91,433	647,636
Selworthy Special School	1,421,664	174,857	77,768	164,004	1,838,293
West Monkton Church of England Primary School	726,973	315,093	112,918	161,979	1,316,963
Central services	75,411	44,164	-	124,696	244,271
Academy Trust	<u>3,155,596</u>	<u>719,770</u>	<u>266,704</u>	<u>632,942</u>	<u>4,775,012</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	<i>Income</i> £	<i>Expenditure</i> £	<i>Transfers</i> <i>in/out</i> £	<i>Gains/</i> <i>(Losses)</i> £	<i>Balance at</i> <i>31 August</i> <i>2019</i> £
Unrestricted funds					
General funds	1,248,318	(543,660)	-	-	704,658
Restricted general funds					
General Annual Grant (GAG)	2,564,445	(2,471,043)	(93,402)	-	-
Pupil Premium	199,818	(199,818)	-	-	-
Other DfE/ESFA grants	183,565	(183,565)	-	-	-
High Needs	998,280	(998,280)	-	-	-
MAT development grant	104,700	(104,700)	-	-	-
Other Local Authority grants	273,446	(273,446)	-	-	-
Other restricted grants	500	(500)	-	-	-
Pension reserve	(3,544,000)	(515,000)	-	(1,432,000)	(5,491,000)
	<u>780,754</u>	<u>(4,746,352)</u>	<u>(93,402)</u>	<u>(1,432,000)</u>	<u>(5,491,000)</u>
Restricted fixed asset funds					
Transferred on conversion	6,507,525	(117,681)	-	-	6,389,844
Capital expenditure from GAG	-	(593)	93,402	-	92,809
DfE capital grants	28,297	(6,026)	-	-	22,271
LA capital grants	97,721	(782)	-	-	96,939
	<u>6,633,543</u>	<u>(125,082)</u>	<u>93,402</u>	<u>-</u>	<u>6,601,863</u>
Total Restricted funds	<u>7,414,297</u>	<u>(4,871,434)</u>	<u>-</u>	<u>(1,432,000)</u>	<u>1,110,863</u>
Total funds	<u><u>8,662,615</u></u>	<u><u>(5,415,094)</u></u>	<u><u>-</u></u>	<u><u>(1,432,000)</u></u>	<u><u>1,815,521</u></u>

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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	6,548,564	6,548,564
Current assets	830,793	-	120,033	950,826
Creditors due within one year	(425,495)	-	-	(425,495)
Provisions for liabilities and charges	-	(6,528,000)	-	(6,528,000)
Total	405,298	(6,528,000)	6,668,597	545,895

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	6,591,082	6,591,082
Current assets	1,064,035	-	10,781	1,074,816
Creditors due within one year	(359,377)	-	-	(359,377)
Provisions for liabilities and charges	-	(5,491,000)	-	(5,491,000)
Total	704,658	(5,491,000)	6,601,863	1,815,521

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of financial activities)	(1,036,626)	3,247,521
Adjustments for:		
Depreciation	155,360	125,082
Capital grants from DfE and other capital income	(222,094)	(126,018)
Defined benefit pension scheme obligation inherited	-	3,544,000
Defined benefit pension scheme cost less contributions payable	703,000	449,000
Defined benefit pension scheme finance cost	101,000	66,000
Increase in debtors	(281,495)	(244,855)
Increase in creditors	66,118	359,377
Fixed assets transferred on conversion	-	(6,507,525)
Net cash (used in)/provided by operating activities	(514,737)	912,582

20. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(112,842)	(208,639)
Capital grants from DfE Group	28,824	28,297
Capital funding received from sponsors and others	193,270	97,721
Net cash provided by/(used in) investing activities	109,252	(82,621)

21. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	424,476	829,961
Total cash and cash equivalents	424,476	829,961

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22. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	829,961	(405,485)	424,476
	<u>829,961</u>	<u>(405,485)</u>	<u>424,476</u>

23. Pension commitments

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

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

Contributions amounting to £118,308 were payable to the schemes at 31 August 2020 (2019 - £95,678) and are included within creditors.

Teachers' Pension Scheme

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

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

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23. 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £520,584 (2019 - £240,418).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £682,000 (2019 - £399,000), of which employer's contributions totalled £543,000 (2019 - £313,000) and employees' contributions totalled £139,000 (2019 - £86,000). The agreed contribution rates for future years are 20.9% for employers and 5.5 to 12.5% for employees.

As described in note 1.12 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

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23. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.75	3.70
Rate of increase for pensions in payment/inflation	2.25	2.20
Discount rate for scheme liabilities	1.60	1.90
Inflation assumption (CPI)	2.25	2.20

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	23.3	24.1
Females	24.8	25.3
<i>Retiring in 20 years</i>		
Males	24.7	26.4
Females	26.2	27.6

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(277)	(233)
Discount rate -0.1%	285	240
Mortality assumption - 1 year increase	387	290
Mortality assumption - 1 year decrease	(374)	(280)
CPI rate +0.1%	35	34
CPI rate -0.1%	(35)	(34)

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23. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	2,897,000	2,321,000
Gilts	291,000	195,000
Corporate bonds	453,000	300,000
Property	304,000	266,000
Cash and other liquid assets	217,000	195,000
Total market value of assets	4,162,000	3,277,000

The actual return on scheme assets was £119,000 (2019 - £369,000).

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

	2020 £	2019 £
Current service cost	(1,236,000)	(565,000)
Past service cost	(10,000)	(197,000)
Interest income	69,000	52,000
Interest cost	(168,000)	(117,000)
Administrative expenses	(2,000)	(1,000)
Total amount recognised in the Statement of financial activities	(1,347,000)	(828,000)

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23. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	8,768,000	-
Conversion of academy trusts	-	6,054,000
Current service cost	1,236,000	565,000
Interest cost	168,000	117,000
Employee contributions	139,000	86,000
Actuarial losses	359,000	1,749,000
Benefits paid	10,000	-
Past service costs	10,000	197,000
At 31 August	10,690,000	8,768,000

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

	2020 £	2019 £
At 1 September	3,277,000	-
Conversion of academy trusts	-	2,510,000
Interest income	69,000	52,000
Actuarial gains	126,000	317,000
Employer contributions	543,000	313,000
Employee contributions	139,000	86,000
Benefits paid	10,000	-
Administration expenses	(2,000)	(1,000)
At 31 August	4,162,000	3,277,000

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24. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	24,493	23,086
Later than 1 year and not later than 5 years	66,531	50,547
	<u>91,024</u>	<u>73,633</u>

25. 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.

26. Related party transactions

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

Heathfield Community College, a school in which Mr P Hoare, a director of the Academy Trust until 16 September 2019 is the Headteacher, charged the Academy Trust £17,723 for the provision of catering services during the year to 31 August 2019.

27. Agency arrangements

The Academy distributes 16-19 Bursary Funds to students as an agent for the ESFA. In the accounting period, ended 31 August 2020, the Academy received £1,716 (2019 - £679) and disbursed £679 (2019 - £Nil) from the fund. An amount of £1,716 (2019 - £679) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

