

REGISTERED COMPANY NUMBER: 10641561 (England and Wales)

Trustees' Report and
Financial Statements for the Year Ended 31 August 2020
for
Oak Trees Multi Academy Trust

UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

Oak Trees Multi Academy Trust

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Oak Trees Multi Academy Trust

Reference and Administrative Details
for the Year Ended 31 August 2020

MEMBERS:	A Hutchinson (appointed 10.10.19) Z Wakelam J Devine L Young J H Owens MBE
TRUSTEES	C Molyneux * J H Owens MBE Chair R Taylor * A Wilson Vice Chair * M Freeman (appointed 10.10.19) J Chalk (resigned 25.11.19) S Pritchard (resigned 10.10.19) K Wilkes (resigned 10.10.19) P K J Aitchison (appointed 12.10.20) P Crossland (appointed 16.12.19) H L White (appointed 31.3.20) C Abbey (appointed 31.3.20) K Jones (appointed 16.12.19) (resigned 4.9.20)

* members of the finance and audit committee

SENIOR MANAGEMENT TEAM:	M Eastwood (Headteacher - Egremont) (appointed 1.1.20) C Jackson (Chief Finance Officer) C Arnold (Headteacher - Poulton Lancelyn) C Spinks (Headteacher - Egremont) (resigned 31.12.19) A Martin (School Improvement Lead) L Swift (Acting Deputy - Poulton Lancelyn) (resigned 31.8.20) D Bertram (Deputy Headteacher - Church Drive) L Wood (Deputy Headteacher - Church Drive) (resigned 31.8.20) J Jones (Headteacher - Church Drive) S Collins (Deputy Headteacher - Poulton Lancelyn) (resigned 31.12.19) K Wilson (Deputy Headteacher - Egremont) (resigned 29.2.20) B Parker (Deputy Headteacher - Great Meols) K Pennington (Deputy Headteacher - Stanton Road) P Joyce (Headteacher - Great Meols) E Neal (Headteacher - Stanton Road) (resigned 31.8.20) T Lacey (Accounting Officer & CEO)
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REGISTERED OFFICE	Stanton Road Primary School Stanton Road Bebington Wirral Merseyside CH63 3HW
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REGISTERED COMPANY NUMBER	10641561 (England and Wales)
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Oak Trees Multi Academy Trust

Reference and Administrative Details
for the Year Ended 31 August 2020

AUDITORS

UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

Oak Trees Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020

The trustees present their annual report together with the financial statements and auditor's reports of the academy trust for the period to 31st August 2020. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates 5 primary academies in Wirral. Its academies have a combined pupil capacity of 1916 and had a roll of 1869.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object of the charitable company is the advancement of education in the United Kingdom. It achieves this object principally through the operation of Oak Trees Multi Academy Trust, the aim being to achieve the highest possible standard of education and pastoral care and maximise the life chances for our pupils of all abilities between the ages of 3 and 11.

Our key aims and goals as a trust are:

- To be dedicated to helping the whole child, to unlock their potential and instil a love of learning.
- To share the wealth of experience and expertise from across our trust to enrich and bring learning to life for our children.
- To mix the pursuit of academic excellence in core subjects with a creative curriculum which expands minds and instils a sense of curiosity of the wider world.
- To care genuinely about the achievement, development, well-being and future of all of our children.
- To be here for all children, to raise aspirations, inspire them to go far and develop a lifelong love of learning.
- To work in partnership with our families to help the children be the best they can be.
- We believe in the power and potential of all people to make a lasting difference.

Our Mission /Values

Co-operate and collaborate
Achieve excellence for all
Raise aspirations and inspire imaginations
Explore new interests and new ideas

OBJECTIVES AND ACTIVITIES

Objective, strategies and activities

The main objectives during the year were:

- To enhance positive working relationships between all levels of leadership and Governance through improving communication across the MAT.
- To appoint key support in the areas of finance and school improvement to ensure that the MAT can achieve its aim of financial good practice and strong academic performance.
- To address curriculum approach and development through creating a MAT curriculum project and approach.
- To continue to develop the Trustee board and Local Governing Boards in order for them to effectively carry out their statutory duties effectively.
- To embed key policies, including financial policies and procedures, to enable the MAT to be compliant and carry out its role effectively.
- Ensure value for money through analysing procurement and Service Level Agreements in order to reduce costs and ensure that providers for HR, Health and Safety and GDPR are of a high quality.
- Address teacher workload and staff well-being through focusing on marking and feedback.

The main strategies for this work included:

- Networks of school leaders working together on curriculum and enrichment opportunities. The school curriculum offers are much improved, and the pupils across all schools are now receiving a much improved broad and balanced curriculum which meets the needs of all pupils and would be able to stand up to OFSTED inspection. MAT principles and objectives are clear.
- Headteacher Board met weekly to ensure a coherent strategic direction and drive was in place. This included weekly meetings to ensure that the MAT COVID-19 strategy was coordinated and impactful on pupil and staff wellbeing
- Quality joint INSET and Continuing Professional Development was in place and run by leaders within the Trust. This included CPD and training in a number of areas, including curriculum, SEND and Maths and English.
- Clear and consistent financial procedures and reporting systems in place across the MAT. Schools and the Trust are compliant in all areas of the Academies Financial Handbook, with good practice, compliance and strong performance at all levels of the Trust.
- A shared focus on developing teaching and learning brought together through the MAT Business Plan and School Improvement Strategy. Teaching and learning has been and continues to be improved through quality CPD and training organised and hosted by the MAT Central Team. This is in a number of areas, including Maths, English, SEND and Curriculum.
- Regular MAT-wide events to develop a unified approach, such as cross-Trust Maths and English challenges and MAT PE and Music events.

The most significant outcomes of this work have been:

- Communication with stakeholders is significantly better, evidenced through feedback from staff through surveys and network meeting feedback and particularly from Governors, who feel well informed of their role and the role of the Trust.
- The increased capacity of the MAT to deliver quality and robust support in terms of finance and school improvement is significantly positive, with the impact being that schools are performing much better both financially and educationally.
- Trust Board has been significantly strengthened through robust recruitment, and all Local Governing Bodies are performing well and holding schools to account. Where this wasn't the case, this has been addressed by the MAT and LGBs are now much more effective, with the right balance between MAT and LGB control in place. Governors are much clearer about their roles and impact and have a strong working relationship with MAT staff and Trustees.
- Staff attitudes towards how the Trust address workload and wellbeing continue to improve, and staff are generally positive about what the Trust and our schools have done to reduce workload and ensure that staff wellbeing is as good as it can be. This continues to be an ongoing focus.
- The Trust have ably led the COVID-19 strategy, with the Executive Team providing strong and determined leadership throughout the pandemic. We are extremely proud of our staff and how everyone across the Trust has worked professionally together for the good of our children, families and staff.

OBJECTIVES AND ACTIVITIES

Public benefit

Oak Trees Multi Academy Trust strives to promote and support the advancement of education within the Wirral area. The schools provide an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. Typically, in previous years the MAT has run a number of cross-Trust events aimed at enabling positive collaboration for pupils from all schools. However, due to the COVID-19 pandemic, the MAT focus has been very much community-led, focusing on the welfare and positive mental health of all our stakeholders, such as:

- Children
- Wider families
- Staff
- Local businesses
- Key workers
- Local workforce
- Local support agencies
- Local charities

More details of some of the projects we have undertaken during the year can be found in the Fundraising and Community Impact section of the Trustees report.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

STRATEGIC REPORT

Achievement and performance

Charitable activities

Oak Trees Multi Academy Trust was formed on a strong foundation, with all Academies being good or better on conversion. Great Meols Primary School is the single Outstanding Academy in the Trust.

The original key priorities for 2019-20 had been for the MAT to:

- Ensure that schools are performing well across the curriculum and not just in Maths and English.
- Focus on English, in particular writing, in order to ensure that more pupils reach the higher levels and progress is improved in writing in 2020.

The MAT Key Performance Indicator for the initial 3 years of the MAT is for attainment and progress in all schools to be at least above national average at Key Stage 2 and for at least 90% of teaching to be good in all academies. The judgement at the end of 18-19 was that teaching was good in at least 90% of classes already through rigorous performance management and monitoring, whilst attainment was below average in one academy, average in two and above in two academies and progress is below in one academy and average or above in 4. Therefore, we have the necessary foundations in place to drive standards up in the next year and ensure that Oak Trees achieves all its 3-year KPIs for the MAT in 2021.

Due to the COVID-19 pandemic, priorities during the year changed from driving rapid improvement in teaching and learning and data to ensuring that all children continued to have a good education despite not being in school for a significant period of time. The MAT Executive Team supported this drive throughout the year and stepped in to help, evidencing a strong collaborative community being in place across the Trust.

No results were published in 2020 due to COVID-19, as schools were not required nationally to deliver SATS and Teacher Assessments, and as such there is no MAT data available for the 19-20 academic year. There was also no national performance data published.

The School Improvement Lead was appointed from September 2019 three days per week, with a view to ensuring that all schools perform well academically. Their role includes a number of regular activities, including:

- Coordinating and implementing rigorous and comprehensive CPD programmes to ensure that the Quality of Education in each school is at least good.
- Supporting lower performing schools to improve the quality of teaching and learning and accelerate progress in order to raise attainment and accelerate progress in 2020 and 2021.
- Holding school reviews in all schools to celebrate success and address underachievement.
- Continuing to develop the curriculum in all schools through shared CPD and enabling curriculum and subject leaders to work together strategically.
- Coordinating a programme of writing development to ensure that more pupils reach the higher standard in writing.
- Providing further focus on the Quality of Education and holding all schools to account, ensuring that all schools continue to improve and thrive through support and challenge.

During the year, the Trust Executive Team applied for and were successful in gaining significant funding from the Trust Capacity Fund ('TCF') with a plan to deliver a number of strategic objectives during 2020-21. The TCF is designed to support successful and growing Trusts, and the funding will support the following objectives:

- Increase the number of days support from the School Improvement Lead by 1.5 days per week.
- Appoint and train 5 Lead Practitioners and deploy for half a day per week supporting coaching, as well as teaching and learning across the Trust.
- Appoint a MAT writing consultant to work with all MAT schools one day per week for 2 terms.
- Develop teaching and learning significantly through a rigorous programme of CPD, coaching and leadership development.
- Develop existing operations software to move to an efficient cloud based consolidated system for pupil/staff data and payroll/HR data and increase capacity within the finance team.

Oak Trees Multi Academy Trust

Trustees' Report for the Year Ended 31 August 2020

The Trusts planned key improvement areas in terms of standards for 20-21 include:

- A more comprehensive engagement programme for parents, pupils, staff and governors and the wider community.
- Comprehensive quality CPD programme to enable improvement across all schools.
- Continue to address the mental health and wellbeing agenda for pupils and staff in the COVID-19 era.
- To continue to improve efficiency, performance and consistency across all aspects of MAT operations, including finance and health and safety.
- To ensure that our MAT families and the wider community continue to thrive and achieve their potential in the COVID-19 era
- To ensure the continued successful financial performance of all MAT operations

Key financial performance indicators

The Key Financial Performance indicators for the year were:

- 1) Suitably skilled and trained finance staff in place.
 - 2) Financial regulations and policies monitored and audited to ensure policies are effectively implemented.
 - 3) Suitable financial management reporting allowing scrutiny and consolidation.
 - 4) Internal auditors appointed and reporting on adequacy of internal controls and separation of duties.
 - 5) Regular and close scrutiny of cashflow.
 - 6) Monthly scrutiny of financial management information.
 - 7) Prudent budget forecasting to ensure balanced budget for each school for the three years commencing 20/21.
 - 8) All schools carrying a positive fund balance forward at the end of the financial year.
 - 9) Successfully securing Capital Improvement Funding for each school in the MAT.
 - 10) The monitoring and benchmarking of the following ratios in relation to pupils numbers leading directly to the Education and Skills Funding Agency ("ESFA") funding level;
- General financial stability - aim for income to match expenditure each year;
 - Percentage of income received from ESFA spent on total staff costs;
 - Income per pupil
 - Staff costs as a percentage of grant income;
 - Staff costs as a percentage of total costs;
 - Ofsted inspection results;
 - Capital expenditure per pupil;
 - Early years' intake.

The Trustees have been pleased that expectations of financial performance indicators for the year have been met and that financial results against budget forecast returns have been successfully met and in some cases exceeded during the period.

Promoting the success of the Trust

The Trust has complied with section 172 (1)(a) to (f) of the Companies Act 2006.

The board of Trustees as company directors have acted in a way most likely to promote the success of the company, and in doing so have had regard to:

- the likely consequences of any decision in the long term
- the interests of the Trust's employees
- the need to foster the Trust's business relationships with suppliers, customers and others
- the impact of the Trust's operations on the community and the environment
- the desirability of the Trust to maintain a reputation for high standards of business conduct
- the need to act fairly as between members of the Trust

More information on how this has been achieved can be found in other sections of the Trustees report.

Oak Trees Multi Academy Trust

Trustees' Report
for the Year Ended 31 August 2020

STRATEGIC REPORT

Financial review

Financial position

The Statement of Financial Activities (SOFA) show that the trust has a total net deficit for the year of £29,000 (2019 £695,000 surplus) for the year, and a total funds carried forward of £14,134,000 (2019 £14,107,000).

The net deficit turns into a surplus of £271,000 (2019: £50,000) if we exclude pension service costs of £405,000, depreciation costs of £341,000, less capital grant income of £446,000 and also excluding the transfer of Church Drive in the prior year. This is before any transfers to a Fixed Asset Fund.

The fund balances as shown on the Balance Sheet include: Unrestricted Funds of £62,000, General Restricted Funds of £558,000 and Other Restricted Funds of £17,000.

During the year the trust secured £405,000 of capital improvement funding for projects to be undertaken in the 19/20 and 20/21 financial years. During the year Stanton Road Primary school have undertaken a heating and infrastructure project and Church Drive have undertaken a window and roof replacement project. Planned safeguarding capital project work at Church Drive will be undertaken in 2020/21.

The investment in Motor Vehicles as detailed in Note 12 to the Financial Statements represents the purchase of a School Minibus at Great Meols that is used for educational visits.

Most of the trusts recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

At 31 August 2020, the net book value of fixed assets was £19,412,000 and movements in tangible fixed assets are shown in the notes to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The trustees are satisfied with the financial performance of the trust.

The closing reserves of the Trust were as follows:

- Unrestricted General Fund £62,000
- Restricted GAG Fund - £558,000
- Restricted Vulnerable Pupils Fund - £15,000
- Restricted Donations Fund - £2,000
- Pension Fund (£6,079,000)
- Fixed Asset Funds (combined) - £19,576,000
- TOTAL FUNDS £14,134,000.

The valuation of the defined benefit Local Government Pension Scheme is a liability of £6,079,000 (2019: £5,730,000) on the balance sheet, this is offset by Academy reserves.

Investment policy and objectives

The Trust may invest future surplus funds with Lloyds TSB in high interest fixed term deposit accounts, there are currently no funds held as investments.

The fixed term deposit accounts are low risk short term investments. The objective of these accounts would be to hold the Trust's surplus cash in low risk deposit accounts to ensure availability for any future budget shortfalls, whilst maximising the interest earning potential on surplus funds.

The Trust does not have any endowment funds.

Oak Trees Multi Academy Trust

Trustees' Report
for the Year Ended 31 August 2020

STRATEGIC REPORT

Financial review

Reserves policy

The trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary.

The trustees have determined that the appropriate level of free reserves should be equivalent to 5% of the Trusts income. The ambition across all the schools in the MAT is to reach a minimum of £100,000 GAG reserves per school. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The trustees will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed.

The balance on the restricted funds (excluding the pension and fixed asset funds) plus the balance on the unrestricted fund at 31st August 2020 amounted to £637,000 (2019: £507,000).

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

STRATEGIC REPORT

Fundraising and Community Impact

The COVID-19 pandemic has highlighted the importance of schools being at the heart of their local communities. Our schools provided support wherever possible to the local residents throughout the Spring and Summer and a lot of the efforts that were made could not have achieved without the donations raised locally as well as grants from local community charities and foundations for which we are truly grateful. The impact of COVID-19 is ongoing, as are our projects within the community. The related funds are held in a separate restricted reserve to benefit those families in the coming year.

We would like to thank all donors for supporting our schools with donations to support our pupils and their families during the COVID-19 lockdown. We have been able to make a significant impact within our community never more so than at Egremont Primary School, where they continued to support over 70 families during lockdown and beyond in a variety of ways:

- Home delivery of hot meals
- Packed lunches
- Providing two meals a day for families
- Weekly shopping bags of basic supplies
- Clothing
- Bedding
- Toys and Books

Our Approach to fundraising - is to act fairly, transparently and ethically in the best interests of serving the trust's charitable objectives and those in our community.

We protect donors by treating them fairly, enabling them to take informed decisions about donations. We take account of needs of donors who may be vulnerable or may need additional support to make an informed decision. In order to meet these standards, we have adopted the guidance issued by the Institute of Fundraising; Treating Donors Fairly.

Monitoring fundraising carried out on its behalf - everyone involved in fundraising should read and be familiar with the Code of fundraising practice.

The Trust adopts the following general standards:

- All funds raised for a specific cause must be used for that cause
- We will not denigrate other individuals or organisations
- We will not exaggerate facts
- We will not take advantage of mistakes made by donors
- We treat donors fairly

Fundraising complaints - We will respond within 30 days to a complaint by a donor or prospective donor. Complaints are dealt with in accordance with our complaints policy available on our website. Protection of the public, including vulnerable people from intrusive/persistent fundraising, and undue pressures - in order to meet these standards, we adopt the Institute of Fundraising; Treating Donors Fairly Guidance.

Principal risks and uncertainties

The objective of the Trust's Risk Management procedure is to identify the principal risks facing the trust so that existing controls may be considered and further action taken if required.

The Trustees have a comprehensive risk management process to identify and monitor the risks faced by the Academy.

The financial risks considered include: economic/financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial/statutory requirements.

STRATEGIC REPORT

Financial and risk management objectives and policies

The Trustees have considered the major risks to which it is exposed, in particular those relating to:

- Governance
- Finance
- COVID-19
- Insurance
- Attainment
- Attendance
- Behaviour
- Health and Safety
- Organisation
- Operations
- Safeguarding
- Reputation
- HR
- IT
- GDPR
- Business Continuity
- Cyber Fraud

These risks are regularly monitored by the CEO and CFO and the Trust Audit Committee.

The CEO and CFO have implemented a number of systems to assess and reduce risks that the school faces, especially in operational areas in relation to teaching, COVID-19, health and safety, behaviour management and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, including consistent systems for ascertaining DBS checks, continual professional development of staff, child protection and internal financial controls to minimise financial risk.

Adequate insurance has been arranged where significant financial risk remains.

The School has an effective system of internal financial control as explained in the Statement on Internal Control.

The trust has appointed suitably experienced consultants to undertake independent internal scrutiny audits in all areas of the MAT, including finance, health and safety, GDPR, governance and teaching and learning.

Future plans

The trust strives to:

- continually improve levels of attainment for all students equipping them with the qualifications, skills and character to follow their chosen pathway.
- constantly review curriculum and the quality of learning and ensure that there is a determination to continue to follow a process of continued improvement to help every child achieve their full potential.
- provide exceptional behaviour to support the learning of all students.
- provide a very wide ranging extra-curricular provision.
- in future years expand its role further within the community and provide for family activities as part of the extra-curricular provision with particular focus on music and the arts as well as health and wellbeing.
- look to expand exponentially once the necessary foundations and support are in place to ensure that all school are performing at a high level in all aspects.
- ensure that all our stakeholders understand the objectives and benefit from being part of the Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Oak Trees Multi Academy Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as Oak Trees Multi Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details.

Members' liability

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

Trustees' Indemnities

The Academy Trust maintains Governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The Academy Trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 236 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust. Oak Trees Multi Academy Trust and its member schools are insured through Zurich Insurance through a Service Level Agreement with Wirral Local Authority.

Recruitment and appointment of new trustees

Under the terms of its Articles:

- The members may appoint by ordinary resolution up to 9 Trustees.
- Parent Local Governors shall be elected by the individual academies, as the Trust operates with Local Governing Bodies in place across all schools which include parent governors unless otherwise agreed by Trustees.
- The Trustees may appoint Co-opted Trustees. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees.

The Trust has moved to a Business model whereby there no paid employees on the Trust board.

Trustees are recruited after a skills audit has been carried out, with vacancies filled due to a gap in skills determined from the analysis. Trustees can be co-opted according to the necessary skill set being filled.

All trustees are appointed and removed by the members and have a 4-year term of office by default.

New trustees are recruited from external sources. For example, in 2019 four Trustees were recruited through Academy Ambassadors. In such case a prospective trustee is interviewed by the Chair of Trustees and the Chief Executive Officer and then a case for co-opting is presented to the full Trust Board before appointment. A proposal is then brought to the members for formal ratification.

As part of the recruitment in 2020-21, we are looking to recruit from within the local community to further embed the Trust impact and reach in the locality.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The organisational structure consists of three levels: The Trustees, the senior executives: CEO/Accounting Officer together with the Chief Finance Officer (CFO) and the School Improvement Lead (SIL), and the Trusts Headteachers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general Trust policy, monitoring and adopting the Trust annual plan and budgets, agreeing capital expenditure and bids for grant funding, monitoring the Trust through questioning and through Academy visits through their Lead Trustee designation, making major decisions about the direction of the Academy, capital expenditure and senior staff appointments and setting the strategic direction of the Academy Trust with the Trust's Executive Team.

The CEO and CFO provide dynamic and strategic direction and leadership to the Trust, and are wholly responsible for the organisation. The Chief Executive holds statutory leadership responsibility for all of the Academies in the Trust and line manages the Headteachers in each academy and the CFO and SIL.

The Headteachers and their Senior Leadership Teams are responsible for the day-to-day leadership and management of their individual academies, working with the CEO, CFO and SIL to ensure strong performance both financially and academically.

The Headteachers have delegated responsibility to monitor and spend their own budgets up to specific limits, to set their own curriculum and to make staffing appointments, although some senior appointments are made with support of the CEO as per the MAT Scheme of Delegation.

The Headteachers, CEO, CFO and SIL meet regularly to plan strategically from the Trustees direction and ensure a clear link between the Trustees, CEO and Headteachers.

Headteachers and key school staff have some spending control through the Trust financial policies and delegated spending limits.

The Trust plan has 3 different committees/working groups: Finance Committee, Audit Committee and the Executive Pay Committee with clear terms of reference drawn up to ensure a clear and transparent decision-making process is in place. The CFO and CEO attend all Finance Committee meetings and all Audit Committee meetings.

Induction and training of new trustees

The training and induction provided for new Trustees depends on their previous experience. All new Trustees are recommended to visit each of the MAT schools, although this has proven more difficult this year due to COVID-19 restrictions.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustee. A full Trustee Induction Pack and Governance Plan is given to all Trustees as a matter of course.

New Trustees have access to a full programme of courses over the academic year run by external and internal providers which they will choose to attend, based on their role and experience. All Trustees have full access to the online resources of the National Governance Association (NGA).

As the Oak Trees Board has a National Leaders of Governance on the Board, we have the necessary experience and network in place to ensure a strong and strategic Board is holding the MAT to account at all times.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The pay policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees on the 16th December 2019 following guidance from the relevant professional pay review bodies and following the LA model pay policy, as per agreement on conversion. The pay policy is in line with the national agreements and the STPCD document, and ensures that all Oak Trees staff on teachers' pay and conditions are paid in line with other teachers in the local area. Naturally the CEO was not involved in setting his own remuneration package.

No trustees are remunerated.

The day to day running of the pay policy is delegated to the Headteachers and monitored by the Chief Finance Officer and by the Trusts Finance and Audit committees. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking.

Senior management salaries are, when possible, linked closely to pay spines, helping trustees conclude that each individual is remunerated at an appropriate level.

As such salaries are linked to factors such as length of service and experience.

Total remuneration packages include employer pension contribution rates at specific approved rates.

Key management personnel and Headteacher pay is set according to performance, and any agreed pay rises for Headteachers are agreed by the Local Governing Bodies and management personnel by the Trust Board.

Strong performance management processes coupled with a robust Executive Pay Committee ensure that any agreed pay rises are proportionate and in line with performance and expectation of the role.

The Trustees are always mindful of the charitable status of the Trust and recognises the fact that the Trust receives public funding under an agreement with the Secretary of State for Education, and therefore ensures the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the trust.

The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

The CEO is externally Performance Managed, whilst Academy Headteachers and the Chief Finance Officer and the School Improvement Lead are Performance Managed by the CEO.

Total remuneration paid to senior management personnel is set out in the notes to the financial statements.

Related parties

Details of relationships with related parties and any other charities/organisations with which we co-operate in the pursuit of charitable activities are detailed in the notes to the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Engagement with employees

We are committed to:

- providing employees with information on matters of concern to them - this is undertaken through various forms of media and interactions, including newsletters, working groups (e.g. curriculum, English, workload and wellbeing), consultations, staff shared areas (for the MAT staff community) and staff shared drives for year group teachers and subject leaders.
- consulting employees or their representatives regularly so that the views of employees can be considered in making decisions which are likely to affect their interests - this is undertaken through various forms of media and interactions, including a Joint Consultative Committee (JCC) with union leaders, staff surveys, staff questionnaires, weekly Headteacher meetings, monthly Deputy Headteacher meetings, working groups and regular COVID-19 strategy letters sent by the Trust Executive Team during the 2020 pandemic.
- encouraging the involvement of employees in the company's performance - this has been achieved through a number of media, including weekly Headteacher meetings, monthly Deputy Headteacher meetings and working groups
- achieving a common awareness on the part of all employees of the factors affecting the performance of the company - this has been achieved in a variety of ways, including newsletters, termly school/Trust data and performance dashboards, monthly Headteacher meetings and working groups.
- The Trust's policy in respect of applications for employment from disabled persons, the treatment of employees who become disabled and the training, career development and promotion of disabled - this is done by:
 - Person and job specifications being limited to those requirements that are necessary for the effective performance of the job.
 - Candidates for employment or promotion are assessed objectively against the requirements for the job, taking account of any reasonable adjustments that may be required for candidates with a disability.
 - Disability and personal or home commitments do not form the basis of employment decisions except where necessary.
 - The Trust and its schools considering any possible indirectly discriminatory effect of its standard working practices, including the number of hours to be worked, the times at which these are to be worked and the place at which work is to be done, when considering requests for variations to these standard working practices and refuse such requests only if the Trust considers it has good reasons, unrelated to any protected characteristic, for doing so.
 - The Trust complies with its obligations in relation to statutory requests for contract variations. The Trust will also make reasonable adjustments to its standard working practices to overcome barriers caused by disability.
 - The Trust ensures that access to training and development opportunities is provided to all existing and new employees and others engaged to work at the school, in line with this policy eg a wheelchair user would not be denied access to training due to access issues at the training venue.
 - The Trust ensures all employees have the same access to training, including part time workers and disabled employees.

Engagement with suppliers, customers and others

The senior management team have had regard to the need to foster the Trust's business relationships with suppliers, pupils and their families and others including funders, the wider community and the environment.

We assess the impact of our principal decisions on all of our stakeholders, never more so than this year during the COVID-19 Pandemic. Some examples of this are:

- continuing to act fairly with suppliers during lockdown
- assessing the needs of the community during lockdown and assisting where ever possible
- asking our families to complete feedback forms on how we are delivering against plan during 19/20 and planning based on results of feedback
- maintain high standards of business conduct and professionalism
- assessing the consequences of any long term decisions on all stakeholders

Oak Trees Multi Academy Trust

Trustees' Report
for the Year Ended 31 August 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	NIL
Total pay bill	NIL
Percentage of total pay bill spent on facility time	NIL

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours

NIL

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The Trust does not currently act as custodian trustee on behalf of others.

STREAMLINED ENERGY AND CARBON REPORTING

The Trust has consumed less than 40,000 kWh of energy in the period and is therefore exempt from reporting the detailed usage.

AUDITORS

The auditors, UHY Hacker Young, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 21 January 2021 and signed on the board's behalf by:



J H Owens MBE - Trustee

Oak Trees Multi Academy Trust

Governance Statement for the Year Ended 31 August 2020

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Oak Trees Multi Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement of 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 the 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 Oak Trees Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Oak Trees Multi Academy Trust

Governance Statement for the Year Ended 31 August 2020

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 8 times during the year. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
H L White	6	7
A Wilson	8	9
C Molyneux	8	9
J H Owens MBE	9	9
R Taylor	8	9
M Freeman	8	9
J Chalk	1	1
C Abbey	6	7
P Crossland	7	7
K Jones	6	7

All Members, Trustees and Local Governing Body Governors complete an annual skills audit which highlights their skills and experience in key areas of governance for schools. Oak Trees have also developed a Knowledge Audit which again all governance levels will complete.

The MAT Chair of Trustees, who is also an NLG, supports all LGBs as required, including supporting the induction process for new Governors.

Governing Bodies are reviewed on an ongoing basis to ensure that they have the necessary skills, knowledge and balance to carry out their delegated functions effectively.

A full training programme was implemented for 19-20 and a new training programme has been planned for 20-21. This includes teaching and learning, safeguarding, finance, internal scrutiny and training on the role of Governors in a Trust.

Attendance at Audit & Finance Committee meetings in the period was as follows:

Meeting Attendees	Meetings attended	Out of a possible
A Wilson	12	12
C Jackson	12	12
R Taylor	10	12
T Lacey	12	12
C Molyneux	10	10

The Finance committee and Audit committee are also sub-committees of the main board of trustees. Their primary purpose is to ensure compliance with the Academies Financial Handbook and receive reports from the external and internal auditors.

Oak Trees Multi Academy Trust

Governance Statement for the Year Ended 31 August 2020

Review of Value for Money

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

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

- Securing a number of deals for bulk buying discounts for all schools, including home workbooks for use by pupils during lockdown and PPE for all schools.
- Where possible staff work across schools to cover sickness and avoid the costs of supply cover.
- The Trust has undertaken procurement on the larger SLA's in the year with a view to reduce costs whilst maintaining quality of service, these were undertaken in Spring 2020 before lockdown and have been actioned post year end and will have a positive financial impact in the 20/21 financial year.

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 charitable company policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Oak Trees Multi Academy Trust for the period 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 charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 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.

Oak Trees Multi Academy Trust

Governance Statement for the Year Ended 31 August 2020

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 separation 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 Audit Committees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and separation of duties;
- identification and management of risks.

The board of trustees has also considered the need for a specific internal audit function and has appointed McLintocks Chartered Accountants as internal auditor.

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 for the current period included:

- testing of payroll systems
- testing of control accounts
- testing of separation of duties and internal controls

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 board of trustees' responsibilities.

Review of Effectiveness

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

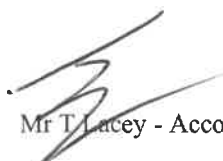
- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and ensures continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 21 January 2021 and signed on its behalf by:



J H Owens MBE - Trustee



Mr T Lacey - Accounting Officer

Oak Trees Multi Academy Trust

Statement on Regularity, Propriety and Compliance for the Year Ended 31 August 2020

As accounting officer of Oak Trees Multi Academy Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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.

Mr T Lacey - Accounting Officer



21 January 2021

Oak Trees Multi Academy Trust

Statement of Trustees' Responsibilities for the Year Ended 31 August 2020

The trustees (who act as governors of Oak Trees Multi Academy Trust and 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 issued 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 21 January 2021 and signed on its behalf by:



J H Owens MBE - Trustee

Opinion

We have audited the financial statements of Oak Trees Multi Academy Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2019 to 2020.

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

Conclusions relating to going concern

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 charitable company'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.

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 Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

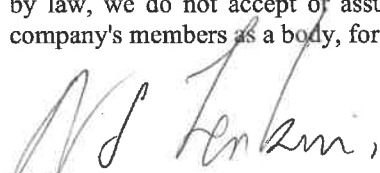
Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Nicolaus S Jenkins (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

21 January 2021

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

Respective responsibilities of Oak Trees Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Oak Trees Multi Academy Trust's funding agreement with the Secretary of State for Education 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 period 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

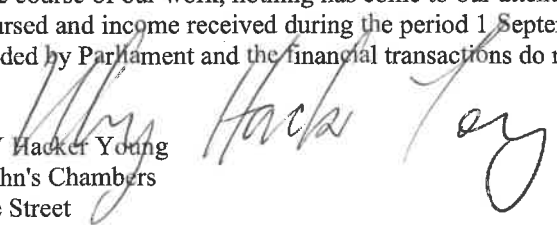
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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 charitable company's income and expenditure.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.


UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

21 January 2021

Oak Trees Multi Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2020

				31.8.20	31.8.19	
	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed assets fund £'000	Total funds £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	14	-	446	460	2,358
Transfer from Local Authority on conversion		-	-	-	-	(977)
Charitable activities						
Funding for the academy's educational operations	3	221	8,661	-	8,882	7,567
Other trading activities	4	34	-	-	34	57
Investment income	5	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Total		271	8,661	446	9,378	9,007
EXPENDITURE ON Charitable activities						
Academy's educational operations	3	271	8,810	326	9,407	8,312
Total		<u>271</u>	<u>8,810</u>	<u>326</u>	<u>9,407</u>	<u>8,312</u>
NET INCOME/(EXPENDITURE)						
		-	(149)	120	(29)	695
Transfers between funds	21	<u>-</u>	<u>(126)</u>	<u>126</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>56</u>	<u>-</u>	<u>56</u>	<u>(1,366)</u>
Net movement in funds		-	(219)	246	27	(671)
RECONCILIATION OF FUNDS						
Total funds brought forward		60	(5,283)	19,330	14,107	14,778
TOTAL FUNDS CARRIED FORWARD		<u>60</u>	<u>(5,502)</u>	<u>19,576</u>	<u>14,134</u>	<u>14,107</u>

The notes form part of these financial statements

Oak Trees Multi Academy Trust

Balance Sheet 31 August 2020

	Notes	31.8.20 £'000	31.8.19 £'000
FIXED ASSETS			
Tangible assets	12	19,412	18,085
CURRENT ASSETS			
Stocks	13	24	2
Debtors	14	701	1,173
Cash at bank		<u>1,525</u>	<u>1,916</u>
		2,250	3,091
CREDITORS			
Amounts falling due within one year	15	(1,413)	(1,302)
		<u>837</u>	<u>1,789</u>
NET CURRENT ASSETS			
		20,249	19,874
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	16	(36)	(37)
PENSION LIABILITY	22	(6,079)	(5,730)
		<u>14,134</u>	<u>14,107</u>
NET ASSETS			
FUNDS	21		
Unrestricted funds		62	60
Restricted funds		<u>14,072</u>	<u>14,047</u>
TOTAL FUNDS		<u>14,134</u>	<u>14,107</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 21 January 2021 and were signed on its behalf by:



J H Owens MBE - Trustee

Oak Trees Multi Academy Trust

Cash Flow Statement for the Year Ended 31 August 2020

	Notes	31.8.20 £'000	31.8.19 £'000
Cash flows from operating activities			
Cash generated from operations	1	<u>829</u>	<u>(315)</u>
Net cash provided by/(used in) operating activities		<u>829</u>	<u>(315)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,667)	(2,218)
Capital grants from DfE/EFA		446	2,347
Interest received		<u>2</u>	<u>2</u>
Net cash (used in)/provided by investing activities		<u>(1,219)</u>	<u>131</u>
Cash flows from financing activities			
New loans in year		-	39
Loan repayments in year		<u>(1)</u>	<u>-</u>
Net cash (used in)/provided by financing activities		<u>(1)</u>	<u>39</u>
Cash transferred on conversion to an academy		<u>-</u>	<u>(27)</u>
Change in cash and cash equivalents in the reporting period		(391)	(172)
Cash and cash equivalents at the beginning of the reporting period		<u>1,916</u>	<u>2,088</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,525</u></u>	<u><u>1,916</u></u>

The notes form part of these financial statements

Oak Trees Multi Academy Trust

Notes to the Cash Flow Statement
for the Year Ended 31 August 2020

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.8.20 £'000	31.8.19 £'000	
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(29)	695	
Adjustments for:			
Depreciation charges	340	232	
Capital grants from DfE/ESFA	(446)	(2,347)	
Transfer from Local Authority on conversion	-	977	
Interest received	(2)	(2)	
Increase in stocks	(22)	(2)	
Decrease/(increase) in debtors	472	(895)	
Increase in creditors	111	534	
Difference between pension charge and cash contributions	<u>405</u>	<u>493</u>	
Net cash provided by/(used in) operations	<u><u>829</u></u>	<u><u>(315)</u></u>	
2. ANALYSIS OF CHANGES IN NET FUNDS	At 1.9.19 £'000	Cash flow £'000	At 31.8.20 £'000
Net cash			
Cash at bank	<u>1,916</u>	<u>(391)</u>	<u>1,525</u>
	<u>1,916</u>	<u>(391)</u>	<u>1,525</u>
Debt			
Debts falling due within 1 year	(2)	-	(2)
Debts falling due after 1 year	<u>(37)</u>	<u>1</u>	<u>(36)</u>
	<u>(39)</u>	<u>1</u>	<u>(38)</u>
Total	<u><u>1,877</u></u>	<u><u>(390)</u></u>	<u><u>1,487</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Statement of accounting policies

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

Basis of Preparation

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

Oak Trees Multi Academy Trust meets the definition of a public benefit entity under FRS102.

Going concern

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 31, 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.

For 2019-20 there are some specific issues that impact on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

(1) The "McCloud/Sargeant judgement" continues to be an uncertainty. This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

1. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach and adjustment has been reflected as a past service cost within staff costs and detailed in the notes. However following a consultation issued by MHCLG it is now considered that the McCloud adjustment applied to liabilities will be lower than previously expected. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

(2) For all LGPS funds, investment returns have been extremely volatile over the later part of the period as a result of the pandemic. The significant asset losses experienced in Q1 2020 have been recovered in Q2.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are 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 it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated fixed assets

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

Expenditure & liabilities

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.

1. ACCOUNTING POLICIES - continued

Expenditure & liabilities

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Long leasehold	- Straight line over 125 years
Improvements to property	- Straight line over 25 years
Fixtures and fittings	- 33% on cost and 20% on cost
Motor vehicles	- 10% on cost
Computer equipment	- 33% on cost, 25% on cost and 20% on cost

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.

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

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes. Prepayments are not financial instruments.

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

1. ACCOUNTING POLICIES - continued

Financial instruments

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

Stocks

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

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

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

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments.

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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.

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 payment for the goods or services it must provide.

Provisions

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

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

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	31.8.20 Total funds £'000	31.8.19 Total funds £'000
Donations	14	-	14	11
Grants	<u>-</u>	<u>446</u>	<u>446</u>	<u>2,347</u>
	<u>14</u>	<u>446</u>	<u>460</u>	<u>2,358</u>

Grants received, included in the above, are as follows:

	31.8.20 £'000	31.8.19 £'000
Capital Improvement Fund	405	2,232
Devolved Formula Capital	<u>41</u>	<u>115</u>
	<u>446</u>	<u>2,347</u>

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	31.8.20 Total funds £'000	31.8.19 Total funds £'000
Other income from the academy trust's educational operations	221	17	238	369
Grants	<u>-</u>	<u>8,644</u>	<u>8,644</u>	<u>7,198</u>
	<u>221</u>	<u>8,661</u>	<u>8,882</u>	<u>7,567</u>

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	31.8.20 Total funds £'000	31.8.19 Total funds £'000
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	6,779	6,779	5,927
Other Grants	<u>-</u>	<u>1,446</u>	<u>1,446</u>	<u>941</u>
	-	8,225	8,225	6,868
Other government grant				
Local Authority Grant	<u>-</u>	<u>419</u>	<u>419</u>	<u>330</u>
	<u>-</u>	<u>8,644</u>	<u>8,644</u>	<u>7,198</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	31.8.20 Total funds £'000	31.8.19 Total funds £'000
Hire of facilities	23	-	23	48
Catering income	1	-	1	2
Insurance Income	<u>10</u>	<u>-</u>	<u>10</u>	<u>7</u>
	<u>34</u>	<u>-</u>	<u>34</u>	<u>57</u>

5. INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	31.8.20 Total funds £'000	31.8.19 Total funds £'000
Deposit account interest	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

6. EXPENDITURE

	Non-pay expenditure			31.8.20	31.8.19
	Staff costs £'000	Premises £'000	Other costs £'000	Total £'000	Total £'000
Charitable activities					
Academy's educational operations					
Direct costs	5,712	337	425	6,474	5,497
Allocated support costs	<u>1,712</u>	<u>329</u>	<u>892</u>	<u>2,933</u>	<u>2,815</u>
	<u>7,424</u>	<u>666</u>	<u>1,317</u>	<u>9,407</u>	<u>8,312</u>

Net income/(expenditure) is stated after charging/(crediting):

	31.8.20 £'000	31.8.19 £'000
Audit Fees	8	9
Depreciation - owned assets	340	232
Other operating leases	<u>6</u>	<u>14</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	31.8.20 Total funds £'000	31.8.19 Total funds £'000
Direct costs	271	6,203	6,474	5,497
Support costs	<u>-</u>	<u>2,933</u>	<u>2,933</u>	<u>2,815</u>
	<u>271</u>	<u>9,136</u>	<u>9,407</u>	<u>8,312</u>

	31.8.20 Total £'000	31.8.19 Total £'000
Analysis of support costs		
Support staff costs	1,712	1,611
Technology costs	123	110
Premises costs	329	275
Other support costs	761	810
Governance costs	<u>8</u>	<u>9</u>
Total support costs	<u>2,933</u>	<u>2,815</u>

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

8. TRUSTEES' REMUNERATION AND BENEFITS

No Trustees have been paid remuneration or have received other benefits from an employment with the academy trust during the period. During the prior year, the CEO was a Trustee. He received remuneration in respect of services they provide undertaking the role of CEO under their contract of employment.

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

Mr T Lacey (CEO) - Trustee - resigned December 2018
 - Remuneration £85,000 - £90,000 in the prior period
 - Employer's pension contributions paid £10,000 - £15,000 in the prior period

Trustees' expenses

During the prior year ended 31st August 2019, travel and subsistence expenses totalling £135 were reimbursed or paid directly to Mr T Lacey (Trustee during that period & CEO) in relation to expenses incurred during the course of his duties as CEO.

9. STAFF COSTS

	31.8.20	31.8.19
	£'000	£'000
Wages and salaries	5,561	5,193
Social security costs	463	316
Operating costs of defined benefit pension schemes	<u>1,261</u>	<u>856</u>
	7,285	6,365
Supply teacher costs	131	87
Compensation payments	<u>8</u>	<u>4</u>
	<u><u>7,424</u></u>	<u><u>6,456</u></u>

Included with Wages and salaries costs are £8,000 in relation to voluntary redundancy and severance payments.

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	31.8.20	31.8.19
Teachers	85	88
Administration & Support	172	167
Management	<u>11</u>	<u>13</u>
	<u><u>268</u></u>	<u><u>268</u></u>

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

	31.8.20	31.8.19
£60,001 - £70,000	4	2
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	<u>2</u>	<u>-</u>
	<u><u>7</u></u>	<u><u>4</u></u>

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

9. STAFF COSTS - continued

Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team listed on the Reference and Administrative Page. The total amount of the employee benefits (including employers pension contributions and employers national insurance) received by key management personnel for their services to the academy trust was £1,223,000 (2019: £884,000)

10. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust purchased its insurance from Zurich during the financial period, which protects trustees and officers from claims arising from negligent acts, errors or omissions whilst on academy business, and provides cover up to £10,000,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £'000	Restricted funds £'000	Fixed assets fund £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	11	-	2,347	2,358
Transfer from Local Authority on conversion	-	(1,009)	32	(977)
Charitable activities				
Funding for the academy's educational operations	337	7,198	32	7,567
Other trading activities	57	-	-	57
Investment income	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total	407	6,189	2,411	9,007
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	409	7,671	232	8,312
Total	<u>409</u>	<u>7,671</u>	<u>232</u>	<u>8,312</u>
NET INCOME/(EXPENDITURE)	(2)	(1,482)	2,179	695
Transfers between funds	<u>(6)</u>	<u>-</u>	<u>6</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>(1,366)</u>	<u>-</u>	<u>(1,366)</u>
Net movement in funds	(8)	(2,848)	2,185	(671)
RECONCILIATION OF FUNDS				
Total funds brought forward	70	(2,437)	17,145	14,778

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £'000	Restricted funds £'000	Fixed assets fund £'000	Total funds £'000
TOTAL FUNDS CARRIED FORWARD	<u>62</u>	<u>(5,285)</u>	<u>19,330</u>	<u>14,107</u>

12. TANGIBLE FIXED ASSETS

	Long leasehold £'000	Improvements to property £'000	Fixtures and fittings £'000	
COST				
At 1 September 2019	15,096	3,044	86	
Additions	-	53	70	
Reclassification	-	<u>1,580</u>	-	
At 31 August 2020	<u>15,096</u>	<u>4,677</u>	<u>156</u>	
DEPRECIATION				
At 1 September 2019	163	122	36	
Charge for year	<u>65</u>	<u>201</u>	<u>29</u>	
At 31 August 2020	<u>228</u>	<u>323</u>	<u>65</u>	
NET BOOK VALUE				
At 31 August 2020	<u>14,868</u>	<u>4,354</u>	<u>91</u>	
At 31 August 2019	<u>14,933</u>	<u>2,922</u>	<u>50</u>	
	Motor vehicles £'000	Computer equipment £'000	Assets under construction £'000	Totals £'000
COST				
At 1 September 2019	-	126	120	18,472
Additions	26	58	1,460	1,667
Reclassification	-	-	<u>(1,580)</u>	-
At 31 August 2020	<u>26</u>	<u>184</u>	-	<u>20,139</u>
DEPRECIATION				
At 1 September 2019	-	66	-	387
Charge for year	<u>3</u>	<u>42</u>	-	<u>340</u>
At 31 August 2020	<u>3</u>	<u>108</u>	-	<u>727</u>
NET BOOK VALUE				
At 31 August 2020	<u>23</u>	<u>76</u>	-	<u>19,412</u>
At 31 August 2019	<u>-</u>	<u>60</u>	<u>120</u>	<u>18,085</u>

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

13. STOCKS		31.8.20	31.8.19
		£'000	£'000
Stocks		<u>24</u>	<u>2</u>
14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		31.8.20	31.8.19
		£'000	£'000
Trade debtors		10	16
Other debtors		330	848
VAT		112	82
Prepayments and accrued income		<u>249</u>	<u>227</u>
		<u>701</u>	<u>1,173</u>
15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		31.8.20	31.8.19
		£'000	£'000
Other loans (see note 17)		2	2
Trade creditors		402	399
Social security and other taxes		109	106
Other creditors		410	529
Accruals and deferred income		<u>490</u>	<u>266</u>
		<u>1,413</u>	<u>1,302</u>
Deferred income			
		2019	2019
		£'000	£'000
Deferred income B.Fwd		177	133
Released from previous years		(177)	(133)
Resources deferred in year		<u>179</u>	<u>177</u>
Deferred Income at 31st August		<u>179</u>	<u>177</u>

The above income relates to Universal Infant Free School Meals (and Rates Relief in the prior year) received in advance, for the following year.

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

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

	31.8.20	31.8.19
	£'000	£'000
Other loans (see note 17)	<u>36</u>	<u>37</u>

17. LOANS

An analysis of the maturity of loans is given below:

	31.8.20	31.8.19
	£'000	£'000
Amounts falling due within one year on demand:		
Salix Loan	<u>2</u>	<u>2</u>
Amounts falling due between two and five years:		
ESFA Loan - Abatement	27	27
Salix Loan	<u>7</u>	<u>6</u>
	<u>34</u>	<u>33</u>

Amounts falling due in more than five years:

Repayable by instalments:		
Salix Loan	2	4

Included within loans are: -

- 1) A Salix loan originally amounting to £12,000, which is provided interest free and repayable over 8 years.
- 2) A ESFA abatement loan to cover the transfer on conversion deficit in relation to Church Drive, amounting to £27,000. The repayment terms for this were agreed in December 2020. The loan will be repaid over a 3 year period commencing January 2021.

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.20	31.8.19
	£'000	£'000
Within one year	-	11
Between one and five years	7	15
In more than five years	<u>1,164</u>	<u>1,213</u>
	<u>1,171</u>	<u>1,239</u>

Included in the figures above is a 25 year lease on the property for Church Drive Primary School.

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

19. 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.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £'000	Restricted funds £'000	Fixed assets fund £'000	31.8.20 Total funds £'000
Fixed assets	-	-	19,412	19,412
Current assets	62	1,661	527	2,250
Current liabilities	-	(1,050)	(363)	(1,413)
Long term liabilities	-	(36)	-	(36)
Pension liability	-	(6,079)	-	(6,079)
	<u>62</u>	<u>(5,504)</u>	<u>19,576</u>	<u>14,134</u>

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

	Unrestricted fund £'000	Restricted funds £'000	Fixed assets fund £'000	31.8.19 Total funds £'000
Fixed assets	-	-	18,085	18,085
Current assets	51	1,442	1,598	3,091
Current liabilities	9	(968)	(343)	(1,302)
Long term liabilities	-	(27)	(10)	(37)
Pension liability	-	(5,730)	-	(5,730)
	<u>60</u>	<u>(5,283)</u>	<u>19,330</u>	<u>14,107</u>

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

21. MOVEMENT IN FUNDS

	At 1.9.19 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.20 £'000
Unrestricted funds				
General fund	60	2	-	62
Restricted funds				
General Annual Grant	447	237	(126)	558
Vulnerable Pupil Fund	-	15	-	15
Restricted Donations fund	-	2	-	2
Fixed Asset Fund - Transfer on conversion	14,986	(107)	-	14,879
Fixed Asset Fund - Capital Grants	4,268	252	-	4,520
Fixed Asset Fund - Capital from GAG & Other Income	76	(25)	126	177
Pension fund	<u>(5,730)</u>	<u>(349)</u>	<u>-</u>	<u>(6,079)</u>
	<u>14,047</u>	<u>25</u>	<u>-</u>	<u>14,072</u>
TOTAL FUNDS	<u>14,107</u>	<u>27</u>	<u>-</u>	<u>14,134</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	271	(269)	-	2
Restricted funds				
Pupil Premium fund	532	(532)	-	-
General Annual Grant	6,780	(6,543)	-	237
Other Grants	1,332	(1,332)	-	-
Vulnerable Pupil Fund	15	-	-	15
Restricted Donations fund	2	-	-	2
Fixed Asset Fund - Transfer on conversion	-	(107)	-	(107)
Fixed Asset Fund - Capital Grants	446	(194)	-	252
Fixed Asset Fund - Capital from GAG & Other Income	-	(25)	-	(25)
Pension fund	<u>-</u>	<u>(405)</u>	<u>56</u>	<u>(349)</u>
	<u>9,107</u>	<u>(9,138)</u>	<u>56</u>	<u>25</u>
TOTAL FUNDS	<u>9,378</u>	<u>(9,407)</u>	<u>56</u>	<u>27</u>

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.18 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.19 £'000
Unrestricted funds				
General fund	70	(4)	(6)	60
Restricted funds				
General Annual Grant	452	(5)	-	447
Fixed Asset Fund - Transfer on conversion	15,052	(66)	-	14,986
Fixed Asset Fund - Capital Grants	2,052	2,216	-	4,268
Fixed Asset Fund - Capital from GAG & Other Income	41	29	6	76
Pension fund	<u>(2,889)</u>	<u>(2,841)</u>	<u>-</u>	<u>(5,730)</u>
	<u>14,708</u>	<u>(667)</u>	<u>6</u>	<u>14,047</u>
TOTAL FUNDS	<u>14,778</u>	<u>(671)</u>	<u>-</u>	<u>14,107</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	407	(411)	-	(4)
Restricted funds				
Pupil Premium fund	487	(487)	-	-
General Annual Grant	5,896	(5,901)	-	(5)
Other Grants	788	(788)	-	-
Fixed Asset Fund - Transfer on conversion	32	(98)	-	(66)
Fixed Asset Fund - Capital Grants	2,347	(131)	-	2,216
Fixed Asset Fund - Capital from GAG & Other Income	32	(3)	-	29
Pension fund	<u>(982)</u>	<u>(493)</u>	<u>(1,366)</u>	<u>(2,841)</u>
	<u>8,600</u>	<u>(7,901)</u>	<u>(1,366)</u>	<u>(667)</u>
TOTAL FUNDS	<u>9,007</u>	<u>(8,312)</u>	<u>(1,366)</u>	<u>(671)</u>

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	Total 2020 £'000	Total 2019 £'000
Stanton Road	154	120
Poulton Lancelyn	164	138

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

21. MOVEMENT IN FUNDS - continued

Great Meols	181	212
Egremont	102	20
Church Drive	6	16
Central Services	30	1
Total before fixed asset and pension reserve	637	507
Restricted fixed asset fund	19,576	19,330
Pension reserve	(6,079)	(5,730)
Total	14,134	14,778

Total cost analysis by academy

	Teaching & Educational Support		Other Support Staff	Direct & Educational Supplies	Other Costs (Exc) Depreciation	2020	2019
	Costs	Costs	Costs	Supplies	Depreciation	£'000	£'000
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Stanton Road	874	263	67	184	1,388	1,353	
Poulton							
Lancelyn	1,129	222	68	254	1,673	1,640	
Great Meols	1,304	287	95	217	1,903	1,818	
Egremont	1,246	305	80	310	1,941	2,097	
Church Drive	1,099	362	53	182	1,696	835	
Central Services	63	273	55	74	465	337	
	5,715	1,712	418	1,221	9,066	8,080	

22. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £124,000 were payable to the schemes at 31 August 2020 (2019: £113,000) and are included within creditors.

Teachers' pension scheme

Introduction

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

The TPS is an unfunded scheme to which both 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.

22. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the teachers' pension scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £365,000 (2019: £338,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

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 £601,000 (2019: £510,000), of which employer's contributions totalled £491,000 (2019: £415,000) and employees' contributions totalled £110,000 (2019: £95,000). The agreed contribution rates for future years are 32.5 per cent for employers and between 5.5% and 12.5% per cent for employees.

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

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

22. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£'000	£'000
Present value of funded obligations	(8,740)	(7,898)
Fair value of plan assets	<u>2,661</u>	<u>2,168</u>
	(6,079)	(5,730)
Present value of unfunded obligations	—	—
Deficit	<u>(6,079)</u>	<u>(5,730)</u>
Net liability	<u>(6,079)</u>	<u>(5,730)</u>

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

	Defined benefit pension plans	
	31.8.20	31.8.19
	£'000	£'000
Current service cost	764	517
Net interest from net defined benefit asset/liability	98	88
Past service cost	23	284
Net Benefits	-	11
Admin Expenses	<u>11</u>	<u>8</u>
	<u>896</u>	<u>908</u>
Actual return on plan assets	<u>(13)</u>	<u>94</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£'000	£'000
Opening defined benefit obligation	7,898	4,312
Current service cost	764	517
Past service cost	23	284
Contributions by scheme participants	110	95
Interest cost	143	137
Transfer on conversion	-	1,174
Benefits paid	(32)	(32)
Actuarial (gains)/losses from changes in financial assumptions	<u>(166)</u>	<u>1,411</u>
	<u>8,740</u>	<u>7,898</u>

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

22. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£'000	£'000
Opening fair value of scheme assets	2,168	1,423
Interest income	45	49
Admin Expenses	(11)	(8)
Contributions by employer	491	415
Contributions by scheme participants	110	95
Transfer on conversion	-	192
Benefits paid	(32)	(43)
Assets other remeasurement	<u>(110)</u>	<u>45</u>
	<u>2,661</u>	<u>2,168</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£'000	£'000
Actuarial (gains)/losses from changes in financial assumptions	166	(1,411)
Assets other remeasurement	<u>(110)</u>	<u>45</u>
	<u>56</u>	<u>(1,366)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.20	31.8.19
	£'000	£'000
Equities	1,297	1,109
Government Bonds	66	220
Other Bonds	367	119
Cash/Liquid	144	70
Other	548	454
Property	<u>239</u>	<u>196</u>
	<u>2,661</u>	<u>2,168</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	31.8.20	31.8.19
Discount rate	1.80%	1.80%
Future salary increases	3.80%	3.50%
Future pension increases	2.30%	2.00%

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

22. PENSION AND SIMILAR OBLIGATIONS - continued

The current mortality assumptions include sufficient allowance for future improvements in the mortality rates.

The assumed life expectations on retirement age 65 are:

	At 31 August 2020	At 31 August 2019
Retiring today		
Males	20.9	22.2
Females	24.0	25.0
Retiring in 20 years		
Males	22.5	25.2
Females	25.9	27.9

Sensitivity analysis	At 31 August 2020
	£'000
Discount rate +0.1%	189
CPI Rate +0.1	187
Mortality assumption - 1 year increase	250

23. CAPITAL COMMITMENTS

	31.8.20	31.8.19
	£'000	£'000
Contracted but not provided for in the financial statements	<u>105</u>	<u>1,146</u>

24. RELATED PARTY DISCLOSURES

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

The following related party transaction took place in the period of accounts.

<u>Related Trustee</u>	<u>Related Party</u>	<u>Nature</u>	<u>Details</u>	<u>2020</u>	<u>2019</u>
				£'000	£'000
J Owens MBE	Edsential	Director	Various Purchases of Goods and Services	28	60

J Owens MBE is a director of Edsential (a Community Interest Company), however does not hold any shares or voting rights.

In entering into these transactions the trust has complied with the requirements of the Academies Financial Handbook.

Oak Trees Multi Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

25. POST BALANCE SHEET EVENTS

On the 1st January 2021 Brackenwood Junior School, after appropriate Internal Scrutiny and Due Diligence, became the sixth school in the Trust. The Trustees believe that Brackenwood Junior School (OFSTED rating - Good) will be a great addition to the MAT and look forward to working with them over the coming year.

26. CENTRAL SERVICES

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

- human resources
- financial services
- legal services
- educational support services
- other as arising

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

- a percentage of income and/or flat fee

The actual amounts charged during the year were as follows:

	2020	2019
	£'000	£'000
Stanton Road	95	66
Egremont	149	91
Great Meols	94	65
Poulton Lancelyn	93	70
Church Drive	70	26
	<u>501</u>	<u>318</u>