

**Company Registration No. 07652792 (England and Wales)**

**THE OLDERSHAW ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

# THE OLDERSHAW ACADEMY

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# THE OLDERSHAW ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Members</b>	Mr J R Codling Mr J B Mann See * below for those who are also trustees
<b>Trustees</b>	Dr I J Cubbin (Foundation and Finance *) Mrs F C Bithell (Parent) Mr G Bottle (Foundation and Finance *) Mr J M Bush (Executive Principal and Accounting Officer) Mrs Z L Callister (Parent) (Appointed 1 March 2019) Mr P Cowden ((Chair) Finance *) Mrs P A Croft (Foundation *) Miss S J Håggström (Foundation *) Mr K Harrison (Foundation *) Mr D J Houghton (Parent) (Resigned 20 September 2019) Cllr A E Jones ((Deputy Chair) Foundation and Finance *) Mrs J A Kenny (Parent) Mr M Liddell (Executive Principal) Mrs S Murphy (Parent) (Appointed 1 March 2019) Mrs K Prudence (Staff) Mrs J Riley (Staff)
<b>Senior management team</b>	
- Executive Principal	Mr J Bush
- Executive Principal	Mr M G Liddell
- Chief Financial Officer	Mr C Walton
<b>Company registration number</b>	07652792 (England and Wales)
<b>Principal and registered office</b>	Valkyrie Road Wallasey Merseyside CH45 4RJ
<b>Website address:</b>	<a href="http://www.oldershaw.wirral.sch.uk">www.oldershaw.wirral.sch.uk</a>
<b>Independent auditor</b>	Mitchell Charlesworth LLP 3rd Floor 5 Temple Square Temple Street Liverpool Merseyside L2 5RH

# THE OLDERSHAW ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Bankers** HSBC Bank plc  
2 Liscard Crescent  
Wallasey  
Wirral  
Merseyside  
CH44 5TR

**Solicitors** Brabners LLP  
Horton House  
Exchange Flags  
Liverpool  
Merseyside  
L2 3YL

# THE OLDERSHAW ACADEMY

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates a mixed all ability 11-19 academy with a planned admission limit of 990 and has 812 pupils on roll as at the 2018 census. The academy is nationally recognised for inclusion and has a proud history of successfully working with the community. Wallasey has extremely high levels of disadvantage with many students on free school meals and many families facing significant social disadvantage. In May 2016 OFSTED graded the academy as good. Results in 2017 maintained 4 years of sustained academic progress realising the academy's best results ever. The 2018 results dipped coinciding with the new GCSE 9 - 1 being introduced. The 2019 results reflect the impact of 46% of the cohort joining after the GCSE courses began. Progress in Mathematics and English enabled 27.3% grade 9 – 5. Students gained qualifications that allowed them make progression.

#### **Structure, governance and management**

##### ***Constitution***

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The charitable company operates as The Oldershaw Academy.

The trustees of The Oldershaw Academy are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

##### ***Members' liability***

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

##### ***Trustees' indemnities***

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides £25M (2018 £25M) cover on any one claim and the cost for the year ended 31 August 2019 is included in the overall costs for the academy's insurance which was £11,613 net of insurance premium tax. (2018 £11,533).

##### ***Method of recruitment and appointment or election of trustees***

In accordance with the Articles of Association, the members may appoint up to 12 trustees under article 50 plus an additional 2 staff under article 50a which may include staff and parent governors. Further and additional trustees are within the remit of the Secretary of State as covered under article 46 subsections b, c, e and f.

All trustees are subject to election and the term is for a period of 4 years. At the end of that period should they wish to remain a trustee and subject to their remaining being appropriate i.e. staff or parent governor then this is subject to a further election. Further information is available under the trustee section of the Articles of Association that may be accessed from the academy website.

##### ***Policies and procedures adopted for the induction and training of trustees***

The training and induction for new trustees depends on their existing experience. Training is provided in identified areas. All new trustees are given a tour of the academy trust and the opportunity to meet with staff and pupils. Policies, procedures, minutes, accounts, budgets and other documents are available to enable trustees to undertake their role. Induction is informal and tailored specifically to the needs of individuals. The academy also uses an LA support programme.

# THE OLDERSHAW ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### ***Organisational structure***

The board of governors and administrative details of the academy are detailed on page 1.

Full Governing Body meetings are in line with the Academies Financial Handbook 2018 requirements to ensure the academy is run in an efficient and professional manner. The board appoints committees to assist with specific governance of important areas including: Curriculum, Finance, Personnel and Buildings. The financial risks faced by the academy, principally in relation to its day to day running, is a high priority. Management of cash assets using cash flow forecasting and control of cash on a daily basis is carefully controlled. The principal sources of income are from public sector bodies for which there is a low level of credit risk. Safeguarding is a high priority and all governors and staff are subject to enhanced DBS checks. Visiting staff who work regularly at the academy are also subject to these checks and visitors are supervised at all times.

The academy benefits from the work of a Responsible Officer, who has instructed Mitchell Charlesworth LLP to assist him in this role. This work is additional to that of their role as external auditor, and ensures that operational, financial, risk and management processes are robustly and independently reviewed. The Risk Register is increasingly used as the foundation for the work of the Responsible Officer, in conjunction with the requirements of the Academies Handbook. The Responsible Officer has access to all departments and reports directly to the Finance Committee.

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

The Governing body policy is based on The Governance Handbook, published by the Department for Education (DfE), this sets out the statutory responsibilities of governing bodies in maintained schools for principals' appraisal. The academy has adopted this process. These responsibilities reflect The Education (School Teachers' Appraisal) (England) Regulations 2012.

- Appoint an external adviser for advice and support on the principals' appraisal, and consult the adviser on setting objectives for and appraising the principals.
- Inform the principals of the standards to be used to assess performance.
- Set objectives for the principals.
- Appraise the performance of the principals, assessing his/her performance against the relevant standards and the agreed performance objectives.
- Assess the principals' professional development needs and the action needed to address them.
- Make a recommendation on the principals' pay, where relevant.
- Give the principals a written report of his/her appraisal, which includes the assessments and the pay recommendation.
- Make sure that principals carry out their duties in respect of appraising other staff (including recommendations on pay).

# THE OLDERSHAW ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### *Trade union facility time*

#### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1.00

#### *Percentage of time spent on facility time*

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

#### *Percentage of pay bill spent on facility time*

Total cost of facility time	100
Total pay bill	3,905,509
Percentage of the total pay bill spent on facility time	-

#### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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#### ***Related parties and other connected charities and organisations***

The academy trust does not have any associations with other charities or organisations.

### **Objectives and activities**

#### ***Objects and aims***

The aim of the Oldershaw Academy is to provide education and educational opportunities for pupils between the ages of 11 and 19. In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the academy, and that the curriculum should be broad and balanced.

# THE OLDERSHAW ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The academy aims to promote a culture of success by raising aspirations, engaging all pupils, developing mutual respect and equipping leavers for the future. This includes:

- High quality education for every child through Pride, Kindness and Resilience. In 2015-2016 this was evidenced by an Ofsted visit confirming the academy as 'Good with Outstanding features'.
- Raising the standard of educational achievement and attainment for all pupils. In 2018-2019 this was evidenced by students achieving 44% standard pass in English and Maths.
- Improving effectiveness through constant self-evaluation and reflection - Trustees have undertaken a re-evaluation of the governing body and in addition to seeking more Governors the committee structure has been revisited and a greater level of challenge of the academy has been present.
- Providing value for money 2018 - 2019 saw a further in year surplus due to sound financial management and due diligence. The results of this are maintained and demonstrated in the annual accounts.
- Complying with all appropriate statutory and curriculum requirements.
- Maintaining close links with business and industry through the vocational courses.
- Conduct business with the highest standards of integrity, probity and openness.
- Governors are minded of the guidance issued by the Charity Commission and that their actions are at all times to be for the public benefit.

#### **Objectives, strategies and activities**

##### Core Values

- Pride Kindness Resilience

##### Our Vision

- Excellence together

##### Our Mission

- Nurturing Happiness and Academic Success.
- High quality teaching and learning which creates confident and successful young people.
- Creativity, international experience, challenge and vocation in the classroom.
- Care, support, inclusion and community spirit.

#### **Public benefit**

The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. Activities in 2018-19 demonstrate in all accepted definitions that the Oldershaw Academy provides services that are of public benefit through the provision of education and making available the facilities and resources of the academy for the community and other charitable purposes. We continue to hold the delivery of public benefit as both central and fundamental to our activities.

#### **Strategic report**

##### **Achievements and performance**

The results are in the context of a 46% growth in less than 3 years. The class of 2019 achieved 44% standard pass Maths and English. 28% achieved good pass Maths and English. The progress 8 measure has dipped. The percentage SEN with statements or EHC plan is the highest locally at 4% and SEN is 32%, triple the national average. The socio-economic profile of the academy shows 64% of pupils are disadvantaged and the IDACI register shows the cohort is in the 5% of most deprived areas nationally. Attendance has been an issue with so many new learners joining following the closure of a local academy. Attendance is currently at 94%. The significant additional students joining was a challenge and the results in improved 9-5 % English & Maths demonstrate the work in pathways to progression.



# THE OLDERSHAW ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### **Key performance indicators**

Ofsted – In April 2016 the academy was inspected by Ofsted. The academy was judged as at least good in all categories.

Exam/Key Stage results the academy achieved 44% achieved standard pass Maths and English. 28% achieved good pass. A significant number of students joined the class of 2019 in addition to the normal year 7 intake. Post 16 results enabled all those who wanted to go to university to access a place.

Attendance: Whilst attendance is still below the National average the academy's strategies continue to narrow the gap and the Attendance was 94% against the National benchmark of 97%. The strategies to support attendance particularly with our disadvantaged learners was acknowledged as good practice in the Ofsted report.

For the 2018 - 2019 financial year the academy set a balanced budget that included capital expenditure for both infrastructure and building projects. The continued prudent fiscal management enabled the academy to strengthen the balance sheet to £1,313,625 (excluding fixed assets and the pension scheme deficit), an increase of £746,696 on the previous financial year. During this period the amount of free cash generated amounted to £720,740 and we ended the year with a total amount of cash in the bank totalling £1,386,755.

There is an expected variation in funding over the next three years due to National Funding Formula and year group cohort size. The academy has mitigated against these risks and planned accordingly.

#### **Going concern**

After making appropriate enquiries, and through the detailed involvement of the Finance Committee and the board of trustees, there is a more than reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Following a period of restructure and additional support from the Education and Skills Funding Agency the academy has completed a three year recovery plan approved by the Agency within two years and this enabled the academy to carry a surplus into 2018-19.

#### **Financial review**

Most of the academy's income is obtained from the ESFA funded school budget share in the form of recurrent and capital grants, the use of which is restricted for specific educational purposes. The academy also receives Local Authority and other public grants in the year which were supplemented by other support grants from the ESFA. The academy has reported a surplus for the year of £492,261. After accounting for the actuarial loss on the local government pension scheme the net movement in funds for the year is £(630,739). A programme of restructuring has seen the academy bring its teaching costs in line with National Guidelines whilst at the same time ensuring a quality educational experience for our students together with exceptional pastoral care. In the 2018 - 2019 academic year the academy continued to work on outflow and a review of support staff roles together with a review of TLR's for teaching staff. Academy staffing levels are in line with current bench marking and monitored closely.

#### **Reserves policy**

The Governors review reserve levels regularly and also formally on an annual basis. This review considers the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The funding receivable for the development of the academy and all associated capital works are intended to fully cover the costs, and therefore the level of reserves excluding the pension liability is currently under review. The Governors will determine an adequate and appropriate level for reserves, which are not invested in tangible assets, will be reviewed as part of the process.

# THE OLDERSHAW ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### ***Investment policy***

The academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, but ensuring the investments are such that there is no risk to the loss of these cash funds.

The governors confirm that they have undertaken the first part of the above paragraph throughout the trading year.

### ***Principal risks and uncertainties***

The academy reviews the risks it may face, the steps and controls needed to mitigate the risks and the existing systems and procedures such as academy trips and teaching provision. Risk assessment and management is a regular agenda item for Governors and Senior Leaders and the Risk Register is a working document which is regularly updated.

From a financial perspective the academy is vulnerable to decreases in pupil numbers as this affects the income stream and may be caused by falling results or a poor Ofsted or a negative perception of the academy in the wider community. Currently, we are pleased to report that none of these are an issue for the academy.

### **Financial and risk management objectives and policies**

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

- Comprehensive budgeting and monitoring systems with periodic financial reports reviewed and agreed with the Governing Body.
- Regular reviews by the Finance Committee which adjusts expenditure against forecasts of income.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

### **Fundraising**

Under the provisions of the Charities (Protection and Social Investment) Act 2016 this section must include information on fundraising practices. The areas to cover are included in section 13 of the Act and include:

- approach to fundraising
- work with, and oversight of, any commercial participators/professional fundraisers
- fundraising conforming to recognised standards
- monitoring of fundraising carried out on its behalf
- fundraising complaints
- protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Trustees may also find it helpful to refer to the Charity Commission publication "Charity fundraising; a guide to trustee duties (CC20)" which has been updated to reflect new requirements.

# THE OLDERSHAW ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Plans for future periods

The academy is planning for the future in a number of ways following the restructure of the Governing Body. The Personnel Sub-Committee is working closely with the LEA and the Principals to look at local demographics and the likely intake over the next 3-5 years and percentage of SEN and FSM to aid in budget setting and to ensure that we have appropriate and adequate resources available to meet our objectives to our students. This is within the context of moving to the National Funding Formula where there is a redistribution of funding. The Buildings Sub-Committee is reviewing the fabric of the building to create a template of works to maintain and improve the building and other property to the benefit of students and staff to ensure they have a safe and enriching environment in which to work.

The Senior Leadership Team are working hard on making the academy an attractive option for year 7 students and for transfers in and also seeking ways in which to expand the 6th form offering.

We are also looking now at how better to use the resources that are available in the academy to create an additional income to further benefit our students but also to provide excellent facilities at reasonable rates to our neighbours in the surrounding community.

#### Key aims and objectives of the improvement plan 2019-20

##### Continue to improve progress by:

- Closely monitoring Years 7 - 11 whilst setting ambitious targets.
- Closing the gap by focusing upon disadvantaged pupils.
- Ensuring learners meet or exceed national expectations.
- Build on the progress achieved by the use of Accelerated Reader in improvements in literacy.
- Embed the Maths Mastery Project.
- Address key skills gaps in year 7 & 8. Share good practice with the continuing weekly Professional Development programme.
- Develop external support links to improve attendance and attainment.

##### Improve teaching and learning by:

- Sharing good practice of high performing departments and their leaders.
- Continue to improve the quality of presentation.
- Improve the quality of feedback and marking.
- Robust monitoring of progress and scrutiny of work from Year 7-13.

##### Improve leadership by:

- Focus all Leaders on National expectations.
- Continue to seek external help at departmental and whole school level.
- Staff to engage with external training programmes.
- Work with academy Improvement Partner to rigorously monitor and evaluate standards.
- Appropriate succession planning in place for key staff and the trust.

# THE OLDERSHAW ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Improve behaviour by:**

- Building upon engagement and resilience of pupils; and Progress Leaders & Assistant Progress Leaders focus on the progress of all pupils in their cohort.

### **Improve the tracking of students' SMSC and Career Education:**

- Ensure all students are eager to learn and have positive attitudes in lessons.
- Social Moral Spiritual and Cultural targeted days using outside agencies and alternative locations to develop SMSC values.
- Develop themed assemblies & structured Personal Social and Health Education to support learning.
- Develop and embed the new careers education programme.

### **Governance**

- The external review of governance was helpful in ensuring the systems and procedures the governing body have in place are secure.
- Bi-annual 360 review.
- Ongoing review of governing body structure, grouping and meeting schedule.

### **Funds held as custodian trustee on behalf of others**

The academy and its trustees do not act as custodian trustees of any other charity.

### **Employee consultation and disabled employees**

#### **Equal opportunities policy**

The governors recognise that equal opportunities should be an integral part of good practice in the workplace. The academy aims to establish equal opportunity in all areas including creating a working environment in which the contribution and needs of all people are fully valued.

#### **Disabled persons**

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academy. Appropriate car parking provision and access is available. The policy of the academy is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment, by making support resources available and through training and career development.

#### **Serious incidents**

The Governors are conversant with the requirements to report serious incidents to the Charity Commission and will use the appropriate channels to report such incidents as they occur. In relation to this, the academy has developed and implemented robust Health and Safety, Financial, and Disaster and Contingency Planning strategies to assist the academy in minimising the risk of serious incidents.

# THE OLDERSHAW ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Auditor**

In so far as the trustees are aware:

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

A resolution proposing that Mitchell Charlesworth LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 26 November 2019 and signed on its behalf by:



Dr I J Cubbin

Chair of Board of Trustees



# THE OLDERSHAW ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer (J Bush), for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Oldershaw Academy 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.

Foundation Governors are appointed for as long as they wish to stand, but the maximum term of office for other governors is four years, however they are eligible for re-election. A Parent Governor will cease to hold office if their child is no longer registered as a pupil at the academy. Staff Governors cease to hold office if they are no longer employed by the academy.

### 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 five times during the year. Given the structure of our sub-committees, the governing body believe five meetings are sufficient to discharge their duties. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Dr I J Cubbin (Foundation and Finance *)	4	5
Mrs F C Bithell (Parent)	5	5
Mr G Bottle (Foundation and Finance *)	3	5
Mr J M Bush (Executive Principal and Accounting Officer)	5	5
Mrs Z L Callister (Parent) (Appointed 1 March 2019)	3	3
Mr P Cowden ((Chair) Finance *)	5	5
Mrs P A Croft (Foundation *)	4	5
Miss S J Håggström (Foundation *)	5	5
Mr K Harrison (Foundation *)	4	5
Mr D J Houghton (Parent) (Resigned 20 September 2019)	4	5
Cllr A E Jones ((Deputy Chair) Foundation and Finance *)	2	5
Mrs J A Kenny (Parent)	4	5
Mr M Liddell (Executive Principal)	5	5
Mrs S Murphy (Parent) (Appointed 1 March 2019)	2	3
Mrs K Prudence (Staff)	5	5
Mrs J Riley (Staff)	3	5

For details of governors' appointments and resignations see page 1.

### Members

Mr J Codling	-	1
Mr J Mann	-	1

# THE OLDERSHAW ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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This has been a particularly challenging year for the staff and governors of the academy. During the course of the year governors have met regularly with their Link Subject leads and are a regular presence in the academy and their interest and support is welcomed by the Senior Leadership Team and teaching staff. Governors have also completed training modules in order to maintain and improve their operational capabilities particularly in areas such as safeguarding.

The governing body at the AGM in June 2019 took the opportunity to evaluate the current position following meetings with DfE, ESFA & RSC. The focus on curriculum demands reviewed.

#### **Finance and general purpose committee (including responsibility for audit matters)**

The Finance Committee (including responsibility for Audit) is a committee of the main Board of Governors. Its purpose is budgeting and the financial health of the academy and routine monitoring of targets. There are alternating sub groups in the meeting cycle of Finance and General Purpose Committee (Personnel/Curriculum) and Finance and General Purpose Committee (Buildings and Risk Management). Details of all issues discussed are documented in the minutes. The committee is supported by Mr C Walton, Chief Financial Officer.

Terms of reference:

- To receive and review the proposed budget for the financial year.
- To receive and review the allocation of resources.
- To be responsible for review of the whole school pay policy.
- To review all staff salaries annually, implementing enhancements where appropriate.
- To meet with the Accountants and monitor the annual budget and accounts.
- Recommend the appointment of Auditors to the Governing Body.

Attendance at meetings in the year was as follows:

<b>Finance committee members</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Dr I J Cubbin (Foundation and Finance *)	4	5
Mrs F C Bithell (Parent)	4	5
Mr G Bottle (Foundation and Finance *)	2	3
Mr J M Bush (Executive Principal and Accounting Officer)	6	6
Mr P Cowden ((Chair) Finance *)	5	5
Mrs P A Croft (Foundation *)	5	5
Miss S J Håggström (Foundation *)	4	5
Mr K Harrison (Foundation *)	4	5
Mr D J Houghton (Parent) (Resigned 20 September 2019)	3	5
Cllr A E Jones ((Deputy Chair) Foundation and Finance *)	2	3
Mrs J A Kenny (Parent)	1	5
Mr M Liddell (Executive Principal)	6	6
Mrs S Murphy (Parent) (Appointed 1 March 2019)	2	2

# THE OLDERSHAW ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Review of value for money**

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

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

- **Improving educational outcomes**  
Ensuring that the conditions of the FNTI were met and the exceptional growth in student numbers managed. This year resources were focussed on student progress for all including the high numbers in the mobility group. This included supporting improvements in Science and Humanities. Additional staffing and intervention strategies were deployed. The academy narrowed the Gap for some micro-communities but not all.
- **Targeted improvement**  
Resources were targeted at EBacc subjects and provision in the core subjects of English, Maths, Science and ICT. The staffing structure is annually reviewed by Senior Leadership to focus on academic achievement and proposals taken to Governors Curriculum and Personnel Committees. The intervention strategy driven by the Principals realised some partial success. The increase in student number and curriculum mismatch required targeted intervention for these students.
- **Focus on individual pupils**  
The academy funding and in particular: Pupil Premium, SEN and LAC Funding is monitored by a senior member of staff to ensure impact on the progress of pupils. The Learning Centre, 1:1 Tutors, subject intervention work, trips and visits, the enhanced curriculum and inclusion strategies all contribute to ensuring individual pupils achieve their best, improve social cohesion and provide stretch targets. There has been a reduction in NEET pupils as a result of the social inclusion initiative and attendance across the academy continues to improve.
- **Collaboration**  
The academy takes part in some arrangements with other schools and external providers which support improved value for money and the sharing of good practice. This reinforces the verification and validation of curriculum and assessment.
- **New initiatives**  
The academy embraces good practice and through the improvement plan allocates funding to focus on addressing pupil needs and improving achievement and progress. The academy has entered into a partnership with Teach First to improve outcomes in Geography. The weekly CPD to improve practice and outcomes for learners continues as there is an impact on student outcomes.
- **Quantify improvements**  
The academy reviews and monitors data constantly to ensure progress is validated. All pupils are set challenging targets and intervention is targeted via the data analysis. FFT and NEA are used to ensure progress is challenging. Sustained improvements are required in English and Maths. There is outstanding achievement in Art and MFL. Science outcomes are improving and moving in line with national outcomes.



# THE OLDERSHAW ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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- **Financial governance**

The academy produces monthly P&L accounts with balance sheet which allows the executive leaders and governors to regularly monitor the financial position of the academy. The accounts are balanced with the bank statements and are presented to the Accounting Officer for approval. The Finance Committee of governors meet regularly to check and monitor the accounts, update policies and agree spending proposals. They and the chief financial officer focus on Better Purchasing and work tirelessly to achieve value for money including:

Negotiating and reviewing service level agreements and contracts regularly in line with the end of contract date. In the review process the quality of the service as well as the price is considered, three supplier quotes are collated and a clear process for selecting the best value is always followed by executive leadership and governors. This year we have reduced the cost of a number of contracts making further savings.

Additional savings have been made by entering into Joint Service Level Agreements with Wirral Schools including payroll, health and safety, CPD and community patrol. Because these contracts are for up to 100 schools, they provide very good value for money. These are all reviewed annually and best value is always top of the agenda. All of these SLAs are essential to the provision of service and provide value for money and savings in comparison to other providers. They provide economies of scale because they are negotiated on a collective basis.

- **Benchmarking**

The academy buys into a national service for benchmarking and also uses DfE and Education provider's websites to benchmark.

- **Options appraisal**

All purchases are made in line with agreed financial procedures, which include analysis of cost, efficiency and effectiveness. All decisions consider: purchase price v lease and the most effective contract is agreed. Significant savings were made with regards contracts through option appraisal.

- **Economies of scale**

The academy draws on the positive relationship it has with Wirral and Merseyside schools regularly to share experiences, suppliers and contractors. Collaborative bids are investigated with other schools and the Local Authority. This often results in discounts, such as the contract for HR with SAS Daniels or DPO with Judicium that was negotiated with other Academies.

- **Better income generation**

The academy regularly explores new sources of funding and income generation. The hire of academy facilities is of significant benefit to the local community. The academy constantly looks to maximise the generation of income to benefit the pupils. British Council grants, foreign exchange visitors and drama groups are all good examples of income generation.

# THE OLDERSHAW ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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- **Reviewing controls and managing risks**

The Full Governing Body and all Governor Committee meetings review controls, manage risks, have internal controls and maximise the assets. Regular reports on the budget monitor balances and utilise income to generate additional funds. Having more than one account signatory minimises the risk and allows flexibility. Accountants are appointed to support the work of the responsible officer and check monthly accounts and report any discrepancies.

The academy manages cash and bank balances in a way agreed with the auditors. The academy insurance fully covers the risks associated with an educational establishment. The Buildings manager ensures all health and safety issues are correctly addressed. Safeguarding is an explicit and well established feature of the academy and fully addresses all statutory regulations.

- **Lessons learned**

The academy constantly reviews and appraises its procedures in light of experience and a number of policies and procedures have been improved this year with regards to our insurance, health and safety and financial regulations. We continue to adjust the academy Academic Improvement Plan and our planning for pupil progress.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Oldershaw Academy for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

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

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mitchell Charlesworth LLP, the external auditor to perform additional checks. The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included testing the income, purchases and payroll systems.

# THE OLDERSHAW ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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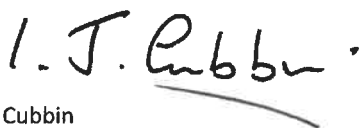
On a quarterly basis the auditor reports to the chief financial officer and accounting officer through the Finance Committee on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities. The auditor delivered their schedule of work as planned in the period 1 September 2018 to 31 August 2019.

### Review of effectiveness

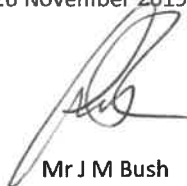
As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

Approved by order of the board of trustees on 26 November 2019 and signed on its behalf by:



Dr I J Cubbin  
Chair of Board of Trustees



Mr J M Bush  
Executive Principal and Accounting Officer

# THE OLDERSHAW ACADEMY

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

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



Mr J M Bush  
**Accounting Officer**

26 November 2019

# THE OLDERSHAW ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees (who are also the directors of The Oldershaw Academy for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 26 November 2019 and signed on its behalf by:



Dr I J Cubbin

Chair of Board of Trustees



# THE OLDERSHAW ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OLDERSHAW ACADEMY

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **Opinion**

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

In our opinion the accounts:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

### **Other information**

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# THE OLDERSHAW ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OLDERSHAW ACADEMY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **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 including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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 are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the accounts**

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# THE OLDERSHAW ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OLDERSHAW ACADEMY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.



**Philip Griffiths (Senior Statutory Auditor)  
for and on behalf of Mitchell Charlesworth LLP**

28 November 2019

**Chartered Accountants  
Statutory Auditor**

3rd Floor  
5 Temple Square  
Temple Street  
Liverpool  
Merseyside  
L2 5RH



# THE OLDERSHAW ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE OLDERSHAW ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2019**

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In accordance with the terms of our engagement letter dated 8 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Oldershaw Academy during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of The Oldershaw Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Oldershaw Academy's funding agreement with the Secretary of State for Education dated 30 April 2019 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewing the activities to ensure they are in keeping with the charitable objectives and framework.
- Reviewing declarations of interest and seeking further representations.
- Reviewing the control environment and considering potential weaknesses.
- Reviewing minutes of various committees, management accounts and holding discussions with key personnel.

## THE OLDERSHAW ACADEMY

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE OLDERSHAW ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



#### **Reporting Accountant**

Mitchell Charlesworth LLP

3rd Floor

5 Temple Square

Temple Street

Liverpool

Merseyside

L2 5RH

Dated: 28 November 2019

# THE OLDERSHAW ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	49,885	49,885	22,463
Charitable activities:						
- Funding for educational operations	4	-	5,523,339	-	5,523,339	4,793,648
Other trading activities	5	89,849	-	-	89,849	85,331
<b>Total</b>		<b>89,849</b>	<b>5,523,339</b>	<b>49,885</b>	<b>5,663,073</b>	<b>4,901,442</b>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	-	5,040,883	129,929	5,170,812	4,518,253
<b>Total</b>	<b>6</b>	<b>-</b>	<b>5,040,883</b>	<b>129,929</b>	<b>5,170,812</b>	<b>4,518,253</b>
<b>Net income/(expenditure)</b>		<b>89,849</b>	<b>482,456</b>	<b>(80,044)</b>	<b>492,261</b>	<b>383,189</b>
Transfers between funds	15	-	(52,609)	52,609	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	17	-	(1,123,000)	-	(1,123,000)	505,000
<b>Net movement in funds</b>		<b>89,849</b>	<b>(693,153)</b>	<b>(27,435)</b>	<b>(630,739)</b>	<b>888,189</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		(227,546)	(1,518,525)	5,323,503	3,577,432	2,689,243
Total funds carried forward		(137,697)	(2,211,678)	5,296,068	2,946,693	3,577,432

# THE OLDERSHAW ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2018		Funds	General	Fixed asset	2018
	Notes	£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	7,725	-	14,738	22,463
Charitable activities:					
- Funding for educational operations	4	-	4,793,648	-	4,793,648
Other trading activities	5	85,331	-	-	85,331
<b>Total</b>		<u>93,056</u>	<u>4,793,648</u>	<u>14,738</u>	<u>4,901,442</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	-	4,378,886	139,367	4,518,253
<b>Total</b>	6	<u>-</u>	<u>4,378,886</u>	<u>139,367</u>	<u>4,518,253</u>
<b>Net income/(expenditure)</b>		93,056	414,762	(124,629)	383,189
Transfers between funds	15	-	591	(591)	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	17	-	505,000	-	505,000
<b>Net movement in funds</b>		93,056	920,353	(125,220)	888,189
<b>Reconciliation of funds</b>					
Total funds brought forward		(320,602)	(2,438,878)	5,448,723	2,689,243
Total funds carried forward		<u>(227,546)</u>	<u>(1,518,525)</u>	<u>5,323,503</u>	<u>3,577,432</u>

# THE OLDERSHAW ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		5,296,068		5,323,503
<b>Current assets</b>					
Debtors	12	126,666		126,000	
Cash at bank and in hand		1,387,382		714,664	
		<u>1,514,048</u>		<u>840,664</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(200,423)		(273,735)	
		<u></u>		<u></u>	
<b>Net current assets</b>			1,313,625		566,929
<b>Net assets excluding pension liability</b>			<u>6,609,693</u>		<u>5,890,432</u>
Defined benefit pension scheme liability	17		(3,663,000)		(2,313,000)
			<u></u>		<u></u>
<b>Total net assets</b>			<u>2,946,693</u>		<u>3,577,432</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	15				
- Fixed asset funds			5,296,068		5,323,503
- Restricted income funds			1,451,322		794,475
- Pension reserve			(3,663,000)		(2,313,000)
			<u>3,084,390</u>		<u>3,804,978</u>
<b>Total restricted funds</b>			3,084,390		3,804,978
<b>Unrestricted income funds</b>	15		(137,697)		(227,546)
			<u></u>		<u></u>
<b>Total funds</b>			<u>2,946,693</u>		<u>3,577,432</u>

The accounts on pages 25 to 46 were approved by the trustees and authorised for issue on 26 November 2019 and are signed on their behalf by:

*I. J. Cubbin*

Dr I J Cubbin  
Chair of Board of Trustees

Company Number 07652792

# THE OLDERSHAW ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

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	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	18		725,327		447,174
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		49,885		14,738	
Purchase of tangible fixed assets		(102,494)		(14,147)	
<b>Net cash (used in)/provided by investing activities</b>			<b>(52,609)</b>		<b>591</b>
<b>Net increase in cash and cash equivalents in the reporting period</b>			<b>672,718</b>		<b>447,765</b>
Cash and cash equivalents at beginning of the year			714,664		266,899
<b>Cash and cash equivalents at end of the year</b>			<b>1,387,382</b>		<b>714,664</b>

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# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Oldershaw Academy meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

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

##### 1.3 Income

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

###### **Grants**

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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 the receipt is probable and the amount can be reliably measured.

###### **Other income**

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

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

(Continued)

#### *Donated goods, facilities and services*

The value of donated goods, facilities and services provided to the academy trust are recognised at their fair value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind is a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### *Charitable activities*

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

#### 1.5 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long leasehold land and buildings	2% straight line
Computer equipment	33% straight line
Furniture and equipment	25% straight line

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



# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### 1.6 Liabilities

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

#### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 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. Prepayments are not financial instruments.

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

##### *Financial liabilities*

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

#### 1.9 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.10 Pensions 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 and the assets are held separately from those of the academy trust.

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

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

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

#### 1.11 Fund accounting

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

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

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

### 2 Critical accounting estimates and areas of judgement

Accounting 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	49,885	49,885	14,738
Other donations	-	-	-	7,725
	<u>-</u>	<u>49,885</u>	<u>49,885</u>	<u>22,463</u>

Income from donations was £7,725 in the prior year, all of which were unrestricted.

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	5,116,337	5,116,337	4,570,234
Other DfE group grants	-	51,755	51,755	60,390
	<u>-</u>	<u>5,168,092</u>	<u>5,168,092</u>	<u>4,630,624</u>
<b>Other government grants</b>				
Local authority grants	-	348,797	348,797	144,229
	<u>-</u>	<u>348,797</u>	<u>348,797</u>	<u>144,229</u>
<b>Other funding</b>				
Other incoming resources	-	6,450	6,450	18,795
	<u>-</u>	<u>6,450</u>	<u>6,450</u>	<u>18,795</u>
<b>Total funding</b>	<u>-</u>	<u>5,523,339</u>	<u>5,523,339</u>	<u>4,793,648</u>

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	76,369	-	76,369	72,894
Other income	13,480	-	13,480	12,437
	<u>89,849</u>	<u>-</u>	<u>89,849</u>	<u>85,331</u>

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Expenditure	Non Pay Expenditure			Total 2019 £	Total 2018 £
	Staff costs £	Premises £	Other £		
Academy's educational operations					
- Direct costs	2,579,680	234,331	41,929	2,855,940	2,559,746
- Allocated support costs	1,371,480	222,975	720,417	2,314,872	1,958,507
	<u>3,951,160</u>	<u>457,306</u>	<u>762,346</u>	<u>5,170,812</u>	<u>4,518,253</u>
<b>Net income/(expenditure) for the year includes:</b>				<b>2019</b>	<b>2018</b>
				£	£
Fees payable to auditor for:					
- Audit				12,750	11,800
- Other services				7,390	5,350
Operating lease rentals				35,090	12,722
Depreciation of tangible fixed assets				129,929	139,367
Net interest on defined benefit pension liability				63,000	61,000
				<u>2019</u>	<u>2018</u>
				£	£
<b>7 Charitable activities</b>				<b>2019</b>	<b>2018</b>
All from restricted funds:				£	£
<b>Direct costs</b>					
Educational operations				2,855,940	2,559,746
<b>Support costs</b>					
Educational operations				2,314,872	1,958,507
				<u>5,170,812</u>	<u>4,518,253</u>
				<b>2019</b>	<b>2018</b>
				£	£
<b>Analysis of support costs</b>					
Support staff costs				1,371,480	1,142,791
Depreciation				129,929	139,367
Technology costs				15,305	16,720
Premises costs				327,377	269,025
Other support costs				322,521	254,348
Governance costs				148,260	136,256
				<u>2,314,872</u>	<u>1,958,507</u>

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 8 Staff

##### Staff costs

Staff costs during the year were:

	2019	2018
	£	£
Wages and salaries	2,962,151	2,629,237
Social security costs	264,098	264,935
Pension costs	679,260	558,818
	<u>3,905,509</u>	<u>3,452,990</u>
Agency staff costs	45,651	57,971
	<u>3,951,160</u>	<u>3,510,961</u>
Staff development and other staff costs	23,307	15,570
	<u>3,974,467</u>	<u>3,526,531</u>

##### Staff numbers

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

	2019	2018
	Number	Number
Teachers	53	44
Administration and support	50	50
Management	3	4
	<u>106</u>	<u>98</u>

##### Higher paid staff

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

	2019	2018
	Number	Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£90,001 - £100,000	2	2
	<u>2</u>	<u>2</u>

Two of the above participated in the Teachers' Pension Scheme and one in the Local Government Pension Scheme. During the year ended 31 August 2019, pension contributions for the above amounted to £41,775 (2018 £38,946).

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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### 8 Staff

(Continued)

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £333,079 (2018: £388,398).

### 9 Trustees' remuneration and expenses

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

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

J Riley (staff governor and trustee):

Remuneration - £55,000-£60,000 (2018: £50,000 - £55,000)

Employers' pension contributions paid - £5,000 - £10,000 (2018: £5,000 - £10,000)

K Prudence (staff governor and trustee):

Remuneration - £15,000-£20,000 (2018: £15,000 - £20,000).

Employers' pension contributions paid - £Nil - £5,000 (2018: £Nil - £5,000)

J Bush (Executive Principal and trustee):

Remuneration - £90,000-£95,000 (2018: £90,000-£95,000).

Employers' pension contributions paid - £15,000 - £20,000 (2018: £10,000 - £15,000)

M Liddell (Executive Principal and trustee):

Remuneration - £90,000-£95,000 (2018: £90,000-£95,000).

Employers' pension contributions paid - £15,000 - £20,000 (2018: £10,000 - £15,000)

During the year ended 31 August 2019 travel and subsistence expenses totalling £Nil were reimbursed or paid directly to the governors (2018 £Nil).

Other related party transactions are set out in note 20.

### 10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides £25M cover on any one claim and the cost for the year ended 31 August 2019 is included in the overall cost of the academies insurance and is not made separately available to the Academy.

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 11 Tangible fixed assets

	Long leasehold land and buildings	Computer equipment	Furniture and equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2018	5,917,549	260,408	93,683	6,271,640
Additions	10,000	64,674	27,820	102,494
At 31 August 2019	5,927,549	325,082	121,503	6,374,134
<b>Depreciation</b>				
At 1 September 2018	606,785	255,040	86,312	948,137
Charge for the year	105,154	17,487	7,288	129,929
At 31 August 2019	711,939	272,527	93,600	1,078,066
<b>Net book value</b>				
At 31 August 2019	5,215,610	52,555	27,903	5,296,068
At 31 August 2018	5,310,764	5,368	7,371	5,323,503

In respect of land and buildings transferred upon conversion to the academy from the LEA, a valuation was provided at 31 August 2013 of £5,196,499 (Land £669,858 and buildings £4,526,641).

### 12 Debtors

	2019	2018
	£	£
Trade debtors	1,520	1,440
VAT recoverable	5,721	2,904
Other debtors	63	1,822
Prepayments and accrued income	119,362	119,834
	126,666	126,000

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

	2019	2018
	£	£
Other taxation and social security	69,204	60,550
Other creditors	62,176	133,440
Accruals and deferred income	69,043	79,745
	200,423	273,735

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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<b>14</b>	<b>Deferred income</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	Deferred income is included within:		
	Creditors due within one year	38,187	41,977
		<u>          </u>	<u>          </u>
	Deferred income at 1 September 2018	41,977	20,730
	Released from previous years	(41,977)	(20,730)
	Resources deferred in the year	38,187	41,977
		<u>          </u>	<u>          </u>
	<b>Deferred income at 31 August 2019</b>	<b>38,187</b>	<b>41,977</b>
		<u>          </u>	<u>          </u>

At the balance sheet date the academy trust was holding funds received in advance in relation to the ESFA rates rebate and for the continuing professional development of science teachers. In addition, parental contributions paid towards school activities were received in advance, as were miscellaneous sums received for services provided to other academy schools.



# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 15 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	794,475	5,116,337	(4,406,881)	(52,609)	1,451,322
Other DfE / ESFA grants	-	51,755	(51,755)	-	-
Other government grants	-	348,797	(348,797)	-	-
Other restricted funds	-	6,450	(6,450)	-	-
Pension reserve	(2,313,000)	-	(227,000)	(1,123,000)	(3,663,000)
	<u>(1,518,525)</u>	<u>5,523,339</u>	<u>(5,040,883)</u>	<u>(1,175,609)</u>	<u>(2,211,678)</u>
<b>Restricted fixed asset funds</b>					
Inherited on conversion	4,653,302	-	(90,533)	-	4,562,769
DfE group capital grants	-	49,885	(17,982)	-	31,903
Capital expenditure from GAG	670,201	-	(21,414)	52,609	701,396
	<u>5,323,503</u>	<u>49,885</u>	<u>(129,929)</u>	<u>52,609</u>	<u>5,296,068</u>
<b>Total restricted funds</b>	<u>3,804,978</u>	<u>5,573,224</u>	<u>(5,170,812)</u>	<u>(1,123,000)</u>	<u>3,084,390</u>
<b>Unrestricted funds</b>					
General funds	(227,546)	89,849	-	-	(137,697)
<b>Total funds</b>	<u>3,577,432</u>	<u>5,663,073</u>	<u>(5,170,812)</u>	<u>(1,123,000)</u>	<u>2,946,693</u>

General Annual Grant includes the Pupil Premium and must be used for the normal running costs of the academy.

Other DfE Group Grants - these have been received for specific purposes throughout the year and include looked after children (LAC) income, all of which was fully spent in the year.

Local Authority Grants consist of various support grants received from Wirral Borough Council. All of this income has been spent.

Other Grants have been received from a number of educational and similar supporting bodies.

The Pension Reserve represents the pension fund determined in accordance with FRS102 as detailed in note 23.

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 15 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	235,123	4,570,234	(4,011,473)	591	794,475
Other DfE / ESFA grants	-	60,390	(60,390)	-	-
Other government grants	-	144,229	(144,229)	-	-
Other restricted funds	-	18,795	(18,795)	-	-
Pension reserve	(2,674,000)	-	(144,000)	505,000	(2,313,000)
	<u>(2,438,877)</u>	<u>4,793,648</u>	<u>(4,378,887)</u>	<u>505,591</u>	<u>(1,518,525)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	4,743,835	-	(90,533)	-	4,653,302
DfE group capital grants	-	14,738	(14,738)	-	-
Capital expenditure from GAG	704,888	-	(34,096)	(591)	670,201
	<u>5,448,723</u>	<u>14,738</u>	<u>(139,367)</u>	<u>(591)</u>	<u>5,323,503</u>
<b>Total restricted funds</b>	<u>3,009,846</u>	<u>4,808,386</u>	<u>(4,518,254)</u>	<u>505,000</u>	<u>3,804,978</u>
<b>Unrestricted funds</b>					
General funds	(320,602)	93,056	-	-	(227,546)
<b>Total funds</b>	<u>2,689,244</u>	<u>4,901,442</u>	<u>(4,518,254)</u>	<u>505,000</u>	<u>3,577,432</u>

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Endowment Funds £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>					
Tangible fixed assets	-	-	5,296,068	-	5,296,068
Current assets	-	1,514,048	-	-	1,514,048
Creditors falling due within one year	(137,697)	(62,726)	-	-	(200,423)
Defined benefit pension liability	-	(3,663,000)	-	-	(3,663,000)
<b>Total net assets</b>	<b>(137,697)</b>	<b>(2,211,678)</b>	<b>5,296,068</b>	<b>-</b>	<b>2,946,693</b>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Endowment Funds £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>					
Tangible fixed assets	-	-	5,323,503	-	5,323,503
Current assets	46,190	794,474	-	-	840,664
Creditors falling due within one year	(273,735)	-	-	-	(273,735)
Defined benefit pension liability	-	(2,313,000)	-	-	(2,313,000)
<b>Total net assets</b>	<b>(227,545)</b>	<b>(1,518,526)</b>	<b>5,323,503</b>	<b>-</b>	<b>3,577,432</b>

#### 17 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 Merseyside Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £62,176 were payable to the schemes at 31 August 2019 (2018: £56,517) and are included within creditors.

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 17 Pension and similar obligations

(Continued)

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and, from 1 January 2007, automatic too for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following the link to [the Teachers' Pension Scheme website](#).

The employer's pension costs paid to the TPS in the period amounted to £311,847 (2018: £289,561).

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.

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 17 Pension and similar obligations

(Continued)

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The employer contribution rate was 14.8% as at 1 September 2018 which increased to 15.5% on 1 April 2019. The employee contribution rates start at 5.5% increasing to 12.5% depending on earnings.

As the scheme is in deficit the academy trust has entered into an agreement with the scheme trustees to make additional contributions of £70,400 per year in addition to normal funding levels. These additional contributions are expected to continue for the foreseeable future.

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.

Total contributions made	2019	2018
	£	£
Employer's contributions	200,000	191,000
Employees' contributions	53,000	46,000
Total contributions	<u>253,000</u>	<u>237,000</u>

Principal actuarial assumptions	2019	2018
	%	%
Rate of increase in salaries	3.6	3.6
Rate of increase for pensions in payment/inflation	2.2	2.2
Discount rate for scheme liabilities	1.8	2.8
Inflation assumption (CPI)	2.1	2.1
Commutation of pensions to lump sums	<u>50.0</u>	<u>50.0</u>

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 17 Pension and similar obligations

(Continued)

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.2	22.0
- Females	25.0	24.8
Retiring in 20 years		
- Males	25.2	25.0
- Females	27.9	27.8

Scheme liabilities would have been affected by changes in assumptions as follows:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Discount rate + 0.1%	-131	-96
Mortality assumption + 1 year	+117	+87
CPI rate + 0.1%	+133	+98
Rate of increase in salaries	+22	+18

#### The academy trust's share of the assets in the scheme

	<b>2019</b>	<b>2018</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
Equities	1,341,000	1,206,000
Government bonds	268,000	79,000
Other bonds	144,000	274,000
Cash/liquidity	84,000	72,000
Property	236,000	211,000
Other assets	551,000	478,000
Total market value of assets	2,624,000	2,320,000

The actual return on scheme assets was £116,000 (2018: £122,000).

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 17 Pension and similar obligations (Continued)

#### Amount recognised in the Statement of Financial Activities

	2019	2018
	£	£
Current service cost	264,000	83,000
Past service cost	96,000	-
Interest income	(68,000)	(51,000)
Interest cost	131,000	112,000
	<u>423,000</u>	<u>144,000</u>

#### Changes in the present value of defined benefit obligations

	2019
	£
At 1 September 2018	4,633,000
Current service cost	264,000
Interest cost	131,000
Employee contributions	53,000
Actuarial loss/(gain)	1,171,000
Benefits paid	(61,000)
Past service cost	96,000
	<u>6,287,000</u>

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

	2019
	£
At 1 September 2018	2,320,000
Interest income	68,000
Actuarial gain	48,000
Employer contributions	200,000
Employee contributions	53,000
Benefits paid	(61,000)
Administrative expenses	(4,000)
	<u>2,624,000</u>

# THE OLDERSHAW ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Reconciliation of net income to net cash flow from operating activities

	2019	2018
	£	£
Net income for the reporting period (as per the statement of financial activities)	492,261	383,188
Adjusted for:		
Capital grants from DfE and other capital income	(49,885)	(14,738)
Defined benefit pension costs less contributions payable	164,000	83,000
Defined benefit pension scheme finance cost	63,000	61,000
Depreciation of tangible fixed assets	129,929	139,367
(Increase) in debtors	(666)	(7,693)
(Decrease) in creditors	(73,312)	(196,950)
<b>Net cash provided by operating activities</b>	<b>725,327</b>	<b>447,174</b>

### 19 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts due within one year	17,600	17,600
Amounts due in two and five years	42,875	60,475
	<u>60,475</u>	<u>78,075</u>

### 20 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the Board of Governors 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 requirements of the AFH and which the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

There were no significant related party relationships during the period.

### 21 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.