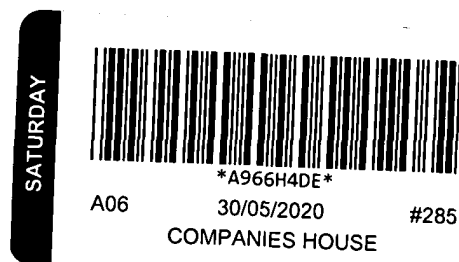

Oldbury Academy

(A Company Limited by Guarantee)

Annual Report & Financial Statements
Year Ending 31.08.19



Company Registration Number:
07672607

Oldbury Academy Trust

CONTENTS

Page

Reference and Administrative Details	2
Trustees' Report	3 – 7
Governance Statement	8 – 10
Statement on Regularity, Propriety and Compliance	11
Statement of Trustees' Responsibilities	12
Independent Auditor's Report on the Financial Statements	13 - 15
Independent Reporting Accountant's Report on Regularity	16-17
Statement of Financial Activities incorporating Income & Expenditure Account	18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Financial Statements	21 - 36

Oldbury Academy Trust

Reference and Administrative Details

Members	D. Fereday (appointed 22 October 2018) N. Griggs G. Hunjan (appointed 22 October 2018) L. Harvey (appointed 22 October 2018) E. Weston (appointed 22 October 2018 resigned 8 October 2019) P. Shackleton (resigned 22 October 2018) S. A. Harvey (resigned 22 October 2018) M. Phillips (resigned 22 October 2018)	
Trustees (Governors)	S. A. Harvey (Chair) N. Griggs P. Shackleton (Headteacher and Accounting Officer) Y Cogzell (Staff Trustee) J. Gowing C. Harrison (Parent Trustee- resigned 17 December 2018) A. Hughes G. Hunjan (resigned 22 October 2018) I. King (Parent Trustee from 12 April 2019) S. Okunnu (Parent Trustee) M. Parsons M. Phillips	
Company Secretary	K. Penn	
Senior Management Team:		
• Head Teacher	P. Shackleton	
• Deputy Head Teacher	S. Cresswell	
• Deputy Head Teacher	P. Davis	
• Deputy Head Teacher	L. Wardle	
• Assistant Head Teacher	D. Burgoyne	
• Assistant Head Teacher	P. Dryburgh	
• Assistant Head Teacher	D. Payne	
• Assistant Head Teacher	N. Thomas	
• Director of Finance and Administration	J. Fitzmaurice	
Company Name	Oldbury Academy	
Principal and Registered Office	Pound Road Oldbury, West Midlands B68 8NE	
Company Registration Number	07672607 (England and Wales)	
Independent Auditors	Cooper Parry Group Limited One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG	
Bankers	Lloyds Bank Queens Square Wolverhampton WV1 1RF	The Co-operative Bank Plc 1 Balloon Street Manchester M60 4EP
Solicitors	Browne Jacobson LLP Castle Meadow Road Nottingham NG2 1BJ	Harrison, Clark, Rickerby Ltd Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD

Oldbury Academy Trust

Trustees' Report

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

The trust operates an independent academy for pupils aged 11 – 16 in Sandwell, West Midlands. It has a pupil capacity of 1,650 (this previously included a Sixth Form) and had a roll of 1,571 in the school census on 3 October 2019. The necessary process, to close the Sixth Form, was initiated in September 2018 and approval to formally close it was received in 2019.

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 trustees of Oldbury Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Oldbury Academy.

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 2.

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

The Academy maintains trustees' liability insurance which gives appropriate cover for any action against them which, by virtue of any rule of law, would otherwise attach to them in respect of any negligence, default or breach of duty of which they may be guilty in relation to the Academy. Such indemnity will not apply to any act or omission which the trustees knew to be in breach of trust or breach of duty or which was committed by the trustees in reckless disregard to whether it was a breach of duty or not, nor will such indemnity extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the academy trust.

Method of Recruitment and Appointment or Election of Trustees

The trustees are appointed, elected and co-opted under the terms set out in the Articles of Association and Funding Agreement. The term of office for any Trustee shall be four years save that this time limit shall not apply to the Head Teacher. Subject to remaining eligible to serve in a particular category, any trustee may be reappointed or re-elected. Elections were held for a new parent trustee and the successful candidate took up post in April 2019.

Policies and Procedures Adopted for the Induction and Training of Trustees

Trustees have adopted an induction procedure/policy which is circulated to all new trustees on appointment. This is reviewed regularly to assess its appropriateness and to incorporate amendments as necessary. In addition, more experienced trustees act as mentors to assist and guide those more recently appointed. Further training is offered to the whole governing body, on various issues, via in house and external providers.

Organisational Structure

In line with the conversion process in place in 2011 the Academy has a Trust and a Governing Body (the governors are referred to as trustees in this report). The trustees are responsible for setting the direction of the Academy, holding the Head Teacher to account and ensuring financial probity. Trustees are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of the charity legislation and as such must ensure that they are complying with both company and charity law requirements.

The day to day decisions and routine management of the Academy is delegated to the Head Teacher and Senior Leadership Team (details of SLT are shown on page 2). The groups however are interdependent and work closely together to formulate and monitor the School Improvement Plan, budget and objectives. Members of the groups have a further role in the audit, progress and development cycle.

The Head Teacher is the Accounting Officer for the Academy.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel salaries are benchmarked against similar roles in other academies. The Academy uses a recognised pay scale for the sector with some flexibility applied to take into account the specific requirements for each post and the need to recruit and retain the best staff. Pay progression is awarded based on performance of strategic objectives, assessed through the academy's Performance Management Policy, which is reviewed annually.

Oldbury Academy Trust

Trustees' Report (continued)

Trade union facility time

The following information applies in relation to the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017 Schedule 2.

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	224

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	0
Total pay bill	7,461,602
Percentage of total pay bill spent on facility time, calculated :	0

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time.	0
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Related Parties and other Connected Charities and Organisations

The Academy Trust was established as a standalone company and does not have any external sponsors, neither is it related to any other charitable trust or party.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's object is specifically restricted to advance, for the public benefit, education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing, a school offering a broad and balanced curriculum.

Objectives, Strategies and Activities

The objectives are clearly identified through the School Improvement Plan. This plan is a product of detailed planning, research and collaboration across all stakeholders. The plan identifies actions, impacts and those responsible for delivery, alongside progress to date and the strategy for achieving our goals.

The main activities of the school can be classified as follows. Each of these areas provides a focus for our self-evaluation and our School Improvement Plan:

- Improve the quality of teaching and learning, to ensure all students make good progress relative to their starting points.
- Improve outcomes for all students, relative to their starting points, with a particular focus on improving outcomes in English and Science.
- To strengthen the impact of leadership at all levels within our staffing structure and secure accountability across all curriculum areas.
- Further improve standards of behaviour, by reducing the incidents of fixed term exclusions, through the use of clear structures and engaging with all stakeholders through swift intervention.

Oldbury Academy Trust

Trustees' Report (continued)

Much work has been done on the impact of outcomes for all. Stakeholders are actively engaged and relationships with pupils, parents and the wider community are improving. Robust data collection has helped staff to identify where students need support and for this to be provided. The success of our work in this area is evidenced by the improved exam results, particularly in the "open basket".

Public Benefit

The Trustees have reviewed the public benefit guidance published by the Charity Commission and although the Academy is not a fee charging organisation it never-the-less endeavours to ensure all pupils have access to the wider opportunities available through the school. A bursary scheme operates to provide additional support to pupils up to a limit of:

- Year 7 £100 (increased to £110 from September 2019)
- Year 8 – 11 £50 (increased to £60 from September 2019)
- 16 – 19 Discretionary Bursary (not applicable after 1 September 2019)

The school links with local primary and secondary schools and other external bodies to share information and good practice and to build closer links with the wider community. Joint peer reviews are on-going for various aspects of the school's improvement agenda. External reviews of teaching and learning, pupil premium, literacy and other identified areas, aid in the Academy's continuing improvement plan.

Strategic Report

Achievements and Performance

Based on our most recent set of exam results, the overall headline figure of progress 8 has increased quite significantly from -0.44 to -0.19, there has been improvements in a number of the different areas of progress 8. The English basket has improved marginally from -0.43 to -0.41, with maths taking a dip from -0.01 to -0.22. The Ebacc element has improved from -0.52 to -0.33 and the open basket has shown the most improvement, moving from -0.65 to +0.07. There is still much work to be done in English and science, along with the Humanities subjects, in particular History, to move towards national indicators. English attainment grades 4-9 (standard pass) has improved on the previous year from 63% to 66% and grades 5-9 (strong pass) from 42% to 48%. Maths attainment grades 4-9 (standard pass) were 61% and 5-9 (strong pass) were 36%. Improvements in Science were dramatic, with subject SPI moving from -0.52 to -0.14.

The gap between disadvantaged students will be measured against that of those who are non-disadvantaged nationally. This data is not available at this point. However, the in-school gap and performance of disadvantaged students is as follows: P8 for disadvantaged students has significantly improved from -0.87 to -0.52. There has been an improvement for disadvantaged students across all baskets of progress 8 with the most significant improvement coming in the open basket, moving from -1.05 to -0.24. English 4-9 attainment gap 17%, English 5-9 gap 19%. Maths 4-9 gap 11%, Maths 5-9 gap 13%. Even though the gap is reducing from the previous year, there is still much work to be carried out within the academy to reduce the Pupil premium gap.

The latest exam results show that our 6th Form students' performance has improved in the academic subjects, with the average grade of C-. In addition, the overall Value Added across all subjects is positive at 0.13, with A level VA +0.21 and Applied BTEC VA +0.03.

Key Performance Indicators

Type	2018/19		2017/18	
	<u>Budget</u>	<u>Outturn</u>	<u>Budget</u>	<u>Outturn</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
GAG Income	96.77%	94.37%	97.56	96.89
Other Income*	3.23%	5.63%	2.44	3.11
Staffing (salaries)	66.33%	72.69%	69.15	75.37
Other Expenditure*	33.67%	27.31%	30.85	24.63
Pupil Numbers				1,571
Income Per Pupil		£6,176		£6,029
Spend Per Pupil		£6,781		£6,212
Staffing Numbers		224		225
Average spend per Employee		£45,745		£43,339

* This information does not include the LGPS figures or the depreciation of the Land/Building figures from the Local Authority.

Oldbury Academy Trust

Trustees' Report (continued)

Going Concern

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

Financial Review

Most of the Academy's income is obtained from the ESFA (Education and Skills Funding Agency) in the form of a recurrent grant which is restricted to particular purposes as per the Articles of Association. The grants received from the ESFA during the period of 1 September 2018 to 31 August 2019, and the associated expenditure, are shown as restricted in the Statement of Financial Activities. Also specific targeted grants from the ESFA for Pupil Premium, Year 7 Literacy and Numeracy "Catch-Up", Teachers Pay Grant and FSM Supplementary Grant are recorded and recognised as restricted Funds.

We also receive grant funding from Sandwell Local Authority for Special Educational Needs and from Sandwell and other local authorities for Looked After Children.

The Academy has received capital grants from ESFA to be spend on Fixed Assets. In accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of assets concerned.

During the year ended 31 August 2019, total expenditure of £10,307,172 was covered by recurrent grant funding from the ESFA together with other incoming resources generated by the Academy which was £9,350,660. Excess expenditure over income for the year was £956,512.

For the year ending 31 August 2019, the Academy Trust's total income (Excluding capital grants) was £9,239,386 (2018: £9,333,912) while total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £9,580,249 (2018: £9,676,548), resulting in a net operating deficit of £340,863 (2018: deficit of £342,636).

At the 31 August 2019 the net book value of fixed assets was £24,355,273 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

As at the 31 August the current deficit on the Local Government Pension Scheme amounted to £3,433,000.

Reserves Policy

The Trustees have reviewed the Academy's reserves throughout the year. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the level of reserves, and the initiatives the Trustees deem necessary to enhance the learning environment for students and to have an impact on behaviour and attainment.

The Academy's reserves have been built up to support the academy in the reduction of its commitments. The reserves will be used to support the anticipated in year overspend whilst the Trustees implement cost saving measures; this remains an on-going priority for the Trustees.

At 31 August 2019 the Academy's Unrestricted Reserves were £1,832,913 which is a decrease on last year. It had been predicted that the school would be using some of this unrestricted reserve to support its overspend in-year.

An ICT development programme has been initiated, the cost of which has been met from Capital Reserves.

Investment Policy

The Investment Policy stipulates that the investment accounts are reviewed regularly and replaced or updated as necessary in order to provide flexible access to funds while generating the best interest possible. In view of the current financial climate the investments accounts are currently under review.

Oldbury Academy Trust

Trustees' Report (continued)

Principal Risks and Uncertainties

The Academy has drawn up a strategic risk register and this has been categorised so that higher level risks are prioritised. Policies are in place to mitigate/reduce these risks. The strategic risk register is reviewed, updated and presented to Trustees for approval on an annual basis.

The key issues for the Academy at present are the deficit on the non-teaching pension scheme and the continued effect of Building Schools for the Future in terms of the Facilities Maintenance contract (supported by recent benchmarking data).

The Trustees are aware that the following risks could have serious consequences for the Academy:

- Failure to successfully recruit and retain pupils in mainstream school. There has been an increase in pupil numbers in Y7 from last year; however, the intake was lower than anticipated, based on the data provided by the Local Authority following the opening of a further secondary school (that was approved by the Local Authority).
- The ESFA determining that the long term financial position is not being managed robustly;
- Changes to Government policies on Education Funding; and
- Further OFSTED judgement below a 2.

There are on-going talks with the local authority and DfE on the BSF contract, the local funding arrangements and also student places for all secondary schools in Sandwell.

Plans for Future Periods

The School Improvement Plan is reviewed regularly and identifies our short and medium term objectives; in summary these are:

- 1) Teaching and Learning;
- 2) Outcomes;
- 3) Leadership and Management
- 4) Behaviour management and safety
- 5) Issues from the last inspection and subsequent monitoring visits.

Within each Key area there are a number of priorities and action points.

Funds held as Custodian Trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

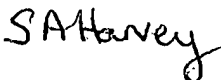
In so far as the Trustees are aware:

- 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.

The auditors, Cooper Parry Group Ltd, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

The Trustees' report, incorporating a strategic report, was approved by order of the Trustees on the 16 December 2019 and signed on its behalf by:

Signed



S. A. Harvey
Trustee Chair

16 December 2019

Oldbury Academy Trust

Governance Statement

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Oldbury 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 Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Oldbury Academy and the Secretary of State for Education. They are also responsible for reporting to the board or trustees (governing body) any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees Responsibilities. The Board of Trustees has formally met 5 times during the year, with sub committees meeting a further seventeen times during the year. All meetings have been quorate. Attendance during the year at meetings of the board of trustees was as follows:

Governor Attendance at Meetings from 1 September 2018 – 31 August 2019

<u>Trustees</u>	Meetings Attended	Out of a Possible
Yvonne Cogzill (staff trustee)	5	5
Jane Gowing	5	5
Nick Griggs	5	5
Caroline Harrison (parent trustee) [removed]	0	2
Sally Harvey (Chair)	5	5
Angela Hughes	5	5
Gianjeet Hunjan [resigned]	1	1
Ian King (appointed late April)	2	2
Shola Okunnu (parent trustee)	5	5
Maggie Parsons	4	5
Melvyn Phillips	4	5
Philip Shackleton (Head Teacher and Accounting officer)	5	5
Dave Walker (Associate)	3	5

The new Articles came into effect from 22 October 2018. A parent trustee was removed and the resultant vacancy advertised; Mr I King was the successful individual. A further trustee resigned during the course of the year.

Although the Board of Trustees meets less than six times a year, it receives reports from the Finance and Audit Committee and reviews the financial performance of the Academy Trust at every board meeting. The Finance and Audit Committee meet 5 times during the financial year, at which it receives the updated outturn, latest budget and forecasts and has access to the latest management account of the Academy Trust. The Board of Trustees is therefore satisfied that through these series of meetings and reviews of the Academy Trust's management accounts, there is appropriate and effective oversight of the Academy Trust's funds and financial position.

Governance Reviews

Training needs are identified throughout the year and arrangements made for internal/external training to be provided to meet them. Training sessions are calendared for each term and skills audits are completed on a bi-annual basis to ensure appropriate allocation of committee work.

The **Finance & Audit Committee** remit is to review the effectiveness of the Academy's corporate governance arrangements, financial systems, internal control environment and risk management arrangements. All matters appertaining to the remit and terms of reference for this committee have been discussed, recorded and reported upon, in line with the Academy's normal governance arrangements. Significantly this committee makes recommendations for the approval of the external auditors and the reporting officer to the Board of Trustees.

Oldbury Academy Trust

Governance Statement (continued)

Attendance at Finance and Audit Committee meetings in the year was as follows:

Governor	Meetings Attended	Out of a Possible
Nick Griggs	4	5
Sally Harvey	5	5
Gianjeet Hunjan [resigned]	1	1
Shola Okunnu	5	5
Mel Phillips	5	5
Philip Shackleton	5	5

Review of Value for Money

As accounting officer, the Head Teacher, Mr P. Shackleton, 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 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

Analysing expenditure and identifying three areas where it was felt saving could be achieved. These were Staffing and the curriculum, recruitment and offsite provision.

- Staffing and the curriculum - as staff have left/retired a review of their role has been undertaken and changes made where necessary/possible. In some instances, roles have been moved to ensure needs are still being met but it has been necessary to reappoint to some of the posts. A review of the support staff resulted in several posts being removed through voluntary redundancy which will reduce future expenditure. A reduced budget allocation has been set for 2019-20 which should be achievable as the school continues to adjust the curriculum towards a greater Ebacc focus.
- Offsite provisions - Behaviour management is more consistent and has led to a reduction in the number of incidents of disruption and escalation of cases. Panels are used as part of the intervention strategies and when alternative provision is considered necessary it is chosen to meet specific pupil need. Further savings in this area are being investigated.
- Damage and Repairs – these are monitored but the increased cost of repairs cannot be reduced due to the nature of the BSF contract.

Every governance committee has been tasked to look at the areas of income and expenditure within their remit, to ensure value for money and positive impact are being achieved.

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 risks 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 Oldbury Academy for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The trustees have 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 trustees are of the view that there is a formal on-going 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 financial statements. This process is regularly reviewed by the trustees.

Oldbury Academy Trust

Governance Statement (continued)

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 & Audit Committee of reports which indicate financial performance against the forecasts, 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 trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, they have appointed MLG Education Services Limited to perform additional checks. Their role was to perform checks on a range of the academy trust's financial systems.

In particular, the checks have been carried out in the current period included:

- To test payroll systems
- To test purchase systems
- To test bank reconciliations
- To confirm statutory returns were submitted on time
- To review reports submitted to the Finance and Audit Committee
- To undertake a peer review of the work being carried out by the CFO

MLG Education Services has submitted a report, to the Chair of Trustees, on the operation of the systems of control and on the discharge of the trustees' financial responsibilities. This is presented to the Finance and Audit Committee where trustees are advised of the remedial action taken, or planned, to rectify any issues that have been identified.

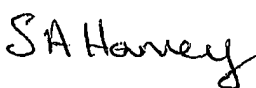
Review of Effectiveness

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

- The work of the Internal Audit Service (MLG Education Services Ltd);
- 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.

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

Approved by order of the members of the board of trustees on 16 December 2019 and signed on its behalf by:



S.A. Harvey
Chair of the Board of Trustees



P. Shackleton
Accounting Officer

Oldbury Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Oldbury Academy I have considered my responsibility to notify the Academy Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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 Board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 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.



P. Shackleton
Accounting officer
16 December 2019

Oldbury Academy Trust

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 - 19;
- 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 16 December 2019 and signed on its behalf by:



S.A. Harvey
Chair of the Board of Trustees

Oldbury Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Oldbury Academy Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent Auditors' Report to the members of Oldbury Academy (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

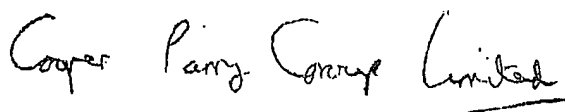
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

Independent Auditors' Report to the members of Oldbury Academy (continued)

Use of our report

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

A handwritten signature in black ink that reads "Cooper Parry Group Limited". The signature is written in a cursive, flowing style.

Simon Atkins FCA (Senior statutory auditor)
For and on behalf of

Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

16 December 2019

Independent Reporting Accountant's Assurance Report on Regularity to Oldbury Academy Trust and the Education and Skills Funding Agency

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

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

Respective Responsibilities of Oldbury Academy Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Oldbury Academy Trust's funding agreement with the Secretary of State for Education dated 1 December 2011, and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

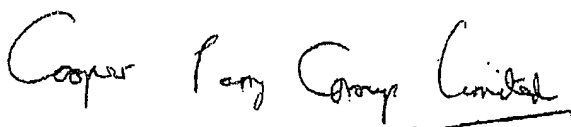
The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;
- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

Independent Reporting Accountant's Assurance Report on Regularity to Oldbury Academy Trust and the Education and Skills Funding Agency

Conclusion

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

A handwritten signature in black ink that reads "Cooper Parry Group Limited". The signature is written in a cursive, flowing style. The word "Cooper" is on the first line, "Parry" is on the second line, and "Group Limited" is on the third line, with a horizontal line underlining the entire phrase.

Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

16 December 2019

Oldbury Academy Trust

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	2019 Total	2018 Total
	Note	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	5,635	-	111,274	116,909	33,523
Charitable activities:						
Funding for the academy trust's educational operations	3	-	8,919,766	-	8,919,766	9,020,204
Other trading activities	4	240,032	65,211	-	305,243	309,286
Investments	5	8,742	-	-	8,742	2,068
Total		254,409	8,984,977	111,274	9,350,660	9,365,081
Expenditure on:						
Raising funds	6	240,033	65,211	-	305,244	308,879
Charitable activities:						
Academy trust educational operations	6	-	9,618,005	383,923	10,001,928	9,957,155
Total		240,033	9,683,216	383,923	10,307,172	10,266,034
Net income / (expenditure)		14,376	(698,239)	(272,649)	(956,512)	(900,953)
Transfers between funds	15	(336,522)	336,522	-	-	-
Other recognised gains/(losses):						
Actuarial (loss)/gain on defined benefit pension schemes	25	-	(599,000)	-	(599,000)	613,000
Net movement in funds		(322,146)	(960,717)	(272,649)	(1,555,512)	(287,953)
Reconciliation of funds						
Total funds brought forward		2,155,059	(2,175,944)	25,113,473	25,092,588	25,380,541
Total funds carried forward		1,832,913	(3,136,661)	24,840,824	23,537,076	25,092,588

Oldbury Academy Trust
Balance Sheet
as at 31 August 2019

Company Registration No: 07672607

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	11	24,355,273	24,684,753
Current assets			
Stock	12	2,094	1,886
Debtors	13	79,045	271,430
Cash at bank and in hand		3,551,825	3,755,049
		<u>3,632,964</u>	<u>4,028,365</u>
Liabilities			
Creditors: amounts falling due within one year	14	(1,018,161)	(1,129,530)
		<u></u>	<u></u>
Net current assets		<u>2,614,803</u>	<u>2,898,835</u>
Total assets less liabilities		<u>26,970,076</u>	<u>27,583,588</u>
Defined benefit pension scheme liability	25	(3,433,000)	(2,491,000)
		<u></u>	<u></u>
Net assets including pension scheme liabilities		<u>23,537,076</u>	<u>25,092,588</u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	15	24,840,824	25,113,474
Restricted income fund	15	296,339	315,055
Pension reserve	15	(3,433,000)	(2,491,000)
		<u></u>	<u></u>
Total restricted funds		<u>21,704,163</u>	<u>22,937,529</u>
Unrestricted funds	15	1,832,913	2,155,059
		<u></u>	<u></u>
Total funds		<u>23,537,076</u>	<u>25,092,588</u>

The financial statements enclosed in this document were approved by the trustees, and authorised for issue on 16 December 2019 and are signed on their behalf by:



S. Harvey
Trustee

Oldbury Academy Trust
Statement of Cash Flows
for the year ended 31 August 2019

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash used in operating activities	19	(268,797)	(329,378)
Cash flows from investing activities	21	65,574	(21,669)
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the reporting period		(203,223)	(351,047)
Cash and cash equivalents at 1 September 2018		3,755,048	4,106,095
Cash and cash equivalents at 31 August 2019	22	3,551,825	3,755,048

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019

1. Accounting Policies

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

Basis of Preparation

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

Oldbury Academy Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

- **Grants**

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

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

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

- **Sponsorship Income**

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

- **Donations**

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

- **Other Income**

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

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

- **Donated goods, facilities and services**

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

- **Donated fixed assets**

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

The donation of leased properties from the Local Authority have been valued independently by the ESFA, and have been separately identified within the accounts. They are included in the appropriate fixed asset category and depreciated over the lease period in accordance with the academy trust's policies.

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 and Building Improvement/Modification Costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, 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	over the 125- year lease
Furniture and equipment	over 5 years
Computer equipment and software	over 3 years
Motor vehicles	over 7.5 years
Building Improvement/Modification	over 10 years

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Liabilities

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

Provisions

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

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

Leased Assets

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

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms, ICT equipment and stationery are valued at the lower of cost or net realisable value.

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 the UK corporation tax purposes.

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

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.

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

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

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

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 ESFA/DfE group.

Critical Accounting Estimates and Areas of Judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 30, 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 classification of expenditure between restricted and unrestricted is deemed as a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Capital Grants	-	111,274	111,274	31,169
Other donations	5,635	-	5,365	2,354
	5,635	111,274	116,909	33,523
2018	2,354	31,169	33,523	

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
. General Annual Grant (GAG)	-	8,099,423	8,099,423	8,279,179
. Other DfE Group grants	-	724,519	724,519	643,492
	-	8,823,942	8,823,942	8,922,671
Other Government grants				
. Local authority grants	-	24,600	24,600	11,600
. Special educational projects	-	71,224	71,224	85,933
	-	95,824	95,824	97,533
	-	8,919,766	8,919,766	9,020,204
2018	-	9,020,204	9,020,204	

4 Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Staffing Initiative	-	65,211	65,211	70,838
Catering Income	862	-	862	1,052
Hire of Facilities/Services	49,011	-	49,011	53,643
Shop	87,872	-	87,872	103,919
Trips	86,899	-	86,899	62,680
Miscellaneous	15,388	-	15,388	17,154
	240,032	65,211	305,243	309,286
2018	238,448	70,838	309,286	

5 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Short term deposits	8,742	-	8,742	2,068
	8,742	-	8,742	2,068
2018	2,068	-	2,068	

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2019	2018
	£	£	£	£	£
Expenditure on raising funds	115,525	28,092	161,627	305,244	308,879
Academy's educational operations:					
. Direct costs	6,435,625	-	818,504	7,254,129	7,548,588
. Allocated support costs	910,452	1,550,484	286,863	2,747,799	2,408,568
	7,461,602	1,578,576	1,266,994	10,307,172	10,266,035

Net income/(expenditure) for the period includes:

	2019	2018
	£	£
Depreciation	383,923	264,486
Fees payable to auditor for:		
- audit	14,825	13,100

7 Charitable Activities

	2019	2018
	£	£
Direct costs – educational operations	7,254,129	7,548,588
Support costs – educational operations	2,747,799	2,408,568
	10,001,928	9,957,156

Analysis of support costs	Educational Operations	Total	Total
	2019	2019	2018
	£	£	£
Support staff costs	898,250	898,250	675,535
Depreciation	303,769	303,769	199,289
Technology costs	36,000	36,000	30,489
Premises costs	1,245,182	1,245,182	1,247,629
Other support costs	235,921	235,921	229,976
Governance costs	28,677	28,677	25,650
Total support costs	2,747,799	2,747,799	2,408,568

Included within governance costs are any costs associated with the strategic, as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2019 £	Total 2018 £
Wages and salaries	5,354,378	5,316,151
Social security costs	545,042	534,397
Pension costs	1,230,380	1,219,984
	7,129,800	7,070,532
Supply staff costs	135,895	283,979
Staff restructure costs	195,907	-
	7,461,602	7,354,511
Staff restructuring costs comprise:		
Redundancy payments	161,817	-
Other restructuring costs	34,090	-
	195,907	-

b. Non statutory/non contractual staff severance payments

There are no non statutory/non contractual staff severance payments.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	104	103
Administration and support	109	111
Management	11	11
	224	225

The staff restructuring costs were paid in August 2019. The impact on staff numbers will be shown in the next financial year.

d. Higher paid staff

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

	2019 No.	2018 No.
£60,000 - £70,000 (full year equivalent)	2	2
£70,001 - £80,000 (full year equivalent)	2	2
£90,001 - £100,000 (full year equivalent)	1	1
	5	5

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the academy trust was £967,621 (2018: £939,533).

9 Related Party Transactions - Trustees' Remuneration and Expenses

Two trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

- P. Shackleton (head teacher and trustee):
 - . Remuneration £95,000 - £100,000 (2018: £95,000 - £100,000)
 - . Employer's pension contributions paid £15,000 - £20,000 (2018: £15,000 - £20,000)
- Y. Cogzell (staff governor)
 - . Remuneration £45,000 - £50,000 (2018: £45,000 - £450,000)
 - . Employer's pension contributions paid £5,000 - £10,000 (2018: £5,000 - £10,000)

During the period ended 31 August 2019, no travel and subsistence expenses were reimbursed or paid directly to any Trustee.

10 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. The cost for the period ended 31 August 2019 was £20 per pupil (2018: £20 per pupil). The cost of this insurance is included in the total insurance cost.

11 Tangible Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
COST						
At 1 September 2018	-	25,831,046	118,868	184,550	23,095	26,157,559
Additions	-	-	-	54,442	-	54,442
Disposals	-	-	(2,390)	-	-	(2,390)
At 31 August 2019	-	25,831,046	116,478	238,992	23,095	26,209,611
Depreciation						
At 1 September 2018	-	1,304,112	78,403	71,809	18,481	1,472,805
Additions	-	297,554	5,559	77,731	3,079	383,923
Disposals	-	-	(2,390)	-	-	(2,390)
At 31 August 2019	-	1,601,666	81,572	149,540	21,560	1,854,338
Net book values						
At 1 September 2018	-	24,526,934	40,465	112,740	4,614	24,684,753
At 31 August 2019	-	24,229,380	34,906	89,452	1,535	24,355,273

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

12	Stock	2019	2018
		£	£
	Clothing	20	300
	ICT/Stationery	2,074	1,586
		2,094	1,886

13	Debtors	2019	2018
		£	£
	Trade debtors	7,897	6,857
	VAT recoverable	15,707	134,236
	Other debtors	17,686	-
	Prepayments and accrued income	37,755	130,337
		79,045	271,430

14	Creditors: Amounts Falling due within one year	2019	2018
		£	£
	Trade creditors	779,862	792,089
	Other taxation and social security	134,496	136,998
	Other creditors	100,649	108,159
	Accruals and deferred income	3,154	92,284
		1,018,161	1,129,530

Deferred income	2019	2018
	£	£
Deferred income at 1 September 2018	92,285	21,753
Resources deferred in the year	3,154	92,285
Released from previous years	(92,285)	(21,753)
Deferred Income at 31 August 2019	3,154	92,285

At the balance sheet date the Academy Trust was holding funds for SEN funding that related to the next academic year.

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

15 Funds

	Balance at 1 September 2018	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2019
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	-	8,099,423	(8,435,945)	336,522	-
-Pupil Premium	203,485	724,519	(730,070)	-	197,934
Other grants	111,571	95,824	(108,990)	-	98,405
Pension reserve	(2,491,000)	-	(343,000)	(599,000)	(3,433,000)
Activities for Generating Funds	-	65,211	(65,211)	-	-
	(2,175,944)	8,984,977	(9,683,216)	(262,478)	(3,136,661)
Restricted fixed asset funds					
Transfer on conversion	24,526,933	-	(297,554)	-	24,229,379
DfE Group capital grants	220,984	111,274	-	-	332,258
Capital expenditure from GAG	16,713	-	(6,298)	-	10,416
Voluntary Income	81,925	-	-	-	81,925
Transfer on Conversion Capital Grant	266,918	-	(80,071)	-	186,848
	25,113,474	111,274	(383,923)	-	24,840,824
Total restricted funds	22,937,528	9,096,251	(10,067,139)	(262,478)	21,704,163
Transfer on Conversion (LA)	2,155,059	-	-	(322,145)	1,832,913
Unrestricted funds	-	254,409	(240,033)	(14,377)	-
Total unrestricted funds	2,155,059	254,409	(240,033)	(336,522)	1,832,913
Total funds	25,092,586	9,350,660	(10,307,172)	(599,000)	23,537,076

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

Other DfE/ESFA Grants held and not spent are for Pupil Premium, Summer School Pupil Premium and Year 7 Catch-Up.

Income not spent has been restricted and will only be spent on its intended funding purposes.

Other Government Grants are funds that have been received in relation to Looked After Pupils from Sandwell and other Local Authorities. The school has restricted this money so that it can only be spent on its intended purpose.

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (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
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	(97,476)	8,279,179	(8,608,693)	426,990	-
-Pupil Premium	215,721	619,793	(632,029)	-	203,485
Other grants	117,286	121,232	(126,948)	-	111,570
Pension reserve	(2,779,000)	-	(325,000)	613,000	(2,491,000)
Activities for Generating Funds	-	70,838	(70,838)	-	-
	(2,543,469)	9,091,042	(9,763,508)	1,039,990	(2,175,945)
Restricted fixed asset funds					
Transfer on conversion	24,719,964	-	(193,031)	-	24,526,933
DfE Group capital grants	189,815	31,169	-	-	220,984
Capital expenditure from GAG	26,227	-	(9,514)	-	16,713
Voluntary Income	81,925	-	-	-	81,925
Transfer on Conversion Capital Grant	328,859	-	(61,941)	-	266,918
	25,346,790	31,169	(264,485)	-	25,113,474
Total restricted funds	22,803,21	9,122,211	(10,027,993)	1,039,990	22,937,529
Transfer on Conversion (LA)	2,242,958	-	-	(87,899)	2,155,059
Unrestricted funds	334,262	242,870	(238,041)	(339,091)	-
Total unrestricted funds	2,577,220	242,870	(238,041)	(426,990)	2,155,059
Total funds	25,380,541	9,365,081	(10,266,034)	613,000	25,092,588

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

16 Analysis of Net Assets between Funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	24,355,273	24,355,273
Current assets	1,832,913	1,314,500	485,551	3,632,964
Current liabilities	-	(1,018,161)	-	(1,018,161)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(3,433,000)	-	(3,433,000)
Total net assets	1,832,913	(3,136,661)	24,840,824	23,537,076

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

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	0	24,684,753	24,684,753
Current assets	2,155,059	1,444,585	428,721	4,028,365
Current liabilities	-	(1,129,530)	-	(1,129,530)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(2,491,000)	-	(2,491,000)
Total net assets	2,155,059	(2,175,945)	25,113,474	25,092,588

17 Capital Commitments

	2019	2018
	£	£
Contracted for, but not provided in the financial statements	-	-

18 Commitments under operating leases

Operating Leases

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

	2019	2018
	£	£
Amounts due within one year	3,526	-
Amounts due between one and five years	17,630	-
Amounts due after five years	-	-
	21,156	-

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

19 Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2019 £	2018 £
Net expenditure for the reporting period (as per the statement of financial activities)	(956,512)	(900,953)
Adjusted for:		
Depreciation charges (note 11)	383,923	264,486
Capital grants from DfE and other capital income	(111,274)	(31,169)
Interest receivable (note 5)	(8,742)	(2,068)
Defined benefit pension scheme cost less contributions payable (note 25)	278,000	254,000
Defined benefit pension scheme finance cost (note 25)	65,000	71,000
Increase in stocks	(208)	1,018
(Increase)/decrease in debtors	192,385	(24,200)
(Increase)/decrease in creditors	(111,369)	38,508
Net cash used in Operating Activities	(268,797)	(329,378)

20 Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by/ (used in) financing activities	-	-

21 Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	8,742	2,068
Purchase of tangible fixed assets	(54,442)	(54,906)
Capital grants from DfE/ESFA	111,274	31,169
Net cash provided by/(used in) investing activities	65,574	(21,669)

22 Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand and at bank	1,347,672	3,753,159
Notice deposits (less than 3 months)	2,204,153	-
Total cash and cash equivalents	3,551,825	3,753,159

23 Contingent Liabilities

The Trustees are not aware of any possible obligations/commitments that might arise from past events.

24 Members Liability

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

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

25 Pension and Similar Obligations

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

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

Contributions amounting to £100,649 were payable to the schemes at 31 August 2019 (2018: £107,890) and are included within creditors.

There were pre-paid contributions at the end of the financial year amounting to £35,208 (2018: £95,908) which are included in pre-payments and accrued income.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employers pension costs paid to TPS in the period amounted to £639,971 (2018: £641,215)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £257,000 (2018: £264,000), of which employer's contributions totalled £190,000 (2018: £194,000) and employees' contributions totalled £67,000 (2018: £70,000).

The agreed contribution rates for future years are 20.1% per cent for employers and employees varies as per gross salary.

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

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.

The academy has made additional contributions for future years which enables them to receive an overall reduction in costs.

Principal Actuarial Assumptions

	2019	2018
Rate of increase in salaries	3.70%	3.80%
Rate of increase for pensions in payment/inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.85%	2.65%
Inflation assumption (CPI)	1.50%	1.50%

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

	2019	2018
<i>Retiring today</i>		
Males	20.9	21.9
Females	23.2	24.4
<i>Retiring in 20 years</i>		
Males	22.6	24.1
Females	25.1	26.7

Sensitivity Analysis

	2019 £	2018 £
Discount Rate +0.1%	171,000	136,000
Discount Rate -0.1%	(175,000)	(140,000)
Mortality assumption - 1 year increase	(259,000)	(191,000)
Mortality assumption - 1 year decrease	249,000	185,000
CPI rate +0.1%	(146,000)	(118,000)
CPI rate -0.1%	143,000	115,000

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

	2019 £	2018 £
Equities	2,193,000	2,027,000
Gilts and other bonds	484,000	349,000
Property	298,000	260,000
Cash	132,000	120,000
Other	542,000	447,000
Total market value of assets	3,649,000	3,203,000

The actual return on scheme assets was £217,000 (2018: £36,000)

Amount Recognised in the Statement of Financial Activities

	2019 £	2018 £
Administrative expense	2,000	1,000
Current service cost	382,000	448,000
Past service cost	86,000	-
Net interest cost	63,000	70,000
Total amount recognised in the SOFA	533,000	519,000

Oldbury Academy Trust

Notes to the Financial Statements for the year ended 31 August 2019 (continued)

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

	2018/19	2017/18
	£	£
At 1 September		
Deficit in the Scheme	5,694,000	5,716,000
Current service cost	382,000	448,000
Interest cost	151,000	149,000
Employee contributions	67,000	70,000
Actuarial loss/(gain)	1,094,000	(656,000)
Benefits paid	(26,000)	(33,000)
Change in demographic assumptions	(366,000)	-
Past service cost	86,000	-
At 31 August	7,082,000	5,694,000

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

	2018/19	2017/18
	£	£
At 1 September	3,203,000	2,937,000
Interest income	88,000	79,000
Actuarial gain/(loss)	129,000	(43,000)
Employer contributions	190,000	194,000
Employee contributions	67,000	70,000
Benefits paid	(26,000)	(33,000)
Administrative Expenses	(2,000)	(1,000)
At 31 August	3,649,000	3,203,000

27 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transaction took place in the period of account.

The academy trust has employed the following individuals, who are close family members of a Trustee. The employees received remuneration commensurate with that of other employees holding the same position in the academy and the Trustee did not participate in any decision making process regarding their employment, remuneration or performance management.

<u>Trustee</u>	<u>Employee</u>	<u>Role Within Trust</u>
Mrs S A Harvey	Mrs S. Harvey £35,091 (incl. of pension scheme)	Teaching - Unqualified Teacher
Mrs S A Harvey	Mrs C. Butler £615 (no pension scheme)	Casual Exam Invigilation (as needed)