

Company Registration No. 07956473 (England and Wales)

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2020



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# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

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# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Mr M G H Bobat  
Mr H Mahomed  
Mr A Patel

### Trustees

Mr A A Chohan (Chair)  
Mr I I Bhika  
Mrs T Patel (Vice Chair)  
Mr I Kala  
Mr C D Mole  
Ms L McCaffrey  
Ms Z Rahman (Resigned 10 June 2020)  
Mr M Sardar (Parent)  
Mr A D Peet (Resigned 29 September 2019)  
Mr P S Broster (Appointed 26 June 2020)  
Mrs S Cardwell (Appointed 26 June 2020)

### Senior management team

- Principal
- Deputy Principal
- School Business Manager
- Assistant Principal
- Assistant Principal
- SEN&D Coordinator

Mr H Asghar  
Mrs Z Patel  
Mr A R Musa  
Miss M Patel  
Mr R Coley  
Ms N Chippendale (Appointed 01/12/19)

### Company registration number

07956473 (England and Wales)

### Registered office

Adelaide Street  
Bolton  
BL3 3NY

### Independent auditor

MHA Moore and Smalley  
Richard House  
9 Winckley Square  
Preston  
PR1 3HP

### Bankers

Lloyds Bank Plc  
9 Hotel Street  
Bolton  
BL1 1DB

### Solicitors

Hill Dickinson LLP  
Princes Exchange  
Princes Square  
Leeds  
LS1 4HY

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2020

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The Trustees present their annual report together with the audited financial statements of the School for the year ended 31 August 2020. The Olive Tree Primary School officially opened on 12 September 2013, these accounts represent the seventh full year of trading.

The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The school operates an academy for pupils aged 4 to 11 serving a catchment area in Daubhill, Bolton. It has a pupil capacity of 420 and had a roll of 419 in the school census on 3 October 2019.

The principal object and activity of the Charitable Company is the operation of a free school to provide education for pupils of mixed abilities between the ages of 4 and 11 serving a catchment area in Daubhill, Bolton. In accordance with the articles of association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the School, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum.

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

##### Constitution

The Free School ("School") is a company limited by guarantee and an exempt charity and was incorporated on 20 February 2012. The Charitable Company's memorandum and articles of association are the primary governing documents of the School. This is alongside the Funding Agreement.

This Report and the Accounts reflect the activities of the School during the year and the Trustees, as listed on page 1, had responsibility for governance during the year. The Trustees act as the trustees for the charitable activities of the School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as 'The Olive Tree Primary School Bolton Limited' and is also referred to in the accounts as 'The Olive Tree Primary School'.

During the year the subsidiary trading company known as 'The Olive Tree Bolton Limited' which was created in the previous financial year for the purposes of generating revenue for the parent company known as 'The Olive Tree Primary School Bolton Limited' under company law was dissolved. The previously formed subsidiary did not engage in any trading activity since creation in the previous financial year.

##### 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 £1, for the debts and liabilities contracted before they ceased to be a member.

##### Trustees' indemnities

The School has opted into the ESFA Risk Protection Arrangement (RPA) to protect Trustees and Officers from claims arising in connection with School business. The RPA provides cover of up to £5m on any one claim and has been in place from 1 September 2014.

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

The Trustees are appointed by the following:

- Trustees elected by parents
- Trustees elected by Trustees/Members

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

All Trustees are provided with copies of the DfE Handbook for Trustees, the Academies Financial Handbook, the competency framework for governance, and 'Conflicts of Interest: A guide for charity trustees (CC29)' on appointment. Induction training is done both in-house using the skills set of the Board of Trustees and in partnership with external partners approved by the DfE. Additional training is available through Bolton Council Governor Services or any other accredited organisation as identified through the skills audit and in line with the training development plan.

The Olive Tree Primary School's intention is to develop in an intelligent and principled way – acting on the basis of good evidence and sound judgement.

Effective Governance is critical to the success of the School. It is reliant upon a strong professional working relationship between Trustees and the Principal where both parties know and understand both the extent and limits of their respective roles, responsibilities and accountabilities. In essence the Board of Trustees is responsible for:

- Establishing the vision and ethos of the School
- Setting the strategic direction of the School
- Promoting high standards and children's well-being
- Approving the budget and so as to achieve value for money
- Approving the staffing structure
- Ensuring the quality of provision
- Managing resources
- Assessing and managing risks
- Ensure sound management and administration

### Organisational structure

With effect from 1 September 2013, the Board of Trustees has governed the School. The organisational structure of the School consists of 3 levels: the Members, the Board of Trustees and the Principal.

The School has a policy on the 'Procedures for Budgetary Control' and a Financial Procedures Manual, which details the levels of responsibility for the setting of the School's annual budget and its subsequent management and monitoring.

The Board of Trustees is responsible for setting general policies, adopting a school improvement plan, approving the annual budget, monitoring the School's performance, making major policy decisions, appointing senior staff.

During the year the Senior Leadership Team comprised the following:

- Principal – H Asghar
- Deputy Principal - Z Patel
- School Business Manager – A Musa
- Acting Assistant Headteacher – M Patel
- Acting Assistant Headteacher – R Coley
- SEN&D Coordinator - N Chippendale (Appointed 01/12/19)

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

The Board of Trustees monitors and manages the performance of the Principal on an annual basis. The task of appraising the Principal, including the setting of objectives, is supported by an external education consultant. Prior to the start of each appraisal period, the Board of Trustees informs the Principal of the standards against which the Principal's performance in that appraisal period will be assessed and sets objectives for the Principal for that appraisal period. The same process is followed for other key personnel, however the appraisal is completed by the Principal.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### Related parties and other connected charities and organisations

The subsidiary trading company known as 'The Olive Tree Bolton Limited' was created for the purposes of generating revenue for the parent company known as 'The Olive Tree Primary School Bolton Limited' under company law. The subsidiary has not engaged in any trading activity since its incorporation in the previous financial year and has been dissolved during the current financial year.

### **Objectives and activities**

#### Objects and aims

The Olive Tree Primary School is Bolton's first Free School. The school opened in September 2013, and continues to be highly popular with parents with a waiting list being maintained by Bolton Council. We provide all pupils in our care with a 'Good' education and promote excellence in all aspects of school life as confirmed by Ofsted in February 2020. A section 48 Ofsted Inspection in April 2017 confirmed that the school is outstanding in all areas. We endeavour to ensure that all pupils in our care develop into confident individuals, responsible citizens and successful learners. School leadership, teachers, support staff, together with parents, ensure:

- Respect For Excellence - High expectations, aspirations and a spirit of excellence.
- Personalised Learning and Success - An understanding that every individual is unique and special, the school nurtures, supports and develops individuals using the latest in technology to achieve and succeed.

#### Objectives, strategies and activities

The aim and vision of the board is to support the school's 'Believe You Can' mission statement, always acting in the best interest of the children, providing appropriate support and challenge. It is the intention of the board to develop the use of leading technologies in teaching and learning, growing the organisation and becoming a global leader in education.

The school has an Islamic religious character inspired by the origins of the Muslim faith. Through the values of Islam, we develop the core universal principles of equality, fairness, peace, compassion, trust and respect for all people through the school ethos, and a belief that we are all part of, and are contributing to, something far greater than ourselves. Our values complement promotion of the fundamental British values of democracy, the rule of law, individual liberty, mutual respect and tolerance of those with different faiths and beliefs. These values are evident in the behaviour and relationships between all pupils, staff and wider stakeholders in the school.

The school promotes mutual respect between pupils, building self-confidence in each child and creating an atmosphere of collaborative learning and a reflective community with strong values underpinned by the teachings of the Islamic faith.

Striving for the highest possible standards of attainment sits comfortably alongside this ethos of mutual support and understanding. Relationships are characterised by self-confidence and mutual respect.

#### Public benefit

The trustees are aware of the Charity Commission guidance on providing public benefit and have had due regard to this in exercising their duties during the year. The School is fully committed to being a community hub and engages with the diverse community around the School to continuously develop year on year.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### Strategic report

#### Achievements and performance

During the first part of the financial year, the school enjoyed a number of successes in terms of its achievements and performance.

The restructuring of the school's leadership team, including key appointments at a senior level of a new Principal and Deputy Principal, led to strengthened leadership of the school's operations and a focussed drive towards achieving key improvement priorities.

This included successful transformations to the curriculum and the teaching of reading and phonics, the development of robust assessment and tracking systems, increased deployment of effective digital technology to amplify learning and a clear plan for developing the practice of the school's teaching and classroom support team. Safeguarding and Special Needs provision for vulnerable learners were also overhauled to become more effective to champion the needs of vulnerable learners.

A key indicator of success was the positive outcome of the school's no-notice inspection in January 2020, following which the school was deemed to be 'good' in every inspection category with the inspection team concluding: "...pupils are doing well in reading, writing and mathematics across the school."

This period also saw the successful collaboration with a number of schools – locally, nationally and internationally - in order to develop and share good practice through the school's designation as:

- an 'Apple Distinguished School' and Regional Training Centre for Apple's educational division;
- a lead delivery school for the delivery and facilitation of the Department for Education's programme of nationally accredited professional leadership qualifications;
- a host school for facilitating the delivery of the Maths Mastery programme in schools across the north-west.

The autumn term also saw the celebration of children's learning through a beautifully delivered nasheed concert to which parents and carers were invited in order to experience the lovely singing of their children. Unfortunately, the second part of the financial year 2020 saw a number of challenges due to the onset of COVID-19 which impacted extensively on the provision of education.

Disruption to children's learning was experienced during the initial lockdown period at the end of Spring term 2020 and throughout the Summer term, as a result of COVID-19 school closures across the country. The statutory end of term assessments for all key stages were also cancelled by the Government which means there is no published pupil performance data for this financial year. Despite these challenges, the school was able to deploy its excellent digital infrastructure which, through the deployment of its teaching and support team, ensured the continuity of learning for all pupils whilst at home, with the exception of key worker and vulnerable children who were allowed to return to school following changes in Government guidance.

As a direct result of the pandemic, additional expense was incurred by the trust to make its school 'COVID-secure'. This included additional signage, site preparation and staffing. Additional expenditure is likely for the coming financial year to cover the cost of staffing and lost learning through the initiation of additional classes and learning opportunities for pupils whose learning has been impacted by the pandemic.

The response by the school and its community to the pandemic has been extremely encouraging with all stakeholders remaining united in fulfilling the school's vision of 'Believe you can!' by working in partnership to ensure the safe, continued focus on children's learning and wellbeing.

To this effect, the school's management team devised a robust 'COVID-19 recovery plan', in readiness for the new school year, to mitigate the risks to teaching and learning through changes to the school's timetable, curriculum and pedagogical (teaching) approach.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### Key performance indicators

Whilst the steps taken by the government to fight the spread of coronavirus (COVID-19) resulted in the cancellation of all exams and assessments at the end of the academic year 2020, the focussed drive towards strengthening the school's leadership team, along with a concerted effort to make the school COVID-19 safe for the return of staff and pupils in September 2020 ensured a smooth and safe end to the academic year ending August 2020 with robust preparations to ensure the safe return to learning for all concerned for the Autumn term.

The actual impact of the COVID-19 recovery plan will become evident at the end of the Autumn term 2020, once internal assessment data has been moderated for all classes. In order to ensure strong outcomes, teaching, learning and pupil performance data has continued to be reviewed so that refinements to the school's operations can be made accordingly. Central to this has been the school's digital classroom which has now been further developed to an extremely high level in order to ensure the continuity of children's learning - both in school and when children are forced to learn remotely due to COVID-19 class bubble closures.

### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. For this reason, the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.



# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### Financial review

The school's total incoming resources during the year were £2,090,351 (2019: £2,024,712). The majority of the school's income derives from central government funding via the Education & Skills Funding Agency, in the form of current grants. Total funding received for the school's educational operations in the period was £2,055,386 (2019: £1,982,072). Capital grants of £8,714 (2019: £20,648) were received in the year.

Total outgoing resources for the year were £2,210,065 (2019: £2,122,548). The excess of expenditure over income was £119,714 (2019: deficit of £97,836).

At the year end the School's total reserves were £3,528,171 (2019: £3,770,885) of which £nil (2019: £nil) was unrestricted, £804,624 (2019: £862,120) was general restricted and £2,723,547 (2019: £2,908,765) represented restricted fixed asset funds. The general restricted funds are stated net of the Local Government Pension Scheme deficit of £338,000 (2019: £172,000). The school does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of the Trust closing, outstanding local government pension scheme liabilities would be met by the Department for Education.

At the year end all assets shown in the accounts are to be used exclusively for providing education and associated support services to pupils of the School.

### Reserves policy

The Trust has assessed that a minimum level of free reserves equal to £191,979 (12% of GAG) are required.

Reserves are required to-

- Ensure sustainability of the school in the event of reductions in funding, reductions in pupil numbers or unexpected increases in expenditure.
- Fund capital projects and the replacement of equipment
- Enable the Trust to respond to opportunities and implement the longer term strategic plan.

Reserves held as at 31 August 2020 were as follows:

	£
Total reserves	3,528,171
Add back pension reserve	338,000
Less reserves attributable to fixed assets	<u>(2,723,547)</u>
Unrestricted and general restricted funds	1,142,624
Less other restricted funds	<u>(1,142,624)</u>
Free reserves	<u>-</u>

### Reserves policy

In order to bring the reserves in line with the reserves policy, the Trustees, in response to the Financial Notice to Improve commissioned an independent review into school resource management to ensure allocated funding is used for the full benefit of current pupils as per Department for Education expectation and inform future strategic decision making.

The Trust reviews the level of reserves throughout the year as part of management reporting.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### Investment policy

The School has a limited investment policy that ensures funds are cleared from the current account to an interest account regularly. Due to the low levels of interest this is not a high priority, however the school does review on a regular basis how it will maximise the benefit of any excess funds.

### Principal risks and uncertainties

The Board of Trustees is reviewing on an on-going basis the risk regarding pupil numbers, staff structures and capital project management. Two internal scrutiny visits were undertaken during the year and no areas of major concern were identified.

The internal financial systems are based on the Academies Financial Handbook and are documented in The Financial Policy & Procedures Manual. The systems are based on a framework of segregation of duties, schemes of delegation that include authorisation and approval. Financial management information is relevant, timely and accurate and seeks to minimise risks by consistently applying current circumstances to future years attempting to forecast ahead.

Full details can be found in The Financial Policy & Procedures Manual.

### Financial and risk management objectives and policies

In the year ended 31 August 2020, the objective was to ensure the academy policies and procedures were both robust and consistent with the Academies Financial Handbook in line with FNTI to ensure continued day to day financial control and management of the capital projects.

### **Fundraising**

The Olive Tree Primary School fundraising activity is usually limited to raising of funds via cake sales by pupils and a summer fair supported by staff and volunteers. As a result of Covid-19, no such activity took place during the financial year.

### **Plans for future periods**

#### School Improvement Priorities

The school has a yearly development plan that sets the strategic direction and focus of The Olive Tree Primary School. This is reviewed and rolled forward annually as part of the monitoring and evaluation cycle.

The Development Plan has priority areas including:

- Priority 1: Continue to focus on developing pupils' language skills, including a wide vocabulary, across the curriculum.
- Priority 2: To embed fully the school's recent initiatives to promote the further development of reading skills.
- Priority 3: To strengthen subject leadership in order to improve pupils' outcomes in writing, maths, science, computing and PE.
- Priority 4: To develop the curriculum for character education to increase its impact on the social, moral, cultural and spiritual development of pupils.
- Priority 5: Develop provision for the Early Years so that children gain maximum benefit from the available resources and learning opportunities presented.

In addition, the school is committed to enhancing teaching & learning through:

- Continued determination on the use of effective technology, and
- Developing the Apple Regional Training centre, providing CPD solutions to other organisations.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### Auditor

In so far as the trustees are aware:

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

A resolution proposing that MHA Moore and Smalley be reappointed as auditor of the charitable company will be put to the members.

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



18/12/2020

.....  
**Mr A A Chohan**  
Chair

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

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### Scope of responsibility

The board of trustees acknowledges it has overall responsibility for ensuring that The Olive Tree Primary School Bolton Limited 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 organisational objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Olive Tree Primary School Bolton Limited and the Secretary of State for Education. The principal is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report. The board of trustees has formally met 9 times during the year for six 'extraordinary' meetings and three full board meetings. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr A A Chohan (Chair)	9	9
Mr I I Bhika	8	9
Mrs T Patel (Vice Chair)	8	9
Mr I Kala	8	9
Mr C D Mole	9	9
Ms L McCaffrey	7	9
Ms Z Rahman (Resigned 10 June 2020)	5	7
Mr M Sardar (Parent)	9	9
Mr A D Peet (Resigned 29 September 2019)	1	2
Mr P S Broster (Appointed 26 June 2020)	1	1
Mrs S Cardwell (Appointed 26 June 2020)	1	1

A conflict of interest policy was adopted during the financial year with the board of trustees agreeing a zero-tolerance approach to related party transactions. A governance review by a National Leader of Governance was commissioned, which highlighted the need for governance to develop further. In response to the findings a digital gateway was set-up for existing and new trustees to support and enhance the trustee induction process. A trustee was appointed to develop a parental engagement strategy and initiate a parental engagement exercise however the impact of Covid-19 has delayed the process. The trust also became a member of the confederation of school trusts to support development of trustees in relation to distributed leadership and succession planning. Select trustees completed the Governor Development Programme funded by the DfE. An advert was also placed with Academy Ambassadors to recruit two additional trustees with HR and Finance expertise and two additional trustees and although a trustee resigned, two new trustees joined the board during the year. A detailed action plan was also submitted to the ESFA to address the weaknesses identified by the ESFA Provider Market Oversight Group.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### Financial Notice to Improve

During the 2018/19 financial year, an investigation was carried out by the ESFA Provider Market Oversight Group in response to allegations about conflicts of interest and potential breaches of governance frameworks. This review identified:

- inadequate segregation of duty, particularly around key financial controls
- trust failure to adhere to its own policy on contracting by not following a formal process in the procurement of a school meals catering provider
- the trust did not have robust policies and procedures covering conflicts of interest, in particular covering additional business areas and the trust board, chair and former Accounting Officer/ headteacher had failed in their duties to ensure correct management of conflicts.

As a result, the trust was issued with a Financial Notice to Improve on 5th November 2019. A copy of the Financial Notice to Improve can be viewed at [http://www.theolivetreeprimary.com/uploads/1/0/8/8/108826809/the\\_olive\\_tree\\_primary\\_school\\_bolton\\_ltd\\_fnti\\_redacted.pdf](http://www.theolivetreeprimary.com/uploads/1/0/8/8/108826809/the_olive_tree_primary_school_bolton_ltd_fnti_redacted.pdf)

In response to this, a working party led by a trustee was formed to oversee progress of proposed action plans as a result of areas of concerns highlighted in the FNTI. The trust has maintained regular contact with the ESFA and has received feedback after the year end to confirm that satisfactory progress has been made to address the issues highlighted in the FNTI.

A summary of the main outcomes for the year is as follows:

#### **Concern raised by the ESFA:**

– *Failure of trustees to manage related party transactions and significant conflicts with its own trustees including a lack of challenge and scrutiny over interests of the chair.*

#### **Action taken by the trust board:**

- The adoption, by the trust board, of a conflict of interest policy to manage related party transactions and significant conflicts;
- The appointment, through the Academy Ambassadors programme, of two additional trustees with finance and HR expertise, along with a new member in order to strengthen the trust board and provide added assurance to the trust board's duty to challenge and scrutinise the interest of all trustees;
- The disclosure at all trust board meetings of conflicts of interest by all trustees;
- The annual completion, by all trustees and employees, of a declaration of interests – which is then included within the trust board's register of interests.

#### **Concern raised by the ESFA:**

– *Failure of trustees to ensure adequate oversight of key additional business areas through lack of policies and procedures and robust monitoring.*

#### **Action taken by the trust board:**

- The commissioning of an independent School Resource Management Advisor's review of all business areas to indicate the school's compliance of financial regulations stipulated by the Academies Financial Handbook 2019 along with areas of improvement;
- A review of the school's financial procedures manual by the appointed independent auditors in order to indicate the school's compliance of financial regulations stipulated by the Academies Financial Handbook 2019 along with areas of improvement;
- The development of a robust risk policy and risk register to inform both the agenda of the trust's risk committee and the scope of works for the trust's internal auditors;
- The adoption of a position statement for managing the trust's additional business areas - namely the Apple regional training centre. The statement sets out, purpose, financial considerations, educational impact and management of conflicts of interests along with a visits policy which has also been agreed and adopted in order to ensure conflicts of interest are managed appropriately;
- The continued appointment of independent internal / external auditors in order to provide added reassurance and monitoring of the trust's business areas and financial affairs.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### Concern raised by the ESFA:

– Governance concerns resulting in breaches of the Academies Financial Handbook in relation to awareness of governance frameworks, lack of adherence to policies and procedures including procurement and internal control weaknesses.

### Action taken by the trust board:

- The commissioning of an independent external review of governance by an experienced National Leader of Governance to affirm the trust board's strengths and areas of development and to facilitate a plan of action for the trust board that lead to improvements in the trust board's governance;
- Structured training, through the Department of Education's Governance development Programme, leading to the successful completion by three of the board's trustees – thus creating an increased awareness of governance frameworks to ensure compliance with the Academies Financial Handbook 2019;
- The segregation of duties (internally) in order to ensure correct procurement procedures are followed by the school's administrative team at all-times;
- Added assurance to the trust's procurement activities through its internal scrutiny programme. This includes a review of the trust's scheme of delegation, terms of reference for all sub-committees and all associated trust policies.

Having submitted to the ESFA an action plan to address the weaknesses identified by the ESFA Provider Market Oversight Group following the issuance of the FNtl, added assurance of the trust board's efforts towards addressing the criticisms levied through the FNtl has been provided through regular meetings with the ESFA to review the trust board's action plan. A number of extraordinary trust board meetings have been held and the associated meeting agendas and minutes have been shared with the ESFA throughout.

In order to fulfill the FNtl's condition of showing considerations to join a strong Multi Academy Trust (MAT) detailed discussions have been held by the trust board and the associated paperwork has been shared with both the ESFA and the Regional School's Commissioner (RSC).

Pending final formal confirmation by the ESFA that all actions related to the FNtl and its associated conditions have been fulfilled, there is an expectation that the FNtl will be removed by the ESFA in the financial year ending August 2021.

### Review of value for money

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

- Membership of the Education & Skills Funding Agency (ESFA) Risk Protection Arrangement (RPA) continues to deliver substantial cost savings on insurance(s)
- Renegotiating a bespoke fixed rate for both gas and electricity supply versus the standard variable rate, delivered a combined cash saving in excess of £15,000 on energy costs.
- A robust cycle of review and evaluation of all annual Service Level Agreements continues to ensure value for money.

The school undertakes an annual benchmarking exercise to compare itself against schools of a similar size and pupil intake. The exercise demonstrated that the school's income and expenditure was similar to that in the sample size.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

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

### **Capacity to handle risk**

Since its appointment, the board of trustees has reviewed the key risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is now a formal ongoing process for identifying, evaluating and managing the school's significant risks. The board of trustees will regularly review this process.

The Trust has a Risk Register that is updated on a regular basis and presented to the Governors. The main areas of Risk identified are :-

Covid-19 - the Trust has had to enhance its understanding of the new legislation and adapt policies accordingly for the new legislation that came into force during the latter half of the financial year.

Pupil Numbers - this risk continues to be downscaled year on year as the number of pupils on roll (NOR) are in line with the published admission number (PAN). A waiting list is maintained by the Local Authority (LA) of pupils wishing to attend the school.

Premises - this risk has been upscaled having previously been downscaled at the end of the previous financial year as several latent defects in relation to water ingress and windows remain unresolved, however the Land & Buildings survey commissioned by the ESFA in the previous financial year, completed by Capita highlighted no major concerns. The Trust is committed to preventative maintenance to ensure longevity of the land & buildings.

Standards and Attainment - the school was rated as 'Good' by HMI in its Ofsted report in February 2020.

Increasing cost of Salaries and Pensions - the Trust is aware that the current economic climate continues to see school income fall in real terms whilst costs continue to rise. The school constantly reviews its operating structures and staffing numbers to ensure they match pupil numbers, curriculum needs, pupil needs and available income. The Trust wish to ensure that it has sufficient reserves to weather the uncertainties of the next few years.

A strong financial reserves position allows the school to update its ICT infrastructure and other capital assets.

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

The school'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 the preparation and presentation of monthly management accounts which are reviewed and agreed by the chair of the board of trustees and the finance committee;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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The board of trustees fulfils its responsibilities to have regular reviews of its financial processes and procedures undertaken. Aided by independent reports from the 'Responsible Officer' and an annual independent Audit.

Haines Watts Chartered Accountants were appointed as independent reviewers during the financial year to deliver the school internal scrutiny programme comprising of termly formal reviews of the processes and procedures to validate:

- that the necessary processes and procedures exist
- the processes and procedures are adhered to
- the School conforms to the Academy Financial Handbook
- that the School is achieving value for money and follows the seven principles of public life
- that there is openness and transparency
- that fraud prevention is in place
- the School benchmarks itself against other educational establishments

The Internal Auditors specifically review:

- expenditure systems and controls
- purchasing
- bank systems and controls
- governance and compliance
- income systems and controls
- payroll systems and controls
- management information
- fixed assets system and controls
- academy website
- risk management

The trustees and members met to consider the ESFA Investigation Report and RO Audit and proposed an action plan and more detail can be found on pages 11 to 12. The trust also commissioned a number of external experts to help identify and implement actions to eliminate the concerns of the ESFA.

### Review of effectiveness

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

- Reports from the School Business Manager
- The Financial Procedures & Policy Manual
- Termly internal scrutiny reports from Haines Watts
- The external audit
- Financial Management and Governance Self Evaluation
- Benchmarking Report

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

18/12/2020

Approved by order of the board of trustees on ..... and signed on its behalf by:



**Mr A A Chohan**  
Chair



## THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

### STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

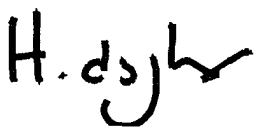
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As accounting officer of The Olive Tree Primary School Bolton Limited, I have considered my responsibility to notify the school board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the school and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

As detailed more fully in the Governance Statement on pages 11 to 12, the trust was issued with a Financial Notice to Improve (FNtI) on 5 November 2019 in response to matters of concern highlighted to the ESFA during the previous financial year. I can confirm that satisfactory progress has been made to address the requirements of the ESFA as set out in the FNtI.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered during the year ended 31 August 2020. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Accounting Officer

18/12/2020

.....

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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The trustees (who are also the directors of The Olive Tree Primary School Bolton Limited for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

18/12/2020

Approved by order of the members of the board of trustees on ..... and signed on its behalf by:



**Mr A A Chohan**  
Chair

# **THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **Opinion**

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

In our opinion the accounts:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes Reference and Administrative details, Trustees Report incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibility Statement. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

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

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

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

### Use of our report

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



**Tracey Johnson (Senior Statutory Auditor)**  
**for and on behalf of MHA Moore and Smalley**  
**Chartered Accountants**  
**Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

18/12/2020  
.....

## **THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2020**

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In accordance with the terms of our engagement letter dated 11 December 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Olive Tree Primary School Bolton Limited during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of The Olive Tree Primary School Bolton Limited's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Olive Tree Primary School Bolton Limited's funding agreement with the Secretary of State for Education dated 14 September 2012 and 13 August 2013 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 school's income and expenditure.

We have undertaken testing as appropriate in line with the guidance included in Technical release 08/12AAF from the Institute of Chartered Accountants in England and Wales.

The work undertaken to draw our conclusion includes an evaluation of the control environment of the Academy together with enquiry, analytical review and substantive testing of transactions.

## THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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#### Conclusion

As detailed in the Governance Statement on pages 11 to 12, the trust was issued with a Financial Notice to Improve due to a number of issues that were highlighted by the ESFA during the previous financial year. The trust has prepared an action plan and having reviewed the evidence to support the progress made against the various actions, we can confirm that significant progress has been made during the year ended 31 August 2020 and subsequently in order to address the issues highlighted. Our opinion is not modified in respect of this.

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

*MHA Moore and Smalley*

**Reporting Accountant**  
**MHA Moore and Smalley**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

18/12/2020  
.....

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2020	Total 2019
	Notes	£	£	£	£	£
<b>Income and endowments from:</b>						
Donations and capital grants	3	2,788	19,908	8,714	31,410	39,313
Charitable activities:						
- Funding for educational operations	4	19,972	2,035,414	-	2,055,386	1,982,072
Other trading activities	5	3,027	-	-	3,027	2,762
Investments	6	528	-	-	528	565
<b>Total income and endowments</b>		<u>26,315</u>	<u>2,055,322</u>	<u>8,714</u>	<u>2,090,351</u>	<u>2,024,712</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	26,315	1,953,066	230,684	2,210,065	2,122,548
<b>Total expenditure</b>	7	<u>26,315</u>	<u>1,953,066</u>	<u>230,684</u>	<u>2,210,065</u>	<u>2,122,548</u>
<b>Net income/(expenditure)</b>		-	102,256	(221,970)	(119,714)	(97,836)
Transfers between funds		-	(36,752)	36,752	-	-
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	19	-	(123,000)	-	(123,000)	(84,000)
<b>Net movement in funds</b>		-	(57,496)	(185,218)	(242,714)	(181,836)
<b>Reconciliation of funds</b>						
Total funds brought forward		-	862,120	2,908,765	3,770,885	3,952,721
Total funds carried forward	17	-	804,624	2,723,547	3,528,171	3,770,885



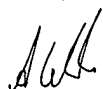
# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	12		1,426		5,978
Tangible assets	13		2,712,536		2,887,207
			<u>2,713,962</u>		<u>2,893,185</u>
<b>Current assets</b>					
Debtors	14	101,637		86,583	
Cash at bank and in hand		1,233,569		1,203,102	
		<u>1,335,206</u>		<u>1,289,685</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(182,997)		(239,985)	
<b>Net current assets</b>			<u>1,152,209</u>		<u>1,049,700</u>
<b>Net assets excluding pension liability</b>			<u>3,866,171</u>		<u>3,942,885</u>
Defined benefit pension scheme liability	19		(338,000)		(172,000)
<b>Total net assets</b>			<u><u>3,528,171</u></u>		<u><u>3,770,885</u></u>
<b>Funds of the school:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			2,723,547		2,908,765
- Restricted income funds			1,142,624		1,034,120
- Pension reserve			(338,000)		(172,000)
<b>Total restricted funds</b>			<u>3,528,171</u>		<u>3,770,885</u>
<b>Unrestricted income funds</b>	17		-		-
<b>Total funds</b>			<u><u>3,528,171</u></u>		<u><u>3,770,885</u></u>

The accounts on pages 22 to 42 were approved by the trustees and authorised for issue on 18/12/2020 and are signed on their behalf by:



Mr A A Chohan  
Chair

Company Number 07956473

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	20		72,687		168,433
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		528		565	
Capital grants from DfE Group		8,714		20,648	
Purchase of intangible fixed assets		-		(1,733)	
Purchase of tangible fixed assets		(51,462)		(67,321)	
<b>Net cash used in investing activities</b>			(42,220)		(47,841)
<b>Net increase in cash and cash equivalents in the reporting period</b>			30,467		120,592
Cash and cash equivalents at beginning of the year			1,203,102		1,082,510
<b>Cash and cash equivalents at end of the year</b>			1,233,569		1,203,102

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

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

#### 1.1 Basis of preparation

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

#### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts. The governors have considered the impact of the Government response to Covid-19 on the activity of the Academy Trust in terms of both increased costs of compliance with guidelines and catch up in learning and also reduced income and have concluded that the school has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the school's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

#### 1.3 Income

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

##### Grants

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

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

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

##### Sponsorship income

Sponsorship income provided to the school 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.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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### 1 Accounting policies

(Continued)

#### 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 school has provided the goods or services.

#### 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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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 school's accounting policies.

### 1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

This includes all expenditure incurred by the school 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 school's educational operations, including support costs and costs relating to the governance of the school apportioned to charitable activities.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### 1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 3 years

#### 1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the school's depreciation policy. 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:

Short leasehold buildings	25 years from 1 September 2016
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

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.

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

#### 1.8 Leased assets

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

#### 1.9 Financial instruments

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

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

#### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

#### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.10 Taxation

The school is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the school is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.11 Pensions benefits

Retirement benefits to employees of the school are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the school.

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the school 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 based on quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.12 Fund accounting

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

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 1 Accounting policies

(Continued)

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and other funders.

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

The school 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.

#### Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

A useful economic life of 25 years was applied to the long leasehold building which the School occupy, 3 years for computer equipment and 5 years for fixtures, fittings and equipment.

#### Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

#### Valuation of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

##### Classification of finance and operating leases

At the inception of each lease, management undertake an assessment of the terms of the lease including the payments to be made over the life of the lease, the fair value of the asset subject to the lease, the length of the lease and whether the terms of the lease transfer substantially all of the risks and rewards of ownership.

Based on this assessment, management will determine whether the lease should be classified as a finance or operating lease.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	8,714	8,714	20,648
Other donations	2,788	19,908	22,696	18,665
	<u>2,788</u>	<u>28,622</u>	<u>31,410</u>	<u>39,313</u>

The income from donations and capital grants was £31,410 (2019: £39,313) of which £2,788 was unrestricted (2019: £18,665), £19,908 was restricted (2019: £-) and £8,714 was restricted fixed assets (2019: £20,648).

### 4 Funding for the school's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,599,821	1,599,821	1,592,409
Other DfE / ESFA grants	-	386,063	386,063	304,654
	<u>-</u>	<u>1,985,884</u>	<u>1,985,884</u>	<u>1,897,063</u>
<b>Other government grants</b>				
Local authority grants	-	49,530	49,530	54,950
	<u>-</u>	<u>49,530</u>	<u>49,530</u>	<u>54,950</u>
<b>Other funds</b>				
Other incoming resources	19,972	-	19,972	30,059
	<u>19,972</u>	<u>-</u>	<u>19,972</u>	<u>30,059</u>
<b>Total funding</b>	<u>19,972</u>	<u>2,035,414</u>	<u>2,055,386</u>	<u>1,982,072</u>

The income from funding for educational operations was £2,055,386 (2019: £1,982,072) of which £19,972 was unrestricted (2019: £30,059) and £2,035,414 was restricted (2019: £1,952,013).

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Other income	3,027	-	3,027	2,762
	<u>3,027</u>	<u>-</u>	<u>3,027</u>	<u>2,762</u>

The income from other trading activities was £3,027 (2019: £2,762) of which £3,027 was unrestricted (2019: £2,762).



# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	528	-	528	565

The income from funding for investment income was £528 (2019: £565) of which £528 was unrestricted (2019: £565).

### 7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Academy's educational operations					
- Direct costs	1,302,945	46,818	173,564	1,523,327	1,420,172
- Allocated support costs	203,093	357,223	126,422	686,738	702,376
	<u>1,506,038</u>	<u>404,041</u>	<u>299,986</u>	<u>2,210,065</u>	<u>2,122,548</u>

#### Net income/(expenditure) for the year includes:

	2020 £	2019 £
Fees payable to auditor for:		
- Audit	7,000	6,600
- Other services	1,255	1,200
Depreciation of tangible fixed assets	230,684	249,883
Net interest on defined benefit pension liability	3,000	2,000

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>Direct costs</b>				
Educational operations	13,730	1,509,597	1,523,327	1,420,172
<b>Support costs</b>				
Educational operations	12,585	674,153	686,738	702,376
	<u>26,315</u>	<u>2,183,750</u>	<u>2,210,065</u>	<u>2,122,548</u>

The expenditure on charitable activities was £2,210,065 (2019: £2,122,548) of which £26,315 was unrestricted (2019: £52,051), £1,953,066 was restricted (2019: £1,820,614) and £230,684 was restricted fixed assets (2019: £249,883).

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 8 Charitable activities (Continued)

	2020 £	2019 £
<b>Analysis of support costs</b>		
Support staff costs	203,093	163,967
Depreciation	183,866	183,279
Premises costs	160,625	158,863
Legal costs	23,143	4,055
Other support costs	97,673	173,567
Governance costs	18,338	18,645
	<u>686,738</u>	<u>702,376</u>

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	1,161,594	1,025,354
Social security costs	83,455	76,843
Pension costs	187,534	107,581
	<u>1,432,583</u>	<u>1,209,778</u>
Staff costs - employees	1,432,583	1,209,778
Agency staff costs	73,455	151,437
Staff restructuring costs	-	33,008
	<u>1,506,038</u>	<u>1,394,223</u>

Staff restructuring costs comprise:

Severance payments	-	33,008
	<u>-</u>	<u>33,008</u>

#### Staff numbers

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

	2020 Number	2019 Number
Teachers	21	17
Administration and support	33	36
Management	4	4
	<u>58</u>	<u>57</u>

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Staff

(Continued)

The number of persons employed, expressed as a full time equivalent, was as follows:

	2020 Number	2019 Number
Teachers	21	16
Administration and support	15	24
Management	4	4
	<u>40</u>	<u>44</u>

#### Higher paid staff

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

	2020 Number	2019 Number
£60,001 to £70,000	<u>1</u>	<u>1</u>

#### Key management personnel

The key management personnel of the school comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the school was £311,819 (2019: £249,041).

### 10 Trustees' remuneration and expenses

None of the trustees were paid any remuneration or has received other benefits from an employment with the school. 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, they are not part of the board of trustees.

The previous principal who resigned on 27 March 2019, was part of the governing board and their remuneration was as follows:

F Choudry (principal):

- Remuneration £nil (2019: £65,000 - £70,000)
- Employer's pension contributions £nil (2019: £nil - £5,000)

During the year, travel and subsistence payments totalling £nil (2019: £122) were reimbursed or paid directly to governors (2019: one governor).

Other related party transactions involving the trustees are set out within the related parties note.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 11 Insurance for trustees and officers

The school 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 school business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

### 12 Intangible fixed assets

	Computer software £
<b>Cost</b>	
At 1 September 2019 and at 31 August 2020	93,603
<b>Amortisation</b>	
At 1 September 2019	87,625
Charge for year	4,552
At 31 August 2020	92,177
<b>Carrying amount</b>	
At 31 August 2020	1,426
At 31 August 2019	5,978

### 13 Tangible fixed assets

	Short leasehold buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 September 2019	3,027,540	382,471	324,657	3,734,668
Additions	-	23,848	27,614	51,462
Disposals	-	(186,770)	(4,519)	(191,289)
At 31 August 2020	3,027,540	219,549	347,752	3,594,841
<b>Depreciation</b>				
At 1 September 2019	361,465	294,945	191,051	847,461
On disposals	-	(186,770)	(4,519)	(191,289)
Charge for the year	121,102	42,267	62,764	226,133
At 31 August 2020	482,567	150,442	249,296	882,305
<b>Net book value</b>				
At 31 August 2020	2,544,973	69,107	98,456	2,712,536
At 31 August 2019	2,666,075	87,526	133,606	2,887,207

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 14 Debtors

	2020 £	2019 £
VAT recoverable	28,735	25,994
Other debtors	-	3,291
Prepayments and accrued income	72,902	57,298
	<u>101,637</u>	<u>86,583</u>

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

	2020 £	2019 £
Trade creditors	73,575	50,505
Other creditors	4,418	4,990
Accruals and deferred income	105,004	184,490
	<u>182,997</u>	<u>239,985</u>

### 16 Deferred income

	2020 £	2019 £
Deferred income is included within:		
Creditors due within one year	<u>45,446</u>	<u>83,870</u>
Deferred income at 1 September 2019	83,870	52,235
Released from previous years	(83,870)	(52,235)
Resources deferred in the year	<u>45,446</u>	<u>83,870</u>
<b>Deferred income at 31 August 2020</b>	<u><b>45,446</b></u>	<u><b>83,870</b></u>

At the balance sheet date the school was holding funds received in advance for Grants from the ESFA and the Local Authority relating to Universal infant free school meals, Rates, Other factors and High Needs.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,034,120	1,599,821	(1,474,473)	(36,752)	1,122,716
Other DfE / ESFA grants	-	386,063	(386,063)	-	-
Other government grants	-	49,530	(49,530)	-	-
Other restricted funds	-	19,908	-	-	19,908
Pension reserve	(172,000)	-	(43,000)	(123,000)	(338,000)
	<u>862,120</u>	<u>2,055,322</u>	<u>(1,953,066)</u>	<u>(159,752)</u>	<u>804,624</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	2,753,679	8,714	(167,123)	(14,710)	2,580,560
Capital expenditure from GAG	155,086	-	(63,561)	51,462	142,987
	<u>2,908,765</u>	<u>8,714</u>	<u>(230,684)</u>	<u>36,752</u>	<u>2,723,547</u>
<b>Total restricted funds</b>	<u>3,770,885</u>	<u>2,064,036</u>	<u>(2,183,750)</u>	<u>(123,000)</u>	<u>3,528,171</u>
<b>Unrestricted funds</b>					
General funds	-	26,315	(26,315)	-	-
<b>Total funds</b>	<u>3,770,885</u>	<u>2,090,351</u>	<u>(2,210,065)</u>	<u>(123,000)</u>	<u>3,528,171</u>

Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at the year end. The school is aware of the need to manage its funds to ensure it does not go into deficit and it can manage its day to day cashflows.

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

General Annual Grant must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant, all grants were fully expended in the period.

The pension reserve represents the value of the School's share of the deficit in the Local Government Pension Scheme.

Restricted fixed asset funds include assets capitalised out of GAG and other capital grants during the period, and unspent capital grants received or accrued for a specific project. Depreciation is charged against this fund.

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 17 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	922,126	1,592,409	(1,432,010)	(48,405)	1,034,120
Other DfE / ESFA grants	-	304,654	(304,654)	-	-
Other government grants	-	54,950	(54,950)	-	-
Pension reserve	(59,000)	-	(29,000)	(84,000)	(172,000)
	<u>863,126</u>	<u>1,952,013</u>	<u>(1,820,614)</u>	<u>(132,405)</u>	<u>862,120</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	2,958,385	20,648	(204,706)	(20,648)	2,753,679
Capital expenditure from GAG	131,210	-	(45,177)	69,053	155,086
	<u>3,089,595</u>	<u>20,648</u>	<u>(249,883)</u>	<u>48,405</u>	<u>2,908,765</u>
<b>Total restricted funds</b>	<u>3,952,721</u>	<u>1,972,661</u>	<u>(2,070,497)</u>	<u>(84,000)</u>	<u>3,770,885</u>
<b>Unrestricted funds</b>					
General funds	-	52,051	(52,051)	-	-
<b>Total funds</b>	<u>3,952,721</u>	<u>2,024,712</u>	<u>(2,122,548)</u>	<u>(84,000)</u>	<u>3,770,885</u>

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Intangible fixed assets	-	-	1,426	1,426
Tangible fixed assets	-	-	2,712,536	2,712,536
Current assets	-	1,325,621	9,585	1,335,206
Creditors falling due within one year	-	(182,997)	-	(182,997)
Defined benefit pension liability	-	(338,000)	-	(338,000)
<b>Total net assets</b>	<u>-</u>	<u>804,624</u>	<u>2,723,547</u>	<u>3,528,171</u>

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Intangible fixed assets	-	-	5,978	5,978
Tangible fixed assets	-	-	2,887,207	2,887,207
Current assets	-	1,274,105	15,580	1,289,685
Creditors falling due within one year	-	(239,985)	-	(239,985)
Defined benefit pension liability	-	(172,000)	-	(172,000)
<b>Total net assets</b>	-	862,120	2,908,765	3,770,885

### 19 Pension and similar obligations

The school'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 Tameside Metropolitan Borough Council. Both are multi-employer defined benefit schemes.

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

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

#### Teachers' Pension Scheme

##### Introduction

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

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

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

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



# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £119,503 (2019: £59,610).

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 school has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school 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 contributions are as noted below. The agreed contribution rates for future years are 15.0% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2020 £	2019 £
Employer's contributions	18,000	18,000
Employees' contributions	7,000	7,000
Total contributions	25,000	25,000
Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.0	3.1
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	20.5	20.6
- Females	23.1	23.1
Retiring in 20 years		
- Males	22.0	22.0
- Females	25.0	24.8

#### Sensitivity analysis:

	Approximate increase to pension liability %	Approximate monetary amount £000
0.5% decrease in real discount rate	20	111
0.5% increase in the salary increase rate	0	2
0.5% increase in the pension increase rate	20	108

#### The school's share of the assets in the scheme

	2020 Fair value £	2019 Fair value £
Equities	121,000	122,000
Bonds	29,000	27,000
Cash	16,000	16,000
Property	13,000	14,000
Total market value of assets	179,000	179,000

The actual return on scheme assets was £8,000 (2019: £8,000).

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

	2020 £	2019 £
Current service cost	54,000	41,000
Past service cost	4,000	4,000
Interest income	(4,000)	(4,000)
Interest cost	7,000	6,000
Total operating charge	61,000	47,000

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2020 £	2019 £
At 1 September 2019	371,000	205,000
Current service cost	41,000	41,000
Interest cost	6,000	6,000
Employee contributions	7,000	7,000
Actuarial loss	88,000	88,000
Past service cost	4,000	4,000
At 31 August 2020	517,000	351,000

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

	2020 £	2019 £
At 1 September 2019	146,000	146,000
Interest income	4,000	4,000
Actuarial gain	4,000	4,000
Employer contributions	18,000	18,000
Employee contributions	7,000	7,000
At 31 August 2020	179,000	179,000

### 20 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(119,714)	(97,836)
Adjusted for:		
Capital grants from DfE and other capital income	(8,714)	(20,648)
Investment income receivable	(528)	(565)
Defined benefit pension costs less contributions payable	40,000	27,000
Defined benefit pension scheme finance cost	3,000	2,000
Depreciation of tangible fixed assets	230,685	249,883
(Increase) in debtors	(15,054)	(7,543)
(Decrease)/increase in creditors	(56,988)	16,142
Net cash provided by operating activities	72,687	168,433

# THE OLIVE TREE PRIMARY SCHOOL BOLTON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 21 Commitments under operating leases

At 31 August 2020 the total of the school's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	72,085	71,000
Amounts due in two and five years	285,900	284,000
Amounts due after five years	1,065,000	1,136,000
	<u>1,422,985</u>	<u>1,491,000</u>

### 22 Related party transactions

Z Patel, wife of A Chohan, Chair of Governors, is employed by the academy as Assistant Headteacher. Z Patel's appointment was made in open competition and A Chohan was not involved in the decision-making process regarding the appointment. Z Patel receives no special treatment as a result of her relationship to the governor. Her remuneration was £50,001 - £55,000 (2019: £45,001 - £50,000) which is within the normal pay scale. Employer's pension contributions for this employee were £10,001 - £15,000 (2019: £nil - £5,000).

#### Prior year

Mr A D Peet (Governor) is a Director of AP Consultancy Limited. The school paid £15,575 to AP Consultancy Limited for educational consultancy services for the period January to June 2019.

Mr C D Mole (Governor) was paid £1,250 for educational consultancy services in November 2018.

There is no evidence to support compliance with the "at cost" policy in respect of the above related party payments. Furthermore, payments made from 1 April 2019 to 31 August 2019 were not reported to the ESFA.

### 23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he or she ceases to be a member.