

OXFORD ARCHAEOLOGY LIMITED

England & Wales · Charity number 285627

Details

Other names	OXFORD ARCHAEOLOGICAL UNIT LIMITED, OXFORDARCHAEOLOGICAL UNIT LIMITED, OXFORD ARCHAEOLOGY, OXFORD ARCHAEOLOGY NORTH
Status	Registered
Legal form	Charitable company
Company number	01618597
Registered	1982-10-27
Register	View on the Charity Commission register

Contact

Address	Oxford Archaeology Ltd Janus House Osney Mead Oxford OX2 0ES
Phone	01865263800
Email	info@oxfordarch.co.uk
Website	www.oxfordarchaeology.com

Activities

Objects: TO ADVANCE EDUCATION IN THE SUBJECT OF ARCHAEOLOGY FOR THE PUBLIC BENEFIT IN THE UNITED KINGDOM AND ELSEWHERE IN THE WORLD

Activities: Archaeological research, archaeological excavations and analysis and publication, heritage and conservation advice.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

Geography

- **Area of benefit:** THE UNITED KINGDOM AND ELSEWHERE IN THE WORLD
- Isle Of Man
- Jersey
- Saudi Arabia
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£27,565,833	£26,545,718	£24,775,170	401
2024-03-31	£22,743,133	£22,625,903	£19,807,054	385
2023-03-31	£25,075,900	£23,251,230	£16,805,824	363
2022-03-31	£24,431,991	£22,778,027	£4,182,154	393
2021-03-31	£24,908,600	£21,935,878	£-2,276,810	376

Trustees

Name	Role	Appointed
Dr Alison MacDonald		2023-06-07
Gillian Margaret Andrews		2020-04-10
JAN WILLS		2017-07-04
Paul Chadwick		2020-11-25
Professor Amy Bogaard		2023-11-22
RICHARD BRIANT		
Simon Blackmore		2020-11-25
Steve Cooke		2025-03-19
Sue Cooper		2025-03-19

Accounts

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements
For the year ended 31 March 2025

Company No. 1618597
Charity No. 285627

Members of the board and professional advisers

Company registration number	1618597
Charity number	285627
Registered office	Janus House Osney Mead OXFORD OX2 0ES
Board of trustees	Ms G Andrews Mr S Blackmore Mr W R C Briant Prof A Bogaard Mr P Chadwick Mr S Cooke Ms S Cooper Dr A MacDonald Ms J Wills
Chief Executive	Mr K Welsh
Secretary	Mr A P Lane
Bankers	Barclays Bank PLC Avalon House Marcham Road ABINGDON Oxfordshire OX14 1UB
Auditor	Wenn Townsend 30 St Giles' OXFORD OX1 3LE

Contents

Trustees' annual report (including directors' report and strategic report)	4 - 16
Independent auditor's report	17 - 19
Principal accounting policies	20 - 23
Statement of financial activities	24
Balance sheet	25
Cash flow statement	26
Notes to the financial statements	27 - 38

Trustees' annual report (including directors' report and strategic report)

The Trustees, who are also Directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 March 2025. All instances of reference to Trustees also refers to the Directors thereafter. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Objectives and activities

Objects of the charity and principal activities

The charity's objects and its principal activities are to advance the education of the public in the subject of archaeology, and it primarily achieves this by undertaking archaeological research and investigations and disseminating the results as widely as possible. The charity feels it is important to involve the general public in the 'process of archaeology' in addition to making available its findings.

Most investigations and research projects are driven by national and local planning policies that require preliminary archaeological investigations in advance of development. The charity's work, however, extends beyond this 'development-driven' environment and includes historic building and landscape research, advice for national and regional bodies, guidance for local groups and academic institutions, archaeological training opportunities and the production of academic and general interest publications. The charity promotes archaeological education to people of all ages.

Public benefit

The Charities Act 2011 requires an identifiable benefit or benefits to arise from the work of charities, and such benefits must be to the public or a section of the public. The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit and the conservation and preservation of the archaeological heritage when reviewing the charity's aims and objectives and in planning future activities.

Fundraising standards information

Oxford Archaeology (OA) does not undertake as part of its activities any direct or significant fundraising. All works are directly project funded without recourse to any separate general fundraising. No significant fundraising activities or campaigns were undertaken in this or prior periods.

Strategic Report

Achievements and Performance

Development, activities and achievements

OA's charitable objective is to advance education in the subject of archaeology for the public benefit in the UK and elsewhere in the world. OA achieves this by undertaking archaeological research by means of excavations, surveys and publishing its results through a variety of different media. This published output, targeting academic and local communities, schools and specific interest groups as well as the general public, is seen as one of the core strands of public benefit provided by OA. However, OA delivers public benefit in a number of other important ways, including community involvement in excavations and related activities, school visits, open days, public lectures and presentations, and online research seminars.

Trustees' annual report (including directors' report and strategic report)

Funding for archaeological works comes principally through the UK planning system in which developers are required to assess and describe the impacts of their developments and, where necessary, mitigate or offset the consequences. While most archaeological activity is the result of mitigation/offsetting in advance of development, the outputs deliver social value far beyond the satisfaction of planning conditions. The ebb and flow of archaeological works in any year is tied directly to the volume and types of construction being planned for or undertaken at that time. Oxford Archaeology (OA) comprises three branch offices (in Cambridge, Lancaster and Oxford), allowing it broad coverage across England and Wales.

OA's 2020-25 Strategy sets out its objectives under the headings Leading and inspiring, Innovating, Creating and sharing knowledge. In this section we report on our success in delivering those objectives.

Leading and inspiring

Infrastructure projects dominated our work programme this year. Work with our joint venture partners, Cotswold Archaeology, as OCA (Oxford Cotswold Archaeology), was undertaken at Sizewell in Suffolk, the A417 in Gloucestershire, and the A66 in Cumbria. Other infrastructure work included the Sea Link and Lion Link projects in Kent and Suffolk, the Hornsea 3 Windfarm project in Norfolk, the Layer to Langford Pipeline in Essex, and the Cambridge South West Travel Hub. Significant work in other sectors such as house building was also undertaken, including major projects at Weston Turville in Buckinghamshire, Gill Mill in Oxfordshire, Broomfield in Essex, Bury St Edmunds in Suffolk and Braddan on the Isle of Man.

Significant contracts through the year have included:

Sizewell, Suffolk as OCA – Sizewell C Ltd
A417 Missing Link as OCA – National Highways
A66 Northern Trans-Pennine route as OCA – National Highways
Hornsea 3 Windfarm, Norfolk – Orsted Power (UK) Ltd
Sea Link, Suffolk and Kent – National Grid
Lion Link, Suffolk – National Grid
Layer to Langford Pipeline – Essex & Suffolk Water
Abbot's Vale, Bury St Edmunds – Hopkins Homes Ltd
Hampden Field, Weston Turville - Taylor Wimpey
Braddan, Isle of Man – Hartford Homes

OA undertook consultancy services for a range of clients including local councils, environment consultants, large house-building firms and private clients. Our work included desk-based assessments/environmental impact assessments, including a number of reports for Oxford Colleges and retail, quarry and housing developments across the South-East and the Midlands. A notable addition to our portfolio this year has been our involvement in rewilding and Landscape Recovery projects. We conducted a comprehensive landscape survey of the archaeological value and sensitivity of the Evenlode Valley and are now producing a method statement for desk-based assessments across over 60 farm sites. Heritage Impact and Opportunity Assessments (HIOSA's) were delivered for two sites in Cumbria, mainly within the English Lake District World Heritage site, supporting major renewal initiatives. We also contributed to a strategic workshop, hosted by the National Trust and various environmental agencies, to develop a unified approach to HIOSA's and similar landscape projects. In addition, we have produced

Trustees' annual report (including directors' report and strategic report)

several other bio-diversity/Landscape Recovery assessments, including reviews of several pond sites in the Thames Valley and West Sussex, and an inter-tidal assessment for the Humber Crossing Carbon Capture scheme.

To fulfil our charitable objectives, it is essential to that we maintain a skilled, engaged, and healthy team. We remain committed to upholding the highest standards of health, safety, and welfare for everyone involved in our activities, supported by our continued ISO 45001 certification for occupational health and safety management. In coping with an uncertain world, we place a particular emphasis on mental health and wellbeing. The OA Wellbeing Group meets regularly to design and roll out initiatives that foster staff resilience and support. Through twice yearly Wellbeing Snapshot surveys, we have been able to identify recurring themes affecting workplace wellbeing at OA. We also maintain an extensive network of Mental Health First Aiders and continue to provide staff with access a comprehensive Employee Assistance Programme, ensuring all staff have access to support when needed.

In collaboration with Prospect Union, we actively engaged with staff to explore and address issues of equality, diversity, and inclusion (EDI) within archaeology. The OA EDI group convenes regularly to raise awareness and develop strategies to identify and overcome barriers to progress within the profession. In compliance with government regulations, we have published our Gender Pay Gap report.

OA is committed to achieving Net Zero Carbon by 2050 and we have been working hard to implement our Carbon Reduction Plan throughout the year. During the year, we:

- moved to zero carbon electricity tariffs wherever possible,
- installed electric vehicle chargers at our Oxford office,
- replaced office lighting with LED fittings,
- improved office heating systems,
- trialled electric vehicle use,
- installed telematics in our vehicle fleet,
- engaged with staff on energy efficiency.

Learning and Development is a core priority and this year we expanded our L&D Team to help in the development and delivery of our wide-ranging Training Pathways. We continued to run a range of specialist training placements in areas such as artefact and faunal analysis, geomatics, heritage management, project management and community archaeology. We ran our Archaeological Career Experience programme across all three offices, offering Year 12 school pupils the opportunity to experience work as an archaeologist. In addition, we offered further work experience and student placement opportunities in Cambridge and Lancaster, working with local schools and colleges.

Promoting the development of archaeological standards and practice as well as the visibility of archaeology within society remains a key objective and OA supports staff to work on many of the governing and sector institutions including CIfA (the Chartered Institute for Archaeology) and FAME (the Federation of Archaeological Managers & Employers), and committee members of other specialist groups. OA staff give presentations at many of the conferences held by these institutions.

OA continued to collaborate with other organisations. Our joint venture with Cotswold Archaeology (a registered charity), as Oxford Cotswold Archaeology (OCA), is our most significant collaboration. By

Trustees' annual report (including directors' report and strategic report)

bringing together our combined resources and expertise, the OCA JV gives us the capacity, not available to us as separate organisations, to work on some of the largest infrastructure projects currently being undertaken in the country.

Innovating

OA continued to enhance its sector-leading digital recording and web-based GIS platforms, working in close partnership with Cotswold Archaeology. This year, we introduced new features to our GIS platform, providing expanded capabilities and improved usability, further strengthening our capacity to conduct archaeological research and efficiently manage projects for our clients.

The 'Rewilding' later prehistory project, funded by UKRI and led by OA in collaboration with the Universities of Oxford and Exeter, the Archaeology Data Service, Historic England, and Knepp Castle Estate, takes an innovative approach to nature conservation. By exploring how archaeological evidence can inform present-day environmental and wildlife challenges, the project seeks to enrich our understanding of later prehistory. It highlights the significance of archaeological wildlife studies, challenging traditional human-focused perspectives and offering important insights that connect our historical landscapes with modern rewilding and nature recovery efforts. The project has opened up new opportunities for OA to undertake work which brings to together the historic environment and archaeology with nature and landscape recovery, resulting in positive and mutually beneficial outcomes for both.

Creating and sharing knowledge

The huge range of projects undertaken during the year has again allowed OA to make a significant contribution to the understanding of our past. Our series of highly successful online research seminars continued with a session which explored some of the historic factories and other industrial buildings that OA has recorded over the years. The seminar looked at three types of structure: Lancashire cotton mills from the early industrial period; a late 19th-century power station in Oxford; and an example of a particular type of early 20th-century structure called the daylight factory, and included a question-and-answer session with a panel of leading academics. Videos of all of our webinars are available on our YouTube channel.

Across the year, our website received over 180,000 visits, an increase of 20% on the previous year. Particular interest was shown in the training and career development opportunities on offer at OA, and a series of blogs about the Uffington White Horse was also very popular.

The Knowledge Hub, our online platform designed to make our work and research accessible to academics, researchers the public, people with a passion for archaeology or a strong interest in local history, has continued to expand. The hub gives access to more than 8,000 of our reports and publications in digital format, an increase of 1000 since we launched the platform a year ago. In the last year, it received nearly 55,000 visits.

In September 2024, we launched the Oxford Cotswold Archaeology (OCA) website, designed to showcase our work with joint venture partners, Cotswold Archaeology. A range of projects, including our work at Sizewell C, the A417 and the A66, is featured on the site and, in the six months following its launch, it received 15,000 visits.

Trustees' annual report (including directors' report and strategic report)

In addition to the websites and the Knowledge Hub, social media feeds are able to reach wider audiences. Thanks to an increased focus on this form of communication, our social media saw sustained growth during the year. We had a reach of 355,000 on Facebook, and of over 205,000 on Instagram, an increase of 750% over the previous year. In addition, we saw a 23% increase in users, up to 106,000, on LinkedIn.

As a charity, public outreach and engagement is central to our strategy and the year saw Oxford Archaeology delivering a huge range of talks, lectures, site tours, displays and other events.

For example, sessions and open days, including hands-on activities and displays, were held at Oxford's Science Wonder Garden Party, the Rollright Stones, Oxford Open Doors weekend, the Wintringham Heritage Day, Romanfest in Northampton, at Harlow Museum, Little Hulton, Ely Museum, and at many other locations across the country. A number of school visits were undertaken, in Suffolk, Oxfordshire and elsewhere. A community excavation was held at Weald Country Park in Essex and a pottery workshop was held at Grays, also in Essex. Papers were presented at the Chartered Institute for Archaeologists Annual Conference, the Cambridge Antiquarian Society Conference, and, in December, OA co-hosted the 44th Conference of the Association for Environmental Archaeology in Oxford. Lectures and presentations were delivered to a wide variety of audiences across the country.

During the year, OA received much positive coverage in the media. For example, excavations at Oriel College, Oxford, which uncovered the city's original and previously elusive eastern defences, were featured in the national press, and the discovery of a palaeolithic handaxe near Abingdon also generated considerable interest, as did our excavation of a former Methodist chapel at a site in Crewe. Discoveries made on our OCA joint venture sites at Sizewell and the A417 in Gloucestershire were prominently featured on the TV series 'Digging for Britain' and, in turn, generated much interest from other sectors of the media. The discovery of a Georgian bath during the community excavation at Weald Country Park also excited a lot of interest.

The dissemination of knowledge via more formal means such as academic books and articles has continued and this year saw the publication of *Great Western Park, Didcot, Oxfordshire, Phase 1 excavations, 2010-2012*; *From An Ancient Eden to a New Frontier: An Archaeological Journey along the Carlisle Northern Development Route*; *Guildford Fire Station: excavation of a Late Upper Palaeolithic campsite in the valley of the River Wey, Surrey*; *Slade End Farm and Winterbrook: prehistoric landscapes around Wallingford, South Oxfordshire*; *Cotton 'Henge' to Craft: Neolithic to Anglo-Saxon remains at Warth Park, Raunds, Northamptonshire*. In addition, *Early Thame, Archaeological Investigations at Oxford Road, Thame, Oxfordshire 2015*, the first OCA monograph, was published with our partners, Cotswold Archaeology, and *Cattle, community and place: the archaeology of the Cambridge Biomedical Campus* was a collaboration between OA and the Cambridge Archaeological Unit. Many other articles and excavation reports were published in local and regional journals across the country.

Financial Review

Transactions and financial position

The results for the year, and the charity's financial position at the end of the year, are shown in the attached financial statements.

Income for the year increased by c21% to c£27.6 million (2024: £22.7m). A General Funds net surplus of c£1.7m was recorded prior to accounting for the £103k credit in FRS 102 pension finance costs.

Trustees' annual report (including directors' report and strategic report)

Reinvestment in the sustainable delivery of Oxford Archaeology's charitable mission through Designated Funding totalled £751k, resulting in a Total Funds net surplus of £917k prior to accounting for the FRS102 pension finance costs. Net Assets increased to £24,775,170 (2024 £19,807,054) due to both the net trading performance and the increase in the FRS102 pension valuation.

Overall, OA has delivered a strong financial performance in the year, following the suppressed results in the 2024. OA continues to deliver a range of exciting new projects, including major infrastructure projects in nuclear and renewable energy and new road schemes.

Looking forward, although the continued uncertainty in the UK and international economies makes trading conditions far from ideal, OA's foreseeable work programme looks to be dominated by new large scale infrastructure projects. The new UK Government's focus on investment in renewable energy has the potential to offer a wide range of new opportunities for OA.

The Trustees have assessed the charity's future programme of works and commitments against the working capital in place and access to other funds (bank overdraft arrangements). The Trustees view the level of net current assets as sufficient to ensure future operations and allow gradual growth and reinvestment in necessary assets.

Reserves policy

The Trustees continue to feel that it is necessary to maintain sufficient funds to finance the charity's planned programme of major and specialised research projects. The Trustees feel that it is necessary to have available sufficient finance to fund at least four months' working capital in order to allow this programme of projects to be undertaken without major financial risk.

In addition, and while fully adhering to the charity's reserves policy, the Trustees have agreed to reinvest in the sustainable delivery of OA's charitable objectives and deliver a phased reduction in unrestricted reserves through the designation of a share of these reserves.

Internal control and risk management

The Trustees carry out regular reviews of the charity's activities and the systems in use. This is for the purpose of planning for the future and assessing any major risks to which the charity is exposed. The Trustees are satisfied that systems are in place to mitigate exposure to major risks.

The major risks comprise:

- Operational risk – Archaeological projects by their very nature (buried deposits) carry a great deal of uncertainty and there is constant pressure for clients to transfer this risk on to the archaeological organisations themselves. This risk increases with the scale of projects. OA firmly believes that these risks should stay with the developer but, in circumstances where this is not the case, a system of protocols and reviews are in place to mitigate untoward risk. There is a new trend of developers requiring archaeologists to take on more of the non-archaeological enabling and support works associated with projects. This is an area of concern, not just in the increased risk it brings, but in archaeologists being pressurised to undertake work outside their main areas of competence.
- Competitive risk – The charity undertakes archaeological research where academic standards are a necessary element. OA also provides a career structure supporting the professional nature of

Trustees' annual report (including directors' report and strategic report)

archaeology. Downward pricing pressures within the market can lead to the risk of eroding these academic and professional standards.

- Pension risk – OA is an admitted body to two local authority pension schemes. The annual FRS 102 valuations does add some volatility to the accounts. In 2023's FRS102 valuation the longstanding pension deficit moved to a surplus; this surplus has increased in the year to £9.58m (2024: £5.53m), owing to actuarial assumptions associated with the high UK corporate bond yields resulting in high accounting discount rates which place a significantly lower value on the pension obligations. OA's contribution rates are set by the triennial valuation and use different assumptions. The next triennial valuation takes place in 2025, with the new contribution rates being applied from April 2026. OA restricts access to its defined benefit pension schemes to limit the extent of further liability. A defined contribution scheme (auto-enrolment) is also provided for staff members not enrolled in the defined benefit scheme. OA views seriously the risks of its defined benefit pension schemes' FRS 102 valuation but it sees this as a long-term issue. The schemes are 'open' and the position is monitored as a long-term issue. The impact of wider market uncertainties on potential future investment returns will be closely monitored. The Trustees consider that this has no impact on OA's going concern basis but will nevertheless keep the situation under continuous review.

The Trustees continue to review the major risks to which OA is exposed and can confirm that all reasonable measures are being taken, and systems have been established to control or mitigate the effect of these risks on the achievement of the charity's objectives. The financial risks of the company are discussed in greater detail below.

Financial risk assessment

The company is exposed to a number of financial risks including credit risk, market risk, currency risk and liquidity risk due to its investing activities.

- Credit risk - This represents an increased risk in the current economic environment and all projects of a material scale are carefully reviewed to minimise default.
- Market risk – Currently the 'archaeological market' is facing a period of significant uncertainty as the UK continues to deal with the significant impacts of the Cost-of-Living crisis, international conflicts and the evolving policies of the new UK Government and other newly elected governments internationally. With this continued economic uncertainty, the level of activity in the future is unpredictable. It seems unlikely that this uncertainty will abate in the short-term. We have already seen the cancellation of some long-planned infrastructure schemes, with a suggestion that more may be cancelled in the future as the new Government begins to deliver on its economic priorities. The impact of potential changes to UK planning policy remains unclear. OA continues to seek to diversify activities away from the current income stream by developing more research-funded projects and expanding activity in critically important low-carbon, renewable and nuclear energy sectors.
- Liquidity risk - The archaeological sector has undergone a period of expansion after an extended recession. Cash resources have historically been depleted and increased working capital requirements puts further pressure on a limited resource. OA ensures that it has sufficient cash

Trustees' annual report (including directors' report and strategic report)

resources to meet its needs by continual monitoring of its working capital position, and any future investments/expansion plans are carefully budgeted. A bank overdraft facility is available as a contingency to cover any short-term deficiencies.

Going concern

The Trustees have reviewed Oxford Archaeology Limited's financial position, taking account of the levels of reserves and cash, the 2025-26 budget and longer-term plans, together with its system of financial and risk management. As a result, the Trustees believe that OA has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Plans for future periods

In April 2025, we launched a new strategy for Oxford Archaeology for the period 2025-2030. The strategy focuses on five core areas, or Strategic Pillars, namely:

- Working Sustainably,
- Delivering Public Benefit and Social Value,
- Pioneering Archaeological Research and Innovation,
- Shaping the Future of the Profession, and
- Empowering Our People.

The strategy will guide OA's efforts over the next five years, ensuring that we remain at the forefront of archaeological practice and research, delivering public benefit while providing exceptional value for our clients.

OA has focussed on a number of key areas for strategic investment to ensure the charity's long-term sustainability and its ability to fulfil its charitable objects. These investments will be made prudently, making best use of our strong financial position to allocate resources effectively while maintaining ample reserves to navigate future economic fluctuations. Our involvement in a range of infrastructure projects, notably in transport and energy, coupled with continued activity in other sector, provides a robust work program for the coming financial year and a promising pipeline of new opportunities.

We have continued our ongoing programme of improvement to our IT systems, and over the coming year we will continue to work to ensure that all of our systems are future-proofed and resilient. We are working on the implementation of a new integrated Enterprise Resource Planning system to ensure the effective delivery of our financial, administrative and human resources requirements.

The retention and recruitment of skilled and experienced staff are core to our success. Building on our proven fieldwork training pathways, we will develop and implement further training schemes for other staff including those with managerial responsibilities. This year saw the recruitment of our first archaeological apprentices and we hope to expand the opportunities on offer allowing entry to the profession in this way

Trustees' annual report (including directors' report and strategic report)

We are committed to maintaining our ISO 9001, ISO 14001, and ISO 45001 certifications for Quality, Environment, and Health and Safety Management, respectively. These certifications demonstrate our dedication to upholding the highest professional standards across all aspects of our operations. Refining our health and safety systems and procedures to ensure that our organisation remains a safe and rewarding place to work for all employees remains a key objective. In addition, and as part of our commitment to carbon reduction, we will aim to achieve certification in the PAS 2080 standard in Carbon Management in Infrastructure and Built Environment.

The ongoing development of our digital recording systems remains a priority, especially the creation of innovative analytical tools that will substantially enhance the efficiency and effectiveness of our post-excavation processes.

We will continue to develop our Knowledge Hub, enhancing our ability to disseminate the results of work to the public in a range of interesting and innovative ways. We will carry out research to further our understanding of how we can maximise the public benefit which we deliver through community engagement. We will continue generate new knowledge through the analysis of the sites we excavate and will publish the results of that analysis through a variety of innovative, as well as more traditional, means.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charity is constituted as a company limited by guarantee and is therefore governed by the Memorandum and Articles of Association.

Organisation

The charity's activities are regularly monitored by the Trustees, and tactical management is achieved by a Senior Management team consisting of:

- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer

The charity has three regional offices in the UK: Oxford, Lancaster and Cambridge. Each office has its own management team overseeing day-to-day operations.

The organisation is fully self-financing and secures funds by providing research to a variety of organisations which enables it to meet fully its primary objectives. The main sources of income are:

- Commercial Organisations
- Government Departments and Agencies
- Local and County Councils

Trustees' annual report (including directors' report and strategic report)

The Board of Trustees

The Trustees who served the charity during the year were as follows:

Ms G Andrews	
Mr S Blackmore	
Mr W R C Briant	
Prof A Bogaard	
Mr P Chadwick	
Mr S Cooke	Appointed 19 th March 2025
Ms S Cooper	Appointed 19 th March 2025
Dr A MacDonald	
Ms J Wills	

Each Trustee guarantees the sum of £1 in the event of a winding up of the charity. The Trustees are the company Directors under company law.

Appointment of Trustees

As set out in the Articles of Association, the Trustees are drawn from the members and subscribers of the Charity. The board of Trustees is able to appoint new members and fill vacancies or add to the board when it feels necessary. The board is required to comprise between three and eleven individuals. A third of the board retire by rotation on an annual basis but are eligible for re-election. The board of Trustees regularly reviews its constituents and their experience and skills profile in relation to the on-going works of the charity.

The aim of the board of Trustees is to have a balance of archaeological, business and financial skills to oversee the charity's works.

Trustee training and induction

Trustees come to the charity with either a background of professional or academic archaeological knowledge, or with an established track record in business, charity or educational management. New Trustee appointments have an induction process spent at the offices of the organisation that covers:

- the current environment of UK archaeology
- the history and development of OA
- the staff and staff structure
- the current strategic objectives and the major challenges and opportunities facing the organisation.

All new Trustees are issued with copies of governing documents, guides to the responsibilities of charitable trustees, recent accounts, budgets and business plans and minutes of previous meetings. Trustees are invited to all outreach events to meet staff and further understand the detailed workings of the charity.

Trustees' annual report (including directors' report and strategic report)

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees, the Chief Executive and the Senior Management Team as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 3 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest rises.

The pay of the Chief Executive and Senior Team is reviewed annually and is normally increased in line with general inflation. The remuneration is reviewed to ensure that it is fair and not out of line with similar roles.

Employee policies

Employment policies are designed to respect employees' human rights and to ensure equal opportunity and promote diversity. Employees are actively encouraged to undertake relevant training, CPD, and staff appraisals are conducted with individual employees. The policy of the charity with regard to disabled persons is to give full and fair consideration to all applicants for employment and to all employees in relation to promotion. Wherever possible, employees who become disabled during their employment are offered suitable alternative employment. In order to promote wellbeing in the workplace, OA also has a Dignity at Work Policy, a Flexible Working Policy, and a Stress Management Policy and Procedures, along with other HR policies.

Engagement with Employees

OA explicitly builds into its strategy the importance of employee engagement and internal communications. It has built both formal systems but also facilitates and encourages informal communications i.e. not just 'top-down' but also 'bottom-up' and 'side-to-side'. OA formally recognises a trade union, Prospect, and both consults on statutory matters (pay, pensions, H&S etc) but also seeks to discuss with them any other significant change affecting OA. In addition, it holds quarterly branch 'consultation meetings' with representatives elected from all members of staff (irrespective if they belong to a union or not). These consultation meetings have open agendas where any matter can be raised by an employee. Performance and future activity are reported at these meetings and the minutes are circulated to all members of staff. An 'intranet' is maintained and is available for employees to view all aspects of OA's work and employee policies and conditions.

OA also produces a quarterly in-house magazine (InTouch) to communicate key issues and the results of its work. This is an important vehicle allowing employees to understand the work undertaken in the three branch offices. Staff are also invited to the 'AGM day' where, following the main business meeting, a series of discussions and debates about various aspects of OA's work are held.

On a more informal level OA is developing a series of on-line forums in which all employees are encouraged to participate. The monitoring of employees' mental health and general morale are seen as

Trustees' annual report (including directors' report and strategic report)

crucial and in addition to training staff in mental first aid, OA undertakes formal surveys to assess and monitor issues.

OA's induction process provides all the required information for new employees to be aware of and engage in these processes.

Third party indemnity provisions

The Trust has in place directors' and officers' liability insurance for the purpose of indemnifying the Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This insurance was in force during the year and is in force as at the date of approving this report.

Trustees' Responsibilities Statement

The Trustees (who are also Directors of Oxford Archaeology Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

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

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

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and

Trustees' annual report (including directors' report and strategic report)

- the Trustees have taken all the steps that they ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Auditor

Wenn Townsend having expressed their willingness to continue in office, will be deemed to be reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board



Ms J Wills
Trustee

Date: 17th September 2025

Independent auditor's report to the members of Oxford Archaeology Limited

Opinion

We have audited the financial statements of Oxford Archaeology Limited (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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



Ajay Bahl BA BFP FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Statutory Auditor
30 St Giles
Oxford
OX1 3LE

Date: 17th September 2025

Principal accounting policies

Basis of accounting

Oxford Archaeology Limited is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern. The balance sheet as at 31 March 2025 shows a net asset of £24,775,170 (2024: £19,807,054). Typically, the Company's largest liability is related to the Company's defined benefit pension scheme, however over the last three years this valuation has switched to net surplus at the balance sheet date using an FRS102 valuation basis - the pension surplus in 2025 was £9,584,000 (2024: £5,533,000). The company has agreed contribution rates with the trustees of the scheme, as shown in note 10 to the financial statements. The Company has cash balances of £14,095,210 (2024: £13,517,909), net current assets of £14,996,847 (2024: £14,103,994). The Trustees are confident that the Company will continue to be able to meet its liabilities as they fall due.

The Trustees have also assessed the charity's future programme of works and commitments against the working capital in place and access to other funds (banking arrangements). It has reviewed and considered the current significant economic uncertainty on OA's activity. The Trustees view the level of net current assets as sufficient to ensure future operations within an uncertain trading environment. The charity retains the ability to react flexibly to meet the challenges of this changing environment.

Fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Improvements to property	- 20% straight line
Computers	- 33% straight line
Fixtures, fittings, equipment and vehicles	- 25% straight line

Tangible fixed assets are capitalised at cost where their acquisition value is greater than £500 and are stated at cost net of depreciation.

Principal accounting policies

Goodwill and amortisation

Positive purchased goodwill arising on acquisitions, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and amortised on a straight-line basis over its estimated economic life as follows:

Purchased goodwill	- 18 months straight line
--------------------	---------------------------

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Income is credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred. Invoices raised in advance of the provision of services are included within current liabilities; deferred income.

Stocks and work in progress

Stock represents work in progress which cannot be accurately valued at the year-end date and is stated at the lower of cost and net realisable value. Cost represents directly attributable staff and archaeological costs.

A surplus is recognised on long term contracts if the final outcome can be assessed with reasonable certainty, by including the value of the work in income and amounts recoverable on long term contracts, as the contract progresses.

Payments received on account of work in progress are deducted from gross work in progress. Payments received on account in excess of carrying value of relevant work-in-progress are included in creditors.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Principal accounting policies

The charity is an admitted member of a sub-fund of a Local Government Pension Scheme (LGPS) operated by Oxfordshire County Council and a sub-fund of a LGPS operated by Cambridge County Council, both of which are defined benefit schemes.

A liability for the charity's obligations under the plans is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the statement of financial activities for the year.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- fundraising and publicity
- archaeological investigations
- archaeological services and support costs

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 2.

Defined benefit pension scheme valuation

The charity will adopt the current FRS102 pension scheme valuation in the financial statements, regardless of whether actuarial assumptions (e.g., regarding discount rates) yield a net deficit or net asset valuation.

The analysis of the two defined benefit pension schemes offered to employees is presented in note 10.

Fund accounting

Unrestricted funds are available to be used in accordance with the charitable objectives of the trustees.

Principal accounting policies

Restricted funds are funds that can only be used for purposes within the objects of the charity as described by the donor. The charity does not have any restricted funds.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Judgements and key sources of estimation uncertainty

There were no judgements made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the financial statements.

The key source of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is regarding the margin applied to ongoing projects at the year-end date.

Statement of financial activities (including income and expenditure account)

	Note	General Funds £	Designated Funds £	2025 Total Funds £	2024 Total Funds £
Income from:					
Charitable trading income	1	27,565,833	-	27,565,833	22,743,133
Total income		<u>27,565,833</u>	<u>-</u>	<u>27,565,833</u>	<u>22,743,133</u>
Expenditure on:					
Costs of raising funds:					
Fundraising and publicity		633	-	633	7,011
Charitable activities:	2	25,793,779	751,306	26,545,085	22,618,892
Total resources expended	2	<u>25,794,412</u>	<u>751,306</u>	<u>26,545,718</u>	<u>22,625,903</u>
Net income/(expenditure)		<u>1,771,421</u>	<u>(751,306)</u>	<u>1,020,115</u>	<u>117,230</u>
Other recognised gains/(losses)					
Remeasurement gain/(loss) on defined benefit pension plans	10	3,948,000	-	3,948,000	2,884,000
Net movement in funds		<u>5,719,421</u>	<u>(751,306)</u>	<u>4,968,115</u>	<u>3,001,230</u>
Funds brought forward		19,807,054	-	19,807,054	16,805,824
Funds transferred		<u>(1,898,000)</u>	<u>1,898,000</u>	<u>-</u>	<u>-</u>
Funds carried forward		<u>23,628,475</u>	<u>1,146,694</u>	<u>24,775,169</u>	<u>19,807,054</u>
Net Movement in funds prior to FRS102 pension adjustment:					
Net income/(expenditure) per SOFA		1,771,421	(751,306)	1,020,115	117,230
Pension finance cost included in charitable activities		<u>(103,000)</u>	<u>-</u>	<u>(103,000)</u>	<u>107,000</u>
Net surplus/(deficit) prior to pension costs		<u>1,668,421</u>	<u>(751,306)</u>	<u>917,115</u>	<u>224,230</u>

All movements are in unrestricted funds.

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Cash flow statement

		2025 £	2024 £
Cash flow from operating activities	13	714,990	(68,385)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		<u>(137,690)</u>	<u>(59,480)</u>
Net cash flow from investing activities		<u>577,300</u>	<u>(127,865)</u>
Net cash inflow		<u>577,300</u>	<u>(127,865)</u>
Increase/(Decrease) in cash	13	<u>577,300</u>	<u>(127,865)</u>

Balance sheet

		2025 £	2024 £
Fixed assets			
Tangible assets	5	194,323	170,060
Intangible assets	6	-	-
		<u>194,323</u>	<u>170,060</u>
Current assets			
Stocks	7	1,029,591	1,590,144
Debtors	8	5,829,655	3,906,294
Cash in hand		14,095,210	13,517,909
		<u>20,954,456</u>	<u>19,014,347</u>
Creditors: amounts falling due within one year	9	<u>(5,957,609)</u>	<u>(4,910,353)</u>
Net current assets		<u>14,996,847</u>	<u>14,103,994</u>
Total assets less current liabilities		<u>15,191,170</u>	<u>14,274,054</u>
Net assets excluding pension liabilities		<u>15,191,170</u>	<u>14,274,054</u>
Defined benefit pension (liability)/asset	10	<u>9,584,000</u>	<u>5,533,000</u>
Net (liabilities)/Asset		<u>24,775,170</u>	<u>19,807,054</u>
Funds			
Unrestricted funds		14,044,476	14,274,054
Designated funds	11	1,146,694	-
Pension reserve		9,584,000	5,533,000
	11	<u>24,775,170</u>	<u>19,807,054</u>

These financial statements were approved by the board of Trustees and authorised for issue on 17th September 2025 and are signed on their behalf by:



Ms J Wills
Trustee

Date: 17th September 2025
Oxford Archaeology Limited
Company registered number 1618597

Notes to the financial statements

1 Charitable trading income

	2025 £	2024 £
United Kingdom	27,565,833	22,654,291
Rest of the World	-	88,842
	<u>27,565,833</u>	<u>22,743,133</u>

2 Total resources expended

	2025 £	2024 £
Fundraising and publicity		
Advertising	633	7,011

Archaeological investigations:

Salaries	12,237,846	10,122,295
Plant hire	3,652,821	3,271,716
Sub-contracted services	570,364	330,431
Travel and subsistence	2,915,022	2,013,618
Project costs	542,454	548,055
Specialist costs	422,612	532,744
Photographic	1,773	4,383
Finance costs (FRS102 pension adjustments)	(103,000)	107,000
	<u>20,239,892</u>	<u>16,930,242</u>

2 Total resources expended (continued)

	2025	2024
	£	£
Archaeological services and support costs:		
Salaries	4,086,234	3,877,868
Training	95,789	100,351
Travel and subsistence	123,913	140,994
Establishment costs	752,233	577,755
Office costs	491,550	605,290
Legal and professional	401,265	604,988
Finance costs	(541,324)	(375,248)
Depreciation	113,427	125,852
	<u>5,523,087</u>	<u>5,657,850</u>
Governance costs:		
Auditor's remuneration	12,800	12,800
Costs of preparing for Trustees' meetings and support for Trustees	18,000	18,000
	<u>30,800</u>	<u>30,800</u>
Designated fund expenditure	<u>751,306</u>	<u>-</u>
Total resources expended	<u>26,545,718</u>	<u>22,625,903</u>

The aggregate payroll costs were:

	2025	2024
	£	£
Salaries	13,584,271	12,384,858
Social security costs	1,318,622	1,185,694
Pension costs	1,197,842	1,066,736
	<u>16,100,735</u>	<u>14,637,288</u>

There were no redundancy and termination payments within salaries during the year (2024: £Nil).

The full-time equivalent (FTE) number of employees during the financial year was as follows:

	2025	2024
Management	17	15
Administrative	13	13
Archaeological – researchers	56	54
Archaeological – in the field	302	288
	<u>388</u>	<u>370</u>

The total average monthly number of employees was 401 (2024: 385).

2 Total resources expended (continued)

In the financial year the charity employed the following numbers of higher paid employees:

	2025	2024
	No	No
£60,000 - £69,999	6	4
£70,000 - £79,999	1	-
£80,000 - £89,999	-	2
£90,000 - £99,999	2	1
Over £100,000	1	-

All ten employees were accruing benefits under a defined benefit pension scheme for the year ended 31 March 2025 and 31 March 2024.

3 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2024: £Nil).

The total amount of employee benefits received by key management personnel is £345,515 (2024: £322,483). The Trust considers its key management personnel comprise the Trustees and the Senior Management Team.

No trustees are accruing pension arrangements (2024: None).

Trustees received reimbursement of expenses of £1,148 during the year (2024: £381) in respect of travel.

4 Net incoming resources

Net incoming resources is stated after charging:

	2025	2024
	£	£
Staff pension contributions (note 2)	1,197,842	1,066,736
Depreciation of fixed assets (note 5)	113,427	125,852
Auditor's remuneration		
Audit services	12,800	12,800
Foreign exchange losses/(gains)	-	-
Operating lease rentals	364,542	359,612

5 Tangible fixed assets

	Improvements to leasehold property £	Computers £	Fixtures, fittings, equipment and vehicles £	Total £
Cost				
At 1 April 2024	360,964	1,217,572	1,103,884	2,682,420
Additions	27,477	62,593	47,620	137,690
At 31 March 2025	<u>388,441</u>	<u>1,280,165</u>	<u>1,151,504</u>	<u>2,820,110</u>
Depreciation				
At 1 April 2024	349,138	1,163,109	1,000,113	2,512,360
Charge for the year	12,700	46,707	54,020	113,427
At 31 March 2025	<u>361,838</u>	<u>1,209,816</u>	<u>1,054,133</u>	<u>2,625,787</u>
Net book value				
At 31 March 2025	<u>26,603</u>	<u>70,349</u>	<u>97,371</u>	<u>194,323</u>
At 01 April 2024	<u>11,826</u>	<u>54,463</u>	<u>103,771</u>	<u>170,060</u>

Included in the total net book values in respect of assets held under finance leases was £Nil (2024: £Nil).

6 Intangible assets

	£
Cost	
At 1 April 2024 and 31 March 2025	<u>104,469</u>
Amortisation	
At 1 April 2024 and 31 March 2025	<u>104,469</u>
Net book value	
At 31 March 2024 and 31 March 2025	<u>-</u>

7 Stocks

	2025 £	2024 £
Short term work in progress	<u>1,029,591</u>	<u>1,590,144</u>

8 Debtors

	2025 £	2024 £
Trade debtors	5,173,291	3,523,406
Prepayments	376,324	233,742
Amounts recoverable on long-term contracts	<u>280,040</u>	<u>149,146</u>
	<u>5,829,655</u>	<u>3,906,294</u>

9 Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	879,994	1,097,010
Taxation and social security	1,455,447	799,180
Deferred income	3,219,426	2,615,687
Other creditors	33,759	64,135
Accruals	<u>368,983</u>	<u>334,341</u>
	<u>5,957,609</u>	<u>4,910,353</u>

Supplementary note: Deferred Income

	£
Opening Deferred Income as at 01.04.2024	2,615,687
Amount released to income in year	(1,159,567)
Amount deferred in year	1,763,306
Closing Deferred Income as at 31.03.2025	<u>3,219,426</u>

The reasons for deferral are: advanced invoicing on contracts, ongoing analysis and publication works invoiced in advance and archiving and deposition costs invoiced in advanced.

10 Defined benefit pension schemes

The charity offers two defined benefit pension schemes to its employees. These are both local government pensions schemes, the Trustees have therefore considered it appropriate to disclose the schemes in one set of consolidated disclosures for clarity.

10 Defined benefit pension schemes (continued)

Oxfordshire County Council Pension Fund (OCCPF), part of the Local Government Pension Scheme

The charitable company is one of several employing bodies included within the Local Government Pension Scheme (OCCPF).

The OCCPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries based on triennial valuations using the projected unit method.

OA’s employer contribution levels were set by the 2022 triennial valuation at 17.2% (up from 16.3% set in 2019) to cover future service and past service costs (i.e., deficit contribution). The 2022 Valuation estimated that the Funding Level was 122% (112% in 2019) for the ‘Small Admitted Bodies Pool’ that OA forms part of.

The following information is based upon full actuarial valuations of the funds from 31 March 2024, updated to 31 March 2025 by qualified independent actuaries.

Financial assumptions (OCCPF)

The principal financial assumptions used by the actuary were as follows:

	2025	2024
	% pa	% pa
Pension increase rate	2.75 %	2.75%
Salary increase rate	2.75 %	2.75%
Discount rate	5.80 %	4.85%

The Accounting Standards state that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The independent actuary (Hymans Robertson) has adopted an approach to setting the discount rate by constructing a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

The rate of general increases in salaries adopted in the 2022 triennial valuation for the OCCPF was held at the rate of inflation (CPI). In 2025 the salary increase rate was assumed to be 2.75% (2024: 2.75%).

The post-retirement mortality assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and female. Based on these assumptions the life expectancy of a male current pensioner is projected to be 87.1 years (future pensioners 87.3). The life expectancy of a female current pensioner is projected to be 89.8 years (future pensioners 90.5).

10 Defined benefit pension schemes (continued)

The major categories of plan assets (OCCPF) as a percentage of the total plan assets, are as follows:

	2025	2024
	%	%
Equities	68	67
Bonds	21	22
Property	9	9
Cash and other	2	2
	100	100

Cambridgeshire County Council Pension Fund (CCCPF), part of the Local Government Pension Scheme

The charitable company is one of several employing bodies included within the Local Government Pension Scheme (CCCPF).

The CCCPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries based on triennial valuations using the projected unit method.

OA's employer contribution levels were set by the 2022 triennial valuation at 18.9% (up from 14.4% in 2019) to cover future service and past service costs (i.e. deficit contribution). The 2022 Valuation estimated that the Funding Level for Oxford Archaeology was 112% (111% in 2019).

The following information is based upon full actuarial valuations of the funds from 31 March 2024, updated to 31 March 2025 by qualified independent actuaries.

Financial assumptions (CCCPF)

The principal financial assumptions used by the actuary were as follows:

	2025	2024
	% pa	% pa
Pension increase rate	2.70 %	2.75%
Salary increase rate	3.20 %	3.25%
Discount rate	5.85 %	4.85%

The Accounting Standards state that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The independent actuary (Hymans Robertson) has adopted an approach to setting the discount rate by constructing a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

10 Defined benefit pension schemes (continued)

The rate of general increases in salaries adopted in the 2022 triennial valuation for the CCCPF has been based on inflation (CPI) plus 0.5%. In 2025 the salary increase rate was assumed to be 3.20% (2024: 3.25%).

The post-retirement mortality assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and female. Based on these assumptions the life expectancy of a male current pensioner is projected to be 87.0 years (future pensioners 87.2). The life expectancy of a female current pensioner is projected to be 90.6 years (future pensioners 90.8).

The major categories of plan assets (CCCPF) as a percentage of the total plan assets, are as follows:

	2025	2024
	% pa	% pa
Equities	59 %	60 %
Bonds	22 %	23 %
Property	17 %	15 %
Cash and other	2 %	2 %
	100%	100 %

Consolidated notes for both pension schemes (OCCPF & CCCPF)

Balance Sheet

The amounts recognised in the balance sheet are as follows:

	2025	2024
	£	£
Fair Value of plan assets	33,529,000	32,150,000
Present Value of funded retirement obligations	(23,945,000)	(26,617,000)
Net (liability)/Asset	9,584,000	5,533,000

10 Defined benefit pension schemes (continued)

Statement of financial activities

The total amounts recognised in the period are as follows:

	2025 £	2024 £
Current service cost	(982,000)	(952,000)
Net interest expense	264,000	126,000
Total recognised in net expenditure	(718,000)	(826,000)
Actuarial gains/(losses)	3,948,000	2,884,000
Total recognised in other gains/(losses)	3,948,000	2,884,000
Total net amount recognised in the period	3,230,000	2,058,000

The amounts charged to net expenditure in the statement of financial activities are included in finance and salaries costs. The estimate of the Employer's contribution for the year ending 31 March 2025 is approximately £816,053 (2024: £719,194).

Reconciliation of defined benefit obligation:

	2025 £	2024 £
Opening defined benefit liabilities at 1 April	26,617,000	25,940,000
Current service cost	982,000	952,000
Interest cost	1,309,000	1,242,000
Change in assumptions & re-measurements	(4,540,000)	(1,756,000)
Estimate of benefits paid	(525,000)	(809,000)
Experience loss/(gain) on defined benefit obligation	(228,000)	764,000
Contributions by plan participant	330,000	284,000
Closing defined benefit liabilities at 31 March	23,945,000	26,617,000

Reconciliation of fair value of employer's assets:

	2025 £	2024 £
Opening fair value of plans' assets at 1 April	32,150,000	28,696,000
Interest on assets	1,573,000	1,368,000
Return on asset less interest	(820,000)	1,892,000
Other experience	-	-
Estimate of benefits paid	(525,000)	(809,000)
Contributions by employer	821,000	719,000
Contributions by plan participant	330,000	284,000
Closing fair value of plans' assets at 31 March	33,529,000	32,150,000

10 Defined benefit pension schemes (continued)

Supplementary note:

In addition to the defined benefit pension schemes referred to in Note 10, Oxford Archaeology Ltd also contributes to a defined contribution pension scheme. The Employer's contribution for the year ending 31 March 2025 was £386,346 (2024: £348,097).

11 Fund reconciliation

	2025 £	2024 £
Balance at 1 April General Funds	19,807,054	16,805,824
Transfer to Designated Funds	(1,898,000)	
Actuarial (losses)/gains	3,948,000	2,884,000
Net income/(expenditure)	1,771,421	117,230
Balance at 31 March General Funds	23,628,475	19,807,054
Balance at 1 April Designated Funds	-	-
Transfer in Year	1,898,000	-
Expenditure in Year	(751,306)	-
Balance at 31 March Designated Funds	1,146,694	-
Balance at 31 March Total Funds	24,775,169	19,807,054

All funds of Oxford Archaeology Limited are unrestricted.

While fully adhering to the charity's reserves policy, the Board of Trustees have agreed to reinvest in the sustainable delivery of OA's charitable objectives and deliver a phased reduction in unrestricted reserves through the designation of £1,898,000 of the unrestricted reserves as set out below:

Schedule of spend	2024-2025 £	2025-26 £	Total £
Designation 1: Carbon Reduction Project	118,000	73,000	191,000
Designation 2: Enterprise Resource Planning technology	554,000	495,000	1,049,000
Designation 3: IT Infrastructure Modernisation	187,000	341,000	528,000
Designation 4: Environmental finds processing facility	-	100,000	100,000
Designation 5: Fleet Management improvements	-	30,000	30,000
	859,000	1,039,000	1,898,000

11 Fund reconciliation (continued)

Movement in funds 2024-25	At Start of Year £	Expenditure £	At End of Year £
Designation 1: Carbon Reduction Project	191,000	(64,723)	126,277
Designation 2: Enterprise Resource Planning technology	1,049,000	(515,038)	533,962
Designation 3: IT Infrastructure Modernisation	528,000	(171,545)	356,455
Designation 4: Environmental finds processing facility	100,000	-	100,000
Designation 5: Fleet Management improvements	30,000	-	30,000
	<u>1,898,000</u>	<u>(751,306)</u>	<u>1,146,694</u>

12 Leases

Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

Land and buildings

	2025 £	2024 £
Within one year	364,542	359,612
More than one year and less than five years	672,500	448,127
Other:		
Within one year	0	0
More than one year and less than five years	0	0

Operating leases – lease payments recognised as an expense in the period
£347,595 (2024 £272,715).

13 Notes to the statement of cash flows

Reconciliation of net expenditure to net cash inflow from operating activities

	2025 £	2025 £
Net income/(expenditure)	1,020,115	117,230
Net interest on defined LGPS liability	(264,000)	(126,000)
Depreciation	113,427	125,852
Contributions to defined benefit pension schemes	161,000	233,000
(Increase)/decrease in stocks (note 7)	560,553	(240,147)
(Increase)/decrease in debtors (note 8)	(1,923,361)	(1,194,381)
Increase/(decrease) in creditors (note 9)	1,047,256	1,016,061
Net cash inflow from operating activities	714,990	(68,385)

Reconciliation of net cash flow to movement in net funds

	2025 £	2024 £
Increase/(decrease) in cash in the year	577,300	(127,865)
Change in net funds	577,300	(127,865)
Net funds at 1 April	13,517,909	13,645,774
Net funds at 31 March	14,095,210	13,517,909

Analysis of changes in net funds

	At 1 April 2024 £	Cash flows 2025 £	At 31 March 2025 £
Net cash:			
Cash in hand and at bank	13,517,909	577,300	14,095,210
Net funds	13,517,909	577,300	14,095,210

14 Related Party Transactions

An annual subscription of £1,360 (2024: £1,305) was paid to The Federation of Archaeological Managers & Employers (FAME). One of OA's key management personnel (Mr D Poore) is also a director of FAME.

OXFORD ARCHAEOLOGY LIMITED

England & Wales - Charity number 285627

Accounts

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements
For the year ended 31 March 2024

Company No. 1618597
Charity No. 285627

Members of the board and professional advisers

Company registration number	1618597
Charity number	285627
Registered office	Janus House Osney Mead OXFORD OX2 0ES
Board of trustees	Ms Gill Andrews Mr S Blackmore Mr W R C Briant Mr P Chadwick Prof A Bogaard Ms J Wills Dr A MacDonald
Chief Executive	Mr K Welsh
Secretary	Mr A P Lane
Bankers	Barclays Bank PLC Avalon House Marcham Road ABINGDON Oxfordshire OX14 1UB
Auditor	Wenn Townsend 30 St Giles' OXFORD OX1 3LE

Contents

Trustees' annual report (including directors' report and strategic report)	4 - 15
Independent auditor's report	16 - 18
Principal accounting policies	19 - 22
Statement of financial activities	23
Balance sheet	24
Cash flow statement	25
Notes to the financial statements	26 - 36

Trustees' annual report (including directors' report and strategic report)

The Trustees, who are also Directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 March 2024. All instances of reference to Trustees also refers to the Directors thereafter. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Objectives and activities

Objects of the charity and principal activities

The charity's objects and its principal activities are to advance the education of the public in the subject of archaeology, and it primarily achieves this by undertaking archaeological research and investigations and disseminating the results as widely as possible. The charity feels it is important to involve the general public in the 'process of archaeology' in addition to making available its findings.

Most investigations and research projects are driven by national and local planning policies that require preliminary archaeological investigations in advance of development. The charity's work, however, extends beyond this 'development-driven' environment and includes historic building and landscape research, advice for national and regional bodies, guidance for local groups and academic institutions, archaeological training opportunities and the production of academic and general interest publications. The charity promotes archaeological education to people of all ages.

Public benefit

The Charities Act 2011 requires an identifiable benefit or benefits to arise from the work of charities, and such benefits must be to the public or a section of the public. The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit and the conservation and preservation of the archaeological heritage when reviewing the charity's aims and objectives and in planning future activities.

Fundraising standards information

OA does not undertake as part of its activities any direct or significant fundraising. All works are directly project funded without recourse to any separate general fundraising. No significant fundraising activities or campaigns were undertaken in this or prior periods.

Strategic Report

Achievements and Performance

Development, activities and achievements

OA's charitable objective is to advance education in the subject of archaeology for the public benefit in the UK and elsewhere in the world. OA achieves this by undertaking archaeological research by means of excavations, surveys and publishing its results through a variety of different media. This published output, targeting academic and local communities, schools and specific interest groups as well as the general public, is seen as one of the core strands of public benefit provided by OA. However, OA delivers public benefit in a number of other important ways, including community involvement in excavations and related activities, school visits, open days, public lectures and presentations, and a series of online research seminars.

Trustees' annual report (including directors' report and strategic report)

OA's charitable objective is to advance education in the subject of archaeology for the public benefit in the UK and elsewhere in the world. OA achieves this by undertaking archaeological research by means of excavations, surveys and publishing its results through a variety of different media. This published output, targeting academic and local communities, schools and specific interest groups as well as the general public, is seen as one of the core strands of public benefit provided by OA. However, OA delivers public benefit in a number of other important ways, including community involvement in excavations and related activities, school visits, open days, public lectures and presentations, and online research seminars. Funding for archaeological works comes principally through the UK planning system in which developers are required to assess and describe the impacts of their developments and, where necessary, mitigate the consequences. While most archaeological activity is the result of mitigation in advance of development, the outputs deliver social value far beyond the satisfaction of planning conditions. The ebb and flow of archaeological works in any year is tied directly to the volume and types of construction being planned for or undertaken at that time. Oxford Archaeology (OA) comprises three branch offices (in Cambridge, Lancaster and Oxford), allowing it broad coverage across England and Wales.

OA's 2020-25 Strategy sets out its objectives under the headings Leading and inspiring, Innovating, Creating and sharing knowledge. In this section we report on our success in delivering those objectives.

Leading and inspiring

Oxford Archaeology celebrated its 50th anniversary during 2023. In order to mark the event, a number of initiatives were implemented. A new visual identity was launched, bringing a much fresher, more forward-looking and distinctive look to OA's branding. At the same time a new website was launched, providing a much-enhanced experience for the public. A series of weekly posts on our social media channels celebrated OA's 50 highlights, showcasing some of the most inspiring projects and discoveries in our long history. We also launched a Research and Public Engagement Fund to provide our staff with grants to support their own research interests or public engagement projects as long as these align with OA's charitable objects - throughout the year, grants were awarded to 11 projects across a wide range of subject areas.

Infrastructure projects once again formed an important part of our work programme. Work with our joint venture partners, Cotswold Archaeology, as OCA (Oxford Cotswold Archaeology), was undertaken at Sizewell in Suffolk, the A417 in Gloucestershire, and the A66 in Cumbria. Other infrastructure work included the Anglian Water SPA project in East Anglia, undertaken with our partners at York Archaeology and Pre-Construct Archaeology, and the Hornsea 3 Windfarm project in Norfolk. Significant work in other sectors such as house building was also undertaken, including major projects at Newark in Nottinghamshire, Far Bletchley near Milton Keynes, and Westhampnett in West Sussex.

Significant contracts through the year have included:

Sizewell, Suffolk as OCA – Sizewell C Ltd
A417 Missing Link as OCA – National Highways
A66 Northern Trans-Pennine route as OCA – National Highways
Anglian Water SPA project with York Archaeology and PCA – Anglian Water
Hornsea 3 Windfarm, Norfolk – Orsted Power (UK) Ltd
Newark, Nottinghamshire – Urban & Civic Developments Ltd
Far Bletchley, Milton Keynes – Taylor Wimpey
Westhampnett, West Sussex – Rolls Royce Motor Cars

Trustees' annual report (including directors' report and strategic report)

OA undertook consultancy services for a range of clients including local councils, environment consultants, large house-building firms and private clients. Our work included desk-based assessments/environmental impact assessments, including a number of reports for Oxford Colleges and retail, quarry and housing developments across the South-East and the Midlands. We have also carried out a number of large-scale strategic projects including Conservation Management plans for Crystal Palace Park in London and Binchester Roman Fort in County Durham and a review of Archaeological Priority Areas (APAs) for the London Borough of Havering, our fifth APA survey, all carried out for Historic England (London Region). We have also been very successful in winning County Council Local Plan reviews, producing surveys for Newcastle under Lyme (Staffordshire) and West Northants.

In order to deliver our charitable objectives, it is vital that we have a well-trained, motivated and healthy workforce. We are committed to achieving the highest standards of health, safety and welfare for our staff and for all others who may be affected by our work and continue to maintain ISO 45001 (occupational health and safety management systems) certification. Mental health is particularly important area in an uncertain world, and the OA Wellbeing Group meets regularly to devise and implement measures to support our staff. To help us in this, the Group runs quarterly Wellbeing Snapshot surveys which has allowed us to identify a number of common themes which affect wellbeing at OA. We continued to invest in the provision of trained Mental Health First Aiders, ensuring that all staff have access to support in this way. This year we also launched an enhanced Employee Assistance Programme, which provides advice and support, including one-to-one counselling sessions, across a broad range of areas, including mental health and wellbeing, personal finance, legal and family care.

In March, we made a public commitment to achieving Net Zero Carbon by 2050 and, to support this, we launched a Carbon Reduction Plan, covering an initial three-year period to 2027. The plan sets out measures to reduce our carbon footprint across our operations and premises and includes wider engagement within the archaeology and construction sectors to develop approaches to carbon reduction.

In collaboration with Prospect Union, we actively engaged with staff to explore and address issues of equality, diversity, and inclusion (EDI) within archaeology. The OA EDI group convenes regularly to raise awareness and develop strategies to identify and overcome barriers to progress within the profession. In compliance with government regulations, we have published our Gender Pay Gap report.

Learning and Development is a core priority and this year we appointed a Learning and Development Officer to help develop and deliver a holistic approach to training provision at OA. Towards the end of the year, we launched two new training pathways, for supervisors and project officers, complementing our existing Graduate to Supervisor Pathways. We continued to run a range of specialist training placements in areas such as artefact and faunal analysis, geomatics, heritage management, project management and community archaeology.

Supporting and developing archaeological standards and practice as well as the promotion of archaeology within society remains a key objective and OA has provided staff to work on many of the governing and sector institutions including CIfA (UK archaeology's Chartered Institute) and FAME (the Federation of Archaeological Managers & Employers), and committee members of other specialist groups during 2023-24. OA staff give presentations at many of the conferences held by these institutions.

OA continued to collaborate with other organisations. Our joint venture with Cotswold Archaeology (a registered charity), as Oxford Cotswold Archaeology (OCA), is our most significant collaboration. By bringing together our combined resources and expertise, the OCA JV gives us the capacity, not available

Trustees' annual report (including directors' report and strategic report)

to us as separate organisations, to work on some of the largest infrastructure projects currently being undertaken in the country. OA also worked with York Archaeology and PCA on the Strategic Pipeline Alliance Project in East Anglia.

Innovating

OA has continued to develop its sector-leading web-based digital recording and GIS platforms, working closely with our joint venture partners, Cotswold Archaeology. During the year, we launched a new version of our GIS platform which provides a range of new features and functionality, enhancing our ability to carry our archaeological research and to effectively deliver projects on behalf of our clients.

'Rewilding' later prehistory is a research project, funded by UKRI, led by OA and delivered in collaboration with the Universities of Oxford and Exeter, the Archaeology Data Service, Historic England and Knepp Castle Estate. It takes an innovative approach to the nature conservation concept of 'rewilding', looking at the ways in which archaeological evidence can contribute to efforts to address pressing concerns surrounding the current state of the environment and wildlife. By giving archaeological wildlife appropriate attention, the project aims to build a richer and more vibrant understanding of later prehistory, offering a serious challenge to traditional human-centred landscape histories and providing a vital link to current nature recovery practices.

Creating and sharing knowledge

The huge range of projects undertaken during the year has again allowed OA to make a significant contribution to the understanding of our past. Our series of highly successful online research seminars continued with a session focussed on life and death in the industrial era. The seminar drew on recent work undertaken by OA at the Radcliffe Infirmary in Oxford and Trinity Burial Ground in Hull and included a question-and-answer session with a panel of leading academics. Videos of all of our webinars are available on our YouTube channel.

This year, we launched a completely redesigned website which allows us to communicate information about the work of the charity to the public in a much more effective way. Across the year, the old and new versions of the website received over 150,000 visits. Particularly popular pages included the Abbots Vale scheme in Suffolk, and a series of blogs entitled 'It's not all about digging' which introduced some less-familiar aspects of our work such as buildings archaeology, archaeological illustration and geomatics.

In November, we launched a new online platform, the Knowledge Hub, designed to make our work and research accessible to academics, researchers, the public, people with a passion for archaeology or a strong interest in local history. The hub includes a searchable map of our sites and projects in the UK and abroad, which can be explored by date, theme and location and gives access to more than 7,000 of our reports and publications in digital format. In the 5 months following its launch, it received over 35,000 visits with the most popular pages being thematic articles on Anglo-Saxon and Viking cemeteries, Climate change and dynamic coasts, the development of the industrial North, Neolithic to Bronze Age ritual and monuments, and the landscapes of the first humans. Its creation in our 50th year reflects Oxford Archaeology's standing as a national leader in archaeological publication, research, and public engagement.

In addition to the website and library, social media feeds are able to reach wider audiences. The reach provided by Facebook increased to over 3 million users, while on Instagram it was over 27,000 and the number of followers increased to almost 13,000. The most popular posts concerned local community

Trustees' annual report (including directors' report and strategic report)

events, exceptional finds such as the Berryfields Roman egg, and high-profile sites such as the Dorset Ridgeway Viking mass grave. We have also expanded our presence on LinkedIn where we reached an audience of over 86,000 people in the UK and abroad.

As a charity, public outreach and engagement is central to our strategy and the year saw Oxford Archaeology delivering a huge range of talks, lectures, site tours, displays and other events. For example, open days were held at sites in Alconbury, Newark and Olney, sessions including hands-on activities and displays were held at Oxford's Science Wonder Garden Party, the UCLan Science Festival, the Oxford Open Doors weekend, Wintringham and elsewhere. School visits were undertaken at Olney and Goodwood, and we attended the Hull STEM festival for primary school pupils for the second year. At Anglesey Abbey in Cambridgeshire, we ran a community test-pitting project with the National Trust. Talks were given by OA staff to a wide range of local societies and groups across the country, and papers were presented at the Chartered Institute for Archaeologists Annual Conference, the Cambridge Antiquarian Society Conference, the CBA Community Archaeology Conference, and the European Association of Archaeologists Annual Meeting.

Our work generated considerable media attention through the year, with particular interest in the discovery of a Roman mosaic at Olney in Buckinghamshire, a survey of the Uffington White Horse in Oxfordshire, and the analysis of remains excavated along the route of the A689 at Carlisle. There was renewed national and international interest in the remarkable discovery of an intact chicken's egg of Roman date from a site near Aylesbury. Three of our sites, in Cambridgeshire, Gloucestershire and Lincolnshire, were featured in the BBC flagship archaeology series, *Digging for Britain*.

The dissemination of knowledge via more formal means such as academic books and articles has continued and this year saw the publication of *Road to the Manor: Excavations at Graven Hill, Oxfordshire, 2015-2016*, *Salt-winning on the Lyn: Anglo-Saxon to medieval salt production near Kings Lynn*, *Aspects of 7th- to 11th-Century Norwich*, and *Hinxton, Cambridgeshire, Part 1: Excavations at the Wellcome Genome Campus: Late Glacial Lithics to the Icknield Way*. Many other articles and excavation reports were published in local and regional journals across the country.

Financial Review

Transactions and financial position

The results for the year, and the charity's financial position at the end of the year, are shown in the attached financial statements.

Income for the year decreased by c 10% to c£22.7 million (2023: £25.1m). An operational surplus of c£224,000 was recorded prior to the accounting for the FRS 102 pension valuations. This created a net surplus for the year amounting to £117,000 after pension scheme adjustments of £107,000 in 'Pension finance costs' within the SOFA. Net Assets increased to £19,852,411 (2023 £16,805,824) due to both a net trading surplus and the increase in the FRS102 pension surplus.

Overall, the financial performance may look slightly disappointing when compared to the excellent results of recent years, however the results in the year are in line with forecast in the more challenging economic environment. OA is now delivering some exciting new projects, including major new infrastructure projects in nuclear and renewable energy and new road schemes.

Looking forward, the slowdown in the housing continues to impact the archaeological work associated with new major housing schemes. However, major new projects in the nuclear and renewable energy and

Trustees' annual report (including directors' report and strategic report)

transport infrastructure continue to forge ahead. The ongoing crises in Ukraine and Israel/Gaza continue to impact both the global and UK economies in the coming year. In addition, there has been additional uncertainty in the run up to, and in the aftermath of, the UK General Election in July 2024. Some major planned infrastructure schemes have recently been cancelled, and more may be shelved in the future as the new UK Government begins to deliver on its economic priorities. However, it seems that the new government's focus on investment in renewable energy has the potential to offer many new opportunities for OA.

The Trustees have assessed the charity's future programme of works and commitments against the working capital in place and access to other funds (bank overdraft arrangements). The Trustees view the level of net current assets as sufficient to ensure future operations and allow gradual growth and reinvestment in necessary assets.

Reserves policy

The Trustees have felt, and continue to feel, that it is necessary to build up sufficient funds to finance the charity's planned programme of major and specialised research projects. The Trustees feel that it is necessary to have available sufficient finance to fund at least four months' working capital in order to allow this programme of projects to be undertaken without major financial risk.

Internal control and risk management

The Trustees carry out regular reviews of the charity's activities and the systems in use. This is for the purpose of planning for the future and assessing any major risks to which the charity is exposed. The Trustees are satisfied that systems are in place to mitigate exposure to major risks.

The major risks comprise:

- Operational risk – Archaeological projects by their very nature (buried deposits) carry a great deal of uncertainty and there is constant pressure for clients to transfer this risk on to the archaeological organisations themselves. This risk increases with the scale of projects. OA firmly believes that these risks should stay with the developer but, in circumstances where this is not the case, a system of protocols and reviews are in place to mitigate untoward risk. There is a new trend of developers requiring archaeologists to take on more of the non-archaeological enabling and support works associated with projects. This is an area of concern, not just in the increased risk it brings, but in archaeologists being pressurised to undertake work outside their main areas of competence.
- Competitive risk – The charity undertakes archaeological research where academic standards are a necessary element. OA also provides a career structure supporting the professional nature of archaeology. Downward pricing pressures within the market can lead to the risk of eroding these academic and professional standards.
- Pension risk – OA is an admitted body to two local authority pension schemes. The annual FRS 102 valuations does add some volatility to the accounts. In last year's FRS102 valuation the longstanding pension deficit moved to a surplus (2023: £2.756m), the surplus has increased in the year to £5.533m owing to actuarial assumptions associated with the high UK corporate bond yields resulting in high accounting discount rates which place a significantly lower value on the pension obligations. OA's contribution rates are set by the triennial valuation and use different assumptions. The contribution rates for both schemes have increased. In 2014-15, OA restricted access to its defined benefit pension schemes to limit the extent of further liability. A defined contribution scheme (auto-

Trustees' annual report (including directors' report and strategic report)

enrolment) has also been introduced. OA views seriously the risks of its defined benefit pension schemes' FRS 102 valuation but it sees this as a long-term issue. The schemes are 'open' and the position is monitored as a long-term issue. The impact of wider market uncertainties on potential future investment returns will be closely monitored. The Trustees consider that this has no impact on OA's going concern basis but will nevertheless keep the situation under continuous review.

The Trustees have reviewed the major risks to which Oxford Archaeology Limited is exposed and can confirm that all reasonable measures are being taken, and systems have been established to control or mitigate the effect of these risks on the achievement of the charity's objectives. The financial risks of the company are discussed in greater detail below.

Financial risk assessment

The company is exposed to a number of financial risks including credit risk, market risk, currency risk and liquidity risk due to its investing activities.

- Credit risk - This represents an increased risk in the current economic environment and all projects of a material scale are carefully reviewed to minimise default.
- Market risk – Currently the 'archaeological market' is facing a period of significant uncertainty as the UK continues to deal with the significant impacts of Brexit, the pandemic, the conflicts in the Ukraine and Israel/Gaza, the Cost-of-Living crisis and the recent General Election. With this continued economic uncertainty, the level of activity in the future is unpredictable. It seems unlikely that this uncertainty will abate in the short-term. We have already seen the new government cancelling some major infrastructure schemes, with a suggestion that more may be cancelled in the future as the new UK Government begins to deliver on its economic priorities. OA continues to seek to diversify activities away from the current income stream by developing more research-funded projects and expanding activity in critically important low-carbon, renewable and nuclear energy sectors.
- Liquidity risk - The archaeological sector has undergone a period of expansion after a severe recession. Cash resources have historically been depleted and increased working capital puts further pressure on a limited resource. OA ensures that it has sufficient cash resources to meet its needs by continual monitoring of its working capital position, and any future investments/expansion plans are carefully budgeted. A bank overdraft facility is available as a contingency to cover any short-term deficiencies.

Going concern

The Trustees have reviewed Oxford Archaeology Limited's financial position, taking account of the levels of reserves and cash, the 2024-25 budget and longer-term plans, together with its system of financial and risk management. As a result, the Trustees believe that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Trustees' annual report (including directors' report and strategic report)

Plans for future periods

OA has identified several key areas for strategic investment to ensure the charity's long-term sustainability and its ability to fulfil its charitable objects. These investments will be made prudently, making best use of our strong financial position to allocate resources effectively while maintaining ample reserves to navigate future economic fluctuations. Our involvement in a range of infrastructure projects, notably in transport and energy, coupled with growing confidence in the housing sector, provides a robust work program for the coming financial year and a promising pipeline of new opportunities.

We have continued a programme of improvement to our IT systems, engaging with an external specialist partner, and over the coming year we will continue to work to ensure that all of our systems are future-proofed and resilient. Following a robust selection process, we have embarked on the implementation of a new integrated Enterprise Resource Planning system to ensure the effective delivery of our financial, administrative and human resources requirements.

The retention and recruitment of skilled and experienced staff are pivotal to our success. Building on our proven training pathways, we will develop and implement a new training scheme specifically designed for staff with managerial responsibilities. Additionally, we will establish a fieldwork apprenticeship program to further foster talent development.

We are committed to maintaining our ISO 9001, ISO 14001, and ISO 45001 certifications for Quality, Environment, and Health and Safety Management, respectively. These certifications demonstrate our dedication to upholding the highest professional standards across all aspects of our operations. In addition, we will continue to refine our health and safety systems and procedures to ensure that our organisation remains a safe and rewarding place to work for all employees.

The ongoing development of our digital recording systems remains a priority, especially the creation of innovative analytical tools that will substantially enhance the efficiency and effectiveness of our post-excavation processes.

We will continue to develop our Knowledge Hub, enhancing our ability to disseminate the results of work to the public in a range of interesting and innovative ways. We will carry out research to further our understanding of how we can maximise the public benefit which we deliver through community engagement. We will continue to analyse and publish the results of our investigations.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charity is constituted as a company limited by guarantee and is therefore governed by the Memorandum and Articles of Association.

Organisation

The charity's activities are regularly monitored by the Trustees, and tactical management is achieved by a Senior Management team consisting of:

Trustees' annual report (including directors' report and strategic report)

- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer

The charity has three regional offices in the UK: Oxford, Lancaster and Cambridge. Each office has its own management team overseeing day-to-day operations.

The organisation is fully self-financing and secures funds by providing research to a variety of organisations which enables it to meet fully its primary objectives. The main sources of income are:

- Commercial Organisations
- Government Departments and Agencies
- Local and County Councils

The Board of Trustees

The Trustees who served the charity during the year were as follows:

Ms Gill Andrews		
Mr S Blackmore		
Mr W R C Briant		
Mr P Chadwick		
Prof C Gosden	Resigned	22 nd November 2023
Prof H F Hamerow	Resigned	22 nd November 2023
Prof A Bogaard	Appointed	22 nd November 2023
Ms J Wills		
Dr A MacDonald		

Each Trustee guarantees the sum of £1 in the event of a winding up of the charity. The Trustees are the company Directors under company law.

Appointment of Trustees

As set out in the Articles of Association, the Trustees are drawn from the members and subscribers of the Charity. The board of Trustees is able to appoint new members and fill vacancies or add to the board when it feels necessary. The board is required to comprise between three and eleven individuals. A third of the board retire by rotation on an annual basis but are eligible for re-election. The board of Trustees regularly reviews its constituents and their experience and skills profile in relation to the on-going works of the charity.

The aim of the board of Trustees is to have a balance of archaeological, business and financial skills to oversee the charity's works.

Trustees' annual report (including directors' report and strategic report)

Trustee training and induction

Most Trustees come to the charity with some background of archaeological knowledge, either in an amateur or professional capacity or from an academic background. New Trustee appointments have an induction process spent at the offices of the organisation that covers:

- the current environment of UK archaeology
- the history and development of Oxford Archaeology
- the staff and staff structure
- the current strategic objectives and the major challenges and opportunities facing the organisation.

All new Trustees are issued with copies of governing documents, guides to the responsibilities of charitable trustees, recent accounts, budgets and business plans and minutes of previous meetings. Trustees are invited to all outreach events to meet staff and further understand the detailed workings of the charity.

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees, the Chief Executive and the Senior Management Team as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 3 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest rises.

The pay of the Chief Executive and Senior Team is reviewed annually and is normally increased in line with general inflation. The remuneration is reviewed to ensure that it is fair and not out of line with similar roles.

Employee policies

Employment policies are designed to respect employees' human rights and to ensure equal opportunity and promote diversity. Employees are actively encouraged to undertake relevant training, CPD, and staff appraisals are conducted with individual employees. The policy of the charity with regard to disabled persons is to give full and fair consideration to all applicants for employment and to all employees in relation to promotion. Wherever possible, employees who become disabled during their employment are offered suitable alternative employment. In order to promote wellbeing in the workplace, OA also has a Dignity at Work Policy, a Flexible Working Policy, and a Stress Management Policy and Procedures, along with other HR policies.

Engagement with Employees

OA explicitly builds into its strategy the importance of employee engagement and internal

Trustees' annual report (including directors' report and strategic report)

communications. It has built both formal systems but also facilitates and encourages informal communications i.e. not just 'top-down' but also 'bottom-up' and 'side-to-side'. OA formally recognises a trade union, Prospect, and both consults on statutory matters (pay, pensions, H&S etc) but also seeks to discuss with them any other significant change affecting OA. In addition, it holds quarterly branch 'consultation meetings' with representatives elected from all members of staff (irrespective if they belong to a union or not). These consultation meetings have open agendas where any matter can be raised by an employee. Performance and future activity are reported at these meetings and the minutes are circulated to all members of staff. An 'intranet' is maintained and is available for employees to view all aspects of OA's work and employee policies and conditions.

OA also produces a quarterly in-house magazine (InTouch) to communicate key issues and the results of its work. This is an important vehicle allowing employees to understand the work undertaken in the three branch offices. Staff are also invited to the 'AGM day' where, following the main business meeting, a series of discussions and debates about various aspects of OA's work are held.

On a more informal level OA is developing a series of on-line forums in which all employees are encouraged to participate. The monitoring of employees' mental health and general morale are seen as crucial and in addition to training staff in mental first aid, OA undertakes formal surveys to assess and monitor issues.

OA's induction process provides all the required information for new employees to be aware of and engage in these processes.

Third party indemnity provisions

The Trust has in place directors' and officers' liability insurance for the purpose of indemnifying the Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This insurance was in force during the year and is in force as at the date of approving this report.

Trustees' Responsibilities Statement

The Trustees (who are also Directors of Oxford Archaeology Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

Trustees' annual report (including directors' report and strategic report)

- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees confirm that:

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

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

Trustees' annual report (including directors' report and strategic report)

Auditor

Wenn Townsend having expressed their willingness to continue in office, will be deemed to be reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board



Ms J Wills
Trustee

Date: 18th September 2024

Independent auditor's report to the members of Oxford Archaeology Limited

Opinion

We have audited the financial statements of Oxford Archaeology Limited (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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



Ajay Bahl BA BFP FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Statutory Auditor
30 St Giles
Oxford
OX1 3LE

Date: 18th September 2024

Principal accounting policies

Basis of accounting

Oxford Archaeology Limited is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern. The balance sheet as at 31 March 2024 shows a net asset of £19,807,054 (2023: £16,805,824). Typically, the Company's largest liability is related to the Company's defined benefit pension scheme, which for the last two years have switched to net surpluses of £5,533,000 (2023: £2,756,000) at the balance sheet date using an FRS102 valuation basis. The company has agreed contribution rates with the trustees of the scheme, as shown in note 10 to the financial statements. The Company has cash balances of £13,517,909 (2023: £13,645,774), net current assets of £14,103,994 (2023: £13,813,392). The Trustees are confident that the Company will continue to be able to meet its liabilities as they fall due.

The Trustees have also assessed the charity's future programme of works and commitments against the working capital in place and access to other funds (banking arrangements). It has reviewed and considered the current significant economic uncertainty on OA's activity. The Trustees view the level of net current assets as sufficient to ensure future operations within an uncertain trading environment. The charity retains the ability to react flexibly to meet the challenges of this changing environment.

Fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Improvements to property	- 20% straight line
Computers	- 33% straight line
Fixtures, fittings, equipment and vehicles	- 25% straight line

Tangible fixed assets are capitalised at cost where their acquisition value is greater than £500 and are stated at cost net of depreciation.

Principal accounting policies

Goodwill and amortisation

Positive purchased goodwill arising on acquisitions, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and amortised on a straight-line basis over its estimated economic life as follows:

Purchased goodwill	- 18 months straight line
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Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Income is credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred. Invoices raised in advance of the provision of services are included within current liabilities; deferred income.

Stocks and work in progress

Stock represents work in progress which cannot be accurately valued at the year-end date and is stated at the lower of cost and net realisable value. Cost represents directly attributable staff and archaeological costs.

A surplus is recognised on long term contracts if the final outcome can be assessed with reasonable certainty, by including the value of the work in income and amounts recoverable on long term contracts, as the contract progresses.

Payments received on account of work in progress are deducted from gross work in progress. Payments received on account in excess of carrying value of relevant work-in-progress are included in creditors.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Principal accounting policies

The charity is an admitted member of a sub-fund of a Local Government Pension Scheme (LGPS) operated by Oxfordshire County Council and a sub-fund of a LGPS operated by Cambridge County Council, both of which are defined benefit schemes.

A liability for the charity's obligations under the plans is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the statement of financial activities for the year.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- fundraising and publicity
- archaeological investigations
- archaeological services and support costs

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 2.

Defined benefit pension scheme valuation

The charity will adopt the current FRS102 pension scheme valuation in the financial statements, regardless of whether actuarial assumptions (e.g., regarding discount rates) yield a net deficit or net asset valuation.

The analysis of the two defined benefit pension schemes offered to employees is presented in note 10.

Fund accounting

Unrestricted funds are available to be used in accordance with the charitable objectives of the trustees.

Principal accounting policies

Restricted funds are funds that can only be used for purposes within the objects of the charity as described by the donor. The charity does not have any restricted funds.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Judgements and key sources of estimation uncertainty

There were no judgements made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the financial statements.

The key source of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is regarding the margin applied to ongoing projects at the year-end date.

Statement of financial activities (including income and expenditure account)

	Note	2024 £	2023 £
Income from:			
Charitable trading income	1	22,743,133	25,075,900
Total income		<u>22,743,133</u>	<u>25,075,900</u>
Expenditure on:			
Costs of raising funds:			
Fundraising and publicity	2	7,011	16,482
Charitable activities:	2	<u>22,618,892</u>	<u>23,234,748</u>
Total resources expended	2	<u>22,625,903</u>	<u>23,251,230</u>
Net income/(expenditure)		<u>117,230</u>	<u>1,824,670</u>
Other recognised gains/(losses)			
Remeasurement gain/(loss) on defined benefit pension plans	10	2,884,000	10,799,000
Net movement in funds		<u>3,001,230</u>	<u>12,623,670</u>
Funds brought forward		<u>16,805,824</u>	<u>4,182,154</u>
Funds carried forward		<u>19,807,054</u>	<u>16,805,824</u>
Net Movement in funds prior to FRS102 pension adjustment:			
Net income/(expenditure) per SOFA		117,230	1,824,670
Pension finance cost included in charitable activities		<u>107,000</u>	<u>1,281,000</u>
Net surplus/(deficit) prior to pension costs		<u>224,230</u>	<u>3,105,670</u>

All movements are in unrestricted funds.

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Balance sheet

		2024 £	2023 £
Fixed assets			
Tangible assets	5	170,060	236,432
Intangible assets	6	-	-
		<u>170,060</u>	<u>236,432</u>
Current assets			
Stocks	7	1,590,144	1,349,997
Debtors	8	3,906,294	2,711,913
Cash in hand		13,517,909	13,645,774
		<u>19,014,347</u>	<u>17,707,684</u>
Creditors: amounts falling due within one year	9	<u>(4,910,353)</u>	<u>(3,894,292)</u>
Net current assets		<u>14,103,994</u>	<u>13,813,392</u>
Total assets less current liabilities		<u>14,274,054</u>	<u>14,049,824</u>
Net assets excluding pension liabilities		<u>14,274,054</u>	<u>14,049,824</u>
Defined benefit pension (liability)/asset	10	<u>5,533,000</u>	<u>2,756,000</u>
Net (liabilities)/Asset		<u>19,807,054</u>	<u>16,805,824</u>
Funds			
Unrestricted funds		14,274,054	14,049,824
Pension reserve		5,533,000	2,756,000
	11	<u>19,807,054</u>	<u>16,805,824</u>

These financial statements were approved by the board of Trustees and authorised for issue on 18th September 2024 and are signed on their behalf by:



Ms J Wills
Trustee

Date: 18th September 2024

Oxford Archaeology Limited
Company registered number 1618597

The accompanying notes form part of these financial statements.

Cash flow statement

		2024 £	2023 £
Cash flow from operating activities	13	(68,385)	2,032,119
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(59,480)	(123,234)
Net cash flow from investing activities		(59,480)	(123,234)
Net cash inflow		(127,865)	1,908,885
Increase/(Decrease) in cash	13	(127,865)	1,908,885

Notes to the financial statements

1 Charitable trading income

	2024 £	2023 £
United Kingdom	22,654,291	24,832,787
Rest of the World	88,842	243,113
	<u>22,743,133</u>	<u>25,075,900</u>

2 Total resources expended

	2024 £	2023 £
Fundraising and publicity		
Advertising	7,011	16,482
Archaeological investigations:		
Salaries	10,122,295	9,123,541
Plant hire	3,271,716	4,173,425
Sub-contracted services	330,431	750,515
Travel and subsistence	2,013,618	1,438,476
Project costs	548,055	516,954
Specialist costs	532,744	402,193
Photographic	4,383	4,314
Finance costs (FRS102 pension adjustments)	107,000	1,281,000
	<u>16,930,242</u>	<u>17,690,418</u>

2 Total resources expended (continued)

	2024 £	2023 £
Archaeological services and support costs:		
Salaries	3,877,868	3,780,380
Training	100,351	84,130
Travel and subsistence	140,994	141,776
Establishment costs	577,755	523,038
Office costs	605,290	478,235
Legal and professional	604,988	361,634
Finance costs	(375,248)	16,966
Depreciation	125,852	128,221
	<u>5,657,850</u>	<u>5,514,380</u>
Governance costs:		
Auditor's remuneration	12,800	11,950
Costs of preparing for Trustees' meetings and support for Trustees	18,000	18,000
	<u>30,800</u>	<u>29,950</u>
Total resources expended	<u>22,625,903</u>	<u>23,251,230</u>

The aggregate payroll costs were:

	2024 £	2023 £
Salaries	12,384,858	10,634,334
Social security costs	1,185,694	1,034,301
Pension costs	1,066,736	860,912
	<u>14,637,288</u>	<u>12,529,547</u>

There were no redundancy and termination payments within salaries during the year (2023: £17,480).

The full-time equivalent (FTE) number of employees during the financial year was as follows:

	2024	2023
Management	15	14
Administrative	13	8
Archaeological – researchers	54	50
Archaeological – in the field	288	275
	<u>370</u>	<u>347</u>

The total average monthly number of employees was 385 (2023: 363).

2 Total resources expended (continued)

In the financial year the charity employed the following numbers of higher paid employees:

	2024 No	2023 No
£60,000 - £69,999	4	-
£70,000 - £79,999	-	2
£80,000 - £89,999	2	1
£90,000 - £99,999	1	-

All three employees were accruing benefits under a defined benefit pension scheme for the year ended 31 March 2024 and 31 March 2023.

3 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2023: £Nil).

The total amount of employee benefits received by key management personnel is £322,483 (2023: £272,341). The Trust considers its key management personnel comprise the Trustees and the Senior Management Team.

No trustees are accruing pension arrangements (2023: None).

Trustees received reimbursement of expenses of £381 during the year (2023: £257) in respect of travel.

4 Net incoming resources

Net incoming resources is stated after charging:

	2024 £	2023 £
Staff pension contributions (note 2)	1,066,736	860,912
Depreciation of fixed assets (note 5)	125,852	128,221
Auditor's remuneration		
Audit services	12,800	11,950
Foreign exchange losses/(gains)	-	-
Operating lease rentals	359,612	263,025

5 Tangible fixed assets

	Improvements to leasehold property £	Computers £	Fixtures, fittings, equipment and vehicles £	Total £
Cost				
At 1 April 2023	360,964	1,192,657	1,069,319	2,622,940
Additions	0	24,915	34,565	59,480
At 31 March 2024	<u>360,964</u>	<u>1,217,572</u>	<u>1,103,884</u>	<u>2,682,420</u>
Depreciation				
At 1 April 2023	336,779	1,099,494	950,235	2,386,508
Charge for the year ²²	12,359	63,615	49,878	125,852
At 31 March 2024	<u>349,138</u>	<u>1,163,109</u>	<u>1,000,113</u>	<u>2,512,360</u>
Net book value				
At 31 March 2024	<u>11,826</u>	<u>54,463</u>	<u>103,771</u>	<u>170,060</u>
At 01 April 2023	<u>24,185</u>	<u>93,163</u>	<u>119,084</u>	<u>236,432</u>

Included in the total net book values in respect of assets held under finance leases was £Nil (2023: £Nil).

6 Intangible assets

	£
Cost	
At 1 April 2023 and 31 March 2024	<u>104,469</u>
Amortisation	
At 1 April 2023 and 31 March 2024	<u>104,469</u>
Net book value	
At 31 March 2023 and 31 March 2024	<u>-</u>

7 Stocks

	2024 £	2023 £
Short term work in progress	<u>1,590,144</u>	<u>1,349,997</u>

8 Debtors

	2024 £	2023 £
Trade debtors	3,523,406	2,503,935
Prepayments	233,742	136,563
Amounts recoverable on long-term contracts	149,146	71,415
	<u>3,906,294</u>	<u>2,711,913</u>

9 Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	1,097,010	639,045
Taxation and social security	799,180	581,600
Deferred income	2,615,687	1,925,622
Other creditors	64,135	61,345
Accruals	334,341	686,680
	<u>4,910,353</u>	<u>3,894,292</u>

Supplementary note: Deferred Income

	£
Opening Deferred Income as at 01.04.2023	1,925,622
Amount released to income in year	(686,229)
Amount deferred in year	1,376,294
Closing Deferred Income as at 31.03.2024	2,615,687

There are various reasons for deferral: advanced invoicing on contracts, ongoing analysis and publication works invoiced in advance and archiving and deposition costs invoiced in advanced.

10 Defined benefit pension schemes

The charity offers two defined benefit pension schemes to its employees. These are both local government pensions schemes, the Trustees have therefore considered it appropriate to disclose the schemes in one set of consolidated disclosures for clarity.

10 Defined benefit pension schemes (continued)

Oxfordshire County Council Pension Fund (OCCPF), part of the Local Government Pension Scheme

The charitable company is one of several employing bodies included within the Local Government Pension Scheme (OCCPF).

The OCCPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries based on triennial valuations using the projected unit method.

OA’s employer contribution levels were set by the 2022 triennial valuation at 17.2% (up from 16.3% set in 2019) to cover future service and past service costs (i.e., deficit contribution). The 2022 Valuation estimated that the Funding Level was 122% (112% in 2019) for the ‘Small Admitted Bodies Pool’ that OA forms part of.

The following information is based upon full actuarial valuations of the funds from 31 March 2023, updated to 31 March 2024 by qualified independent actuaries.

Financial assumptions (OCCPF)

The principal financial assumptions used by the actuary were as follows:

	2024 % pa	2023 % pa
Pension increase rate	2.75 %	2.95%
Salary increase rate	2.75 %	2.95%
Discount rate	4.85 %	4.75%

The Accounting Standards state that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The independent actuary (Hymans Robertson) has adopted an approach to setting the discount rate by constructing a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

The rate of general increases in salaries adopted in the 2022 triennial valuation for the OCCPF was held at the rate of inflation (CPI). In 2024 the salary increase rate was assumed to be 2.75% (2023: 2.95%).

The post-retirement mortality assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and female. Based on these assumptions the life expectancy of a male current pensioner is projected to be 87.2 years (future pensioners 87.4). The life expectancy of a female current pensioner is projected to be 89.8 years (future pensioners 90.5).

10 Defined benefit pension schemes (continued)

The major categories of plan assets (OCCPF) as a percentage of the total plan assets, are as follows:

	2024	2023
	%	%
Equities	67	73
Bonds	22	16
Property	9	9
Cash and other	2	2
	100	100

Cambridgeshire County Council Pension Fund (CCCPF), part of the Local Government Pension Scheme

The charitable company is one of several employing bodies included within the Local Government Pension Scheme (CCCPF).

The CCCPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries based on triennial valuations using the projected unit method.

OA's employer contribution levels were set by the 2022 triennial valuation at 18.9% (up from 14.4% in 2019) to cover future service and past service costs (i.e. deficit contribution). The 2022 Valuation estimated that the Funding Level for Oxford Archaeology was 112% (111% in 2019).

The following information is based upon full actuarial valuations of the funds from 31 March 2023, updated to 31 March 2024 by qualified independent actuaries.

Financial assumptions (CCCPF)

The principal financial assumptions used by the actuary were as follows:

	2024	2023
	% pa	% pa
Pension increase rate	2.75 %	2.95%
Salary increase rate	3.25 %	3.45%
Discount rate	4.85 %	4.75%

The Accounting Standards state that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The independent actuary (Hymans Robertson) has adopted an approach to setting the discount rate by constructing a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

10 Defined benefit pension schemes (continued)

The rate of general increases in salaries adopted in the 2022 triennial valuation for the CCCPF has been based on inflation (CPI) plus 0.5%. In 2024 the salary increase rate was assumed to be 3.25% (2023: 3.45%).

The post-retirement mortality assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and female. Based on these assumptions the life expectancy of a male current pensioner is projected to be 87.1 years (future pensioners 87.3). The life expectancy of a female current pensioner is projected to be 90.6 years (future pensioners 90.8).

The major categories of plan assets (CCCPF) as a percentage of the total plan assets, are as follows:

	2024	2023
	% pa	% pa
Equities	60 %	68%
Bonds	23 %	14%
Property	15 %	15%
Cash and other	2 %	3%
	<u>100%</u>	<u>100%</u>

Consolidated notes for both pension schemes (OCCPF & CCCPF)

Balance Sheet

The amounts recognised in the balance sheet are as follows:

	2024	2023
	£	£
Fair Value of plan assets	32,150,000	28,696,000
Present Value of funded retirement obligations	(26,617,000)	(25,940,000)
Net (liability)/Asset	5,533,000	2,756,000

10 Defined benefit pension schemes (continued)

Statement of financial activities

The total amounts recognised in the period are as follows:

	2024 £	2023 £
Current service cost	(952,000)	(1,654,000)
Net interest expense	126,000	(200,000)
Total recognised in net expenditure	(826,000)	(1,854,000)
Actuarial gains/(losses)	2,884,000	10,799,000
Total recognised in other gains/(losses)	2,884,000	10,799,000
Total net amount recognised in the period	2,058,000	8,945,000

The amounts charged to net expenditure in the statement of financial activities are included in finance and salaries costs. The estimate of the Employer's contribution for the year ending 31 March 2024 is approximately £719,194 (2023: £521,017).

Reconciliation of defined benefit obligation:

	2024 £	2023 £
Opening defined benefit liabilities at 1 April	25,940,000	34,679,000
Current service cost	952,000	1,654,000
Interest cost	1,242,000	973,000
Change in assumptions & re-measurements	(1,756,000)	(16,023,000)
Estimate of benefits paid	(809,000)	(453,000)
Experience loss/(gain) on defined benefit obligation	764,000	4,855,000
Contributions by plan participant	284,000	255,000
Closing defined benefit liabilities at 31 March	26,617,000	25,940,000

Reconciliation of fair value of employer's assets:

	2024 £	2023 £
Opening fair value of plans' assets at 1 April	28,696,000	27,917,000
Interest on assets	1,368,000	773,000
Return on asset less interest	1,892,000	(1,716,000)
Other experience *	-	1,347,000
Estimate of benefits paid	(809,000)	(453,000)
Contributions by employer	719,000	573,000
Contributions by plan participant	284,000	255,000
Closing fair value of plans' assets at 31 March	32,150,000	28,696,000

10 Defined benefit pension schemes (continued)

*The other experience on obligations includes an allowance of £764,000 for the April 2024 increase order (6.7%). This is different to the pension increase assumption adopted in the Employer's Schedule of results at the start of the period. (Under section 59 of the Social Security Pensions Act 1975 (c.60), the Treasury shall provide by order for the increase in the rates of public service pensions by 6.7% from April 2024, in line with the increase in the Consumer Prices Index in the 12 months from September 2022 to September 2023).

Supplementary note:

In addition to the defined benefit pension schemes referred to in Note 10, Oxford Archaeology Ltd also contributes to a defined contribution pension scheme. The Employer's contribution for the year ending 31 March 2024 was £348,097 (2023: £287,625).

11 Fund reconciliation

	2024 £	2023 £
Balance at 1 April	16,805,824	4,182,154
Actuarial (losses)/gains	2,884,000	10,799,000
Net income/(expenditure)	117,230	1,824,670
Balance at 31 March	19,807,054	16,805,824

All funds of the Oxford Archaeology Limited are unrestricted. The pension reserve makes up part of the unrestricted funds of the charity but represents the liability on the defined benefit pension schemes.

12 Leases

Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024 £	2023 £
Land and buildings		
Within one year	359,612	262,720
More than one year and less than five years	448,127	496,754
Other:		
Within one year	0	305
More than one year and less than five years	0	0

Operating leases – lease payments recognised as an expense in the period
£272,715 (2023 £263,636).

13 Notes to the statement of cash flows

Reconciliation of net expenditure to net cash inflow from operating activities

	2024 £	2023 £
Net income/(expenditure)	117,230	1,824,670
Net interest on defined LGPS liability	(126,000)	200,000
Depreciation	125,852	128,221
Contributions to defined benefit pension schemes	233,000	1,081,000
(Increase)/decrease in stocks (note 7)	(240,147)	434,705
(Increase)/decrease in debtors (note 8)	(1,194,381)	304,228
Increase/(decrease) in creditors (note 9)	1,016,061	(1,940,705)
Net cash inflow from operating activities	(68,385)	2,032,119

Reconciliation of net cash flow to movement in net funds

	2024 £	2023 £
Increase/(decrease) in cash in the year	(127,865)	1,908,885
Change in net funds	(127,865)	1,908,885
Net funds at 1 April	13,645,774	11,736,889
Net funds at 31 March	13,517,909	13,645,774

Analysis of changes in net funds

	At 1 April 2023 £	Cash flows 2024 £	At 31 March 2024 £
Net cash:			
Cash in hand and at bank	13,645,774	(127,865)	13,517,909
Net funds	13,645,774	(127,865)	13,517,909

14 Related Party Transactions

Prof. Hamerow is on the governing board of the Historic Buildings and Monuments Commission for England (the Commission has direct responsibility for the work of Historic England). OA received £25,446 (2023: £30,882) from Historic England on five separate projects in 2024. Prof. Hamerow resigned as a Trustee on 22nd November 2023.

An annual subscription of £1,305 (2023: £1,195) was paid to The Federation of Archaeological Managers & Employers (FAME). One of OA's key management personnel (Mr D Poore) is also a director of FAME.

OXFORD ARCHAEOLOGY LIMITED

England & Wales - Charity number 285627

Accounts

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements
For the year ended 31 March 2023

Company No. 1618597
Charity No. 285627

Members of the board and professional advisers

Company registration number	1618597
Charity number	285627
Registered office	Janus House Osney Mead OXFORD OX2 0ES
Board of trustees	Ms Gill Andrews Mr S Blackmore Mr W R C Briant Mr P Chadwick Prof C Gosden Prof H F Hamerow Ms J Wills Dr A MacDonald
Chief Executive	Mr K Welsh
Secretary	Mr A P Lane
Bankers	Barclays Bank PLC Avalon House Marcham Road ABINGDON Oxfordshire OX14 1UB
Auditor	Wenn Townsend 30 St Giles' OXFORD OX1 3LE

Contents

Trustees' annual report (including directors' report and strategic report)	4 - 15
Independent auditor's report	16 - 18
Principal accounting policies	19 - 22
Statement of financial activities	23
Balance sheet	24
Cash flow statement	25
Notes to the financial statements	26 - 36

Trustees' annual report (including directors' report and strategic report)

The Trustees, who are also Directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 March 2023. All instances of reference to Trustees also refers to the Directors thereafter. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Objectives and activities

Objects of the charity and principal activities

The charity's objects and its principal activities are to advance the education of the public in the subject of archaeology, and it primarily achieves this by undertaking archaeological research and investigations and disseminating the results as widely as possible. The charity feels it is important to involve the general public in the 'process of archaeology' in addition to making available its findings.

Most investigations and research projects are driven by national and local planning policies that require preliminary archaeological investigations in advance of development. The charity's work, however, extends beyond this 'development-driven' environment and includes historic building and landscape research, advice for national and regional bodies, guidance for local groups and academic institutions, archaeological training opportunities and the production of academic and general interest publications. The charity promotes archaeological education to people of all ages.

Public benefit

The Charities Act 2011 requires an identifiable benefit or benefits to arise from the work of charities, and such benefits must be to the public or a section of the public. The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit and the conservation and preservation of the archaeological heritage when reviewing the charity's aims and objectives and in planning future activities.

Fundraising standards information

OA does not undertake as part of its activities any direct or significant fundraising. All works are directly project funded without recourse to any separate general fundraising. No significant fundraising activities or campaigns were undertaken in this or prior periods.

Strategic Report

Achievements and Performance

Development, activities and achievements

OA's charitable objective is to advance education in the subject of archaeology for the public benefit in the UK and elsewhere in the world. OA achieves this by undertaking archaeological research by means of excavations, surveys and publishing its results through a variety of different media. This published output, targeting academic and local communities, schools and specific interest groups as well as the general public, is seen as one of the core strands of public benefit provided by OA. However, OA delivers public benefit in a number of other important ways, including community involvement in excavations and related activities, school visits, open days, public lectures and presentations, and a series of online research seminars.

Trustees' annual report (including directors' report and strategic report)

Funding for archaeological works comes principally through the UK planning system in which developers are required to assess and describe the impacts of their developments and, where necessary, mitigate the consequences. While most archaeological activity is the result of mitigation in advance of development, the outputs deliver social value far beyond the satisfaction of planning conditions. The ebb and flow of archaeological works in any year is tied directly to the volume and types of construction being planned for or undertaken at that time. Oxford Archaeology (OA) comprises three branch offices (in Cambridge, Lancaster and Oxford), allowing it broad coverage across England and Wales.

OA's 2020-25 Strategy sets out its objectives under the headings Leading and inspiring, Innovating, Creating and sharing knowledge. In this section we report on our success in delivering those objectives.

Leading and inspiring

Our work programme was less dominated by major infrastructure projects than in the previous two years. Infrastructure nonetheless remained important with work being undertaken at Sizewell, with our joint venture partners Cotswold Archaeology as OCA (Oxford Cotswold Archaeology), at Northampton North-Western Relief Road, and on the Hornsea 3 Windfarm project. In addition, major post-excavation assessment analysis programmes got underway for the A585 Windy Harbour and the A63 Hull road schemes. The year saw a much greater emphasis on projects related to housebuilding, including at Newark in Nottinghamshire, Wintringham in Cambridgeshire, and Innsworth in Gloucestershire. Our excavation of a Roman mausoleum, associated with an early villa, and its subsequent transformation into a kiln, at Prior's Hall, Corby, won the Current Archaeology Project of the Year, 2022. Our excavation at Frewin Hall in Oxford, which revealed the remains of the 'lost' college of St Mary's, won an Oxford Preservation Trust Temporary Projects Award for 2022.

Significant contracts through the year have included:

Sizewell, Suffolk as OCA – Sizewell C Ltd

Hornsea 3 Windfarm, Norfolk – Orsted Power (UK) Ltd

Newark, Nottinghamshire – Urban & Civic Developments Ltd

Northampton North-West Relief Road – Balfour Beatty for West Northamptonshire Council

Hinxton Genome Campus Extension - Urban & Civic Developments Ltd

A585 Windy Harbour to Skippool post-excavation assessment – Kier Highways Ltd for National Highways

A63 Castle Street, Hull post-excavation assessment – Balfour Beatty for National Highways

OA undertook consultancy services for clients (often in the form of desk-based assessments: reviewing the printed sources, historic mapping and recorded sites and finds) and also more strategic overviews for regional and national organisations. In 2022/23 this included Conservation Management Plans for two sites in the Chilterns, reviews of Archaeological Priority Areas for the London Boroughs of Lewisham and Hounslow, and environmental impact assessments for sites in Stamford, Lincolnshire, Begbroke, Oxfordshire and a site near Chichester, West Sussex. In addition, we carried out desk-based assessments for a number of solar farm projects, large housing developments, a range of Oxford colleges and also at Highclere Castle, Blenheim Palace and Althorp House.

Trustees' annual report (including directors' report and strategic report)

In order to deliver our charitable objectives, it is vital that we have a well-trained, motivated and healthy workforce. We are committed to achieving the highest standards of health, safety and welfare for our staff and for all others who may be affected by our work and continue to maintain ISO 45001 (occupational health and safety management systems) certification. Mental health is particularly important area in the post-pandemic world, and the OA Wellbeing Group meets regularly to devise and implement measures to support our staff. To help us in this, the Group runs quarterly Wellbeing Snapshot surveys which has allowed us to identify a number of common themes which affect wellbeing at OA. We continue to invest in the provision of trained Mental Health First Aiders and maintain a confidential counselling helpline which is available to all staff and their adult family members.

With Prospect Union, we engaged with staff to examine issues of equality, diversity and inclusion (EDI) within archaeology. The OA EDI group meets regularly to raise awareness of EDI issues and helps to formulate ways in which barriers to progress within the profession can be identified and addressed. We have published our Gender Pay Gap report in line with Government requirements.

Training remains a core priority and this year we implemented a new Training Policy designed to provide effective training programmes and career development opportunities for all staff, ensuring that we maintain our leading role in the heritage sector. All our junior staff are now enrolled on our early career training scheme, the Graduate to Supervisor Pathway, or have equivalent learning agreements in place. In addition, we have run a large number of very successful specialist training placements in areas such as artefact and faunal analysis, geomatics, heritage management, project management and community archaeology.

Supporting and developing archaeological standards and practice as well as the promotion of archaeology within society remains a key objective and OA has provided staff to work on many of the governing and sector institutions including CIfA (UK archaeology's Chartered Institute) and FAME (the Federation of Archaeological Managers & Employers), and committee members of other specialist groups during 2022-23. OA staff give presentations at many of the conferences held by these institutions.

OA continued to collaborate with other organisations, in particular with Cotswold Archaeology (a registered charity) as OCA, in the field on the Sizewell project and in post-excavation analysis on Redcliff, Bristol and Thame, Oxfordshire. OA also worked with York Archaeology and PCA on the Strategic Pipeline Alliance Project in East Anglia.

Innovating

Along with our joint venture partners at Cotswold Archaeology, OA continued to develop its digital recording system and online GIS platform, WebMap. The system provides a robust site-based data capture system, facilitates the rapid feedback of high-quality data to improve archaeological decision-making on-site, and improves the transition between the excavation and post-excavation phases of an archaeological investigation.

Creating and sharing knowledge

The huge range of projects undertaken during the year has again allowed OA to make a significant contribution to the understanding of our past. Our series of highly successful online research seminars continued with sessions focussed on death and burial in the early medieval period and on the provisioning

Trustees' annual report (including directors' report and strategic report)

of towns across England in the medieval period. The seminars drew on recent work largely undertaken by OA and each included a question and answer session with a panel of leading academics. Videos of the webinars were made available on our YouTube channel.

Our website provides an important channel to communicate information about the work of the Charity to the public and, across the year, it received over 125,000 visits. The most popular project pages included the A585 Windy Harbour scheme, the Dorset Ridgeway Viking mass grave and the Frewin Hall excavations in Oxford. Our online digital library, which provides the public with access to nearly 6000 OA reports and publications, received 29,000 visits through the year. In addition to the website and library, social media feeds are able to reach further audiences. The reach provided by Facebook increased to 89,910 users, while on Instagram it was over 18,000 and the number of followers increased to 11,800. The most popular posts concerned our award-winning sites at Priors Hall, Corby and Frewin Hall, Oxford.

As a charity, public outreach and engagement is central to our strategy and the year saw Oxford Archaeology delivering a huge range of talks, lectures, site tours, displays and other events. For example, a series of school visits were undertaken for the Trinity Burial Ground project in Hull, and a session, including hands-on activities, was held at a summer-school for children from disadvantaged backgrounds at Cambourne in Cambridgeshire. Talks and presentations, both in person and online, were given on a range of projects including Prior's Hall, Corby, Waterbeach, Cambridgeshire, the archaeology of Oxford, Bishop's Stortford, Hinkley Point C Connection Project, Maryport Roman settlement and many others. Papers on aspects of our work on the HS2 project (as COPA joint venture) were given to a professional audience at the Chartered Institute for Archaeologists' annual conference in April. In January, the BBC flagship archaeology series, Digging for Britain, featured three OA sites: Frewin Hall, Oxford, Wintringham, Cambridgeshire and Bishop's Stortford, Hertfordshire.

The dissemination of knowledge via more formal means such as academic books and articles has continued and this year saw the publication of Harpole: The landscape of a Roman villa at Panattoni Park, Northamptonshire, Roman and medieval Carlisle: The Northern Lanes, excavations 1978-82. Volume 2: The medieval and post-medieval period and The Patients' Story: Dr Radcliffe's Legacy in the Age of Hospitals: Excavations at the 18th–19th century Radcliffe Infirmary Burial Ground, Oxford. In addition, OA were joint authors of Fromelles: Naming the Dead, the Scientist's Story. Many other short articles and excavation reports were published in local and regional journals across the country.

Financial Review

Transactions and financial position

The results for the year, and the charity's financial position at the end of the year, are shown in the attached financial statements.

Income for the year increased slightly to c£25.1 million (2022: £24.4m). An operational surplus of c£3.1 million was recorded prior to the accounting for the FRS 102 pension valuations. This created a net surplus for the year amounting to £1.8 million after pension scheme adjustments of £1.3m in 'Pension finance costs' within the SOFA. Unrestricted funds increased to £16,805,824 (2022 £4,182,154) due to both a net trading surplus and the FRS102 pension deficit moving into surplus.

Overall, this has been another strong financial performance, following a relatively slow start to the year. Following the finalisation of the previous round of infrastructure fieldwork projects, OA is now delivering

Trustees' annual report (including directors' report and strategic report)

some exciting new projects, including major new infrastructure projects in nuclear and renewable energy and new road schemes. The results in the year were also boosted by the realisation of some deferred income brought forward from 21/22 relating to the HS2 programme.

Looking forward, the slowdown in the housing sector is beginning to impact the archaeological work associated with new major housing schemes. However, major new projects in the nuclear and renewable energy and transport infrastructure seem to be forging ahead. The continued impact of Russia's invasion of Ukraine, persistent inflation, rising mortgage/interest rates and the downturn in the housing sector have the potential to weaken the UK economy in the coming year. In addition, there will inevitably be additional uncertainty in the run up to (and potentially in the aftermath of) the UK General Election in 2024. However, the government's continued commitment to significant infrastructure investment has the potential to offer many opportunities for OA, including the continued expansion of the renewable and nuclear energy sectors.

The Trustees have assessed the charity's future programme of works and commitments against the working capital in place and access to other funds (bank overdraft arrangements). The Trustees view the level of net current assets as sufficient to ensure future operations and allow gradual growth and reinvestment in necessary assets.

Reserves policy

The Trustees have felt, and continue to feel, that it is necessary to build up sufficient funds to finance the charity's planned programme of major and specialised research projects. The Trustees feel that it is necessary to have available sufficient finance to fund at least four months' working capital in order to allow this programme of projects to be undertaken without major financial risk.

Internal control and risk management

The Trustees carry out regular reviews of the charity's activities and the systems in use. This is for the purpose of planning for the future and assessing any major risks to which the charity is exposed. The Trustees are satisfied that systems are in place to mitigate exposure to major risks.

The major risks comprise:

- Operational risk – Archaeological projects by their very nature (buried deposits) carry a great deal of uncertainty and there is constant pressure for clients to transfer this risk on to the archaeological organisations themselves. This risk increases with the scale of projects. OA firmly believes that these risks should stay with the developer but, in circumstances where this is not the case, a system of protocols and reviews are in place to mitigate untoward risk. There is a new trend of developers requiring archaeologists to take on more of the non-archaeological enabling and support works associated with projects. This is an area of concern, not just in the increased risk it brings, but in archaeologists being pressurised to undertake work outside their main areas of competence.
- Competitive risk – The charity undertakes archaeological research where academic standards are a necessary element. OA also provides a career structure supporting the professional nature of archaeology. Downward pricing pressures within the market can lead to the risk of eroding these academic and professional standards.
- Pension risk – OA is an admitted body to two local authority pension schemes. The annual FRS 102 valuations give the accounts an alarming volatility. In this year's FRS102 valuation the longstanding pension deficit (2022: £6.762m) jumped to a surplus of £2.756m owing to actuarial assumptions

Trustees' annual report (including directors' report and strategic report)

associated with the high UK corporate bond yields resulting in high accounting discount rates which place a significantly lower value on the pension obligations compared to last year's accounts. OA's contribution rates are set by the triennial valuation and use different assumptions. The contribution rates for both schemes have increased. In 2014-15, OA restricted access to its defined benefit pension schemes to limit the extent of further liability. A defined contribution scheme (auto-enrolment) has also been introduced. OA views seriously the risks of its defined benefit pension schemes' FRS 102 valuation but it sees this as a long-term issue. The schemes are 'open' and the position is monitored as a long-term issue. The impact of wider market uncertainties on potential future investment returns will be closely monitored. The Trustees consider that this has no impact on OA's going concern basis but will nevertheless keep the situation under continuous review.

The Trustees have reviewed the major risks to which Oxford Archaeology Limited is exposed and can confirm that all reasonable measures are being taken, and systems have been established to control or mitigate the effect of these risks on the achievement of the charity's objectives. The financial risks of the company are discussed in greater detail below.

Financial risk assessment

The company is exposed to a number of financial risks including credit risk, market risk, currency risk and liquidity risk due to its investing activities.

- Credit risk - This represents an increased risk in the current economic environment and all projects of a material scale are carefully reviewed to minimise default.
- Market risk – Currently the 'archaeological market' is facing a period of significant uncertainty as the UK continues to deal with the significant impacts of Covid 19, Brexit, the conflict in the Ukraine and the Cost-of-Living crisis. With this continued economic uncertainty, the level of activity in the future is unpredictable. It seems unlikely that this uncertainty will abate until sometime after the UK General Election in 2024. OA continues to seek to diversify activities away from the current income stream by developing more research-funded projects and expanding activity in critically important low-carbon, renewable and nuclear energy sectors.
- Liquidity risk - The archaeological sector has undergone a period of expansion after a severe recession. Cash resources have historically been depleted and increased working capital puts further pressure on a limited resource. OA ensures that it has sufficient cash resources to meet its needs by continual monitoring of its working capital position, and any future investments/expansion plans are carefully budgeted. A bank overdraft facility is available as a contingency to cover any short-term deficiencies.

Going concern

The Trustees have reviewed Oxford Archaeology Limited's financial position, taking account of the levels of reserves and cash, the 2022-23 budget and longer-term plans, together with its system of financial and risk management. As a result, the Trustees believe that the Charitable Company has adequate resources to

Trustees' annual report (including directors' report and strategic report)

continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Plans for future periods

OA has identified a number of key areas for further investment in order to ensure the long viability of the charity and to enable it to deliver its charitable aims and objectives. Of course, such investment must be affordable, and the success of the past three years means that we are able to invest strategically and maintain sufficient reserves to ensure that future economic uncertainties can be weathered. While the housing sector has slowed, our involvement in a range of infrastructure schemes, particularly in the transport and energy sectors, means that our work programme going into the new financial year is reasonably strong and the pipeline of new work looks promising.

We have already embarked on a programme of improvement to our IT systems, engaging with an external specialist partner, and during the coming year we will continue to develop and implement a new IT strategy to ensure that all of our systems are future-proofed and robust. A core element of this will be to implement a new integrated Enterprise Resource Planning system to ensure the effective delivery of our financial, administrative and human resources requirements.

Retaining and recruiting skilled and experienced staff remains key to our success and, building on our successful early career training schemes, we will develop and implement new training schemes aimed at staff with supervisory and managerial responsibilities. In order to maximise the benefits of homeworking for both the charity and for staff, OA will review and improve, as necessary, our recently introduced hybrid working policy, ensuring that a positive and supportive culture is always maintained.

We will maintain our ISO 9001, ISO 14001 and ISO 45001 Quality, Environment and Health and Safety Management certifications, demonstrating that the charity upholds the highest professional standards. Our health and safety systems and procedures will be further refined to ensure that OA remains a safe and rewarding place to work. A new Employee Assistance Programme will be launched providing staff with access to high quality advice and assistance in a range of areas including mental health, well-being, personal finances and relationships.

We will continue to develop digital recording systems, particularly to provide new analytical tools to improve and enhance our post-excavation processes.

We will redesign and relaunch our website, with new corporate branding and revised and updated content to ensure that it provides access to the full range of OA's services. To accompany the new website, we are developing a new Knowledge Hub which will provide an accessible and user-friendly gateway to our publications and other information and data, capitalising on OA's strengths in research and public engagement. We will further develop our public engagement strategy to ensure that we are able to deliver social value in all we do, maximising the public benefit of the charity's work. We will continue to analyse and publish the results of our investigations.

Working with a specialist environmental and sustainability consultancy, we will undertake detailed measurement of our baseline carbon footprint which will underpin the development of an effective carbon reduction plan, in line with our commitment to achieve Net Zero status.

Trustees' annual report (including directors' report and strategic report)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charity is constituted as a company limited by guarantee and is therefore governed by the Memorandum and Articles of Association.

Organisation

The charity's activities are regularly monitored by the Trustees, and tactical management is achieved by a Senior Management team consisting of:

- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer

The charity has three regional offices in the UK: Oxford, Lancaster and Cambridge. Each office has its own management team overseeing day-to-day operations.

The organisation is fully self-financing and secures funds by providing research to a variety of organisations which enables it to meet fully its primary objectives. The main sources of income are:

- Commercial Organisations
- Government Departments and Agencies
- Local and County Councils

The Board of Trustees

The Trustees who served the charity during the year were as follows:

Ms Gill Andrews	
Prof J C Barrett	Resigned 14 th September 2022
Mr S Blackmore	
Mr W R C Briant	
Mr P Chadwick	
Prof C Gosden	
Prof H F Hamerow	
Dr A MacDonald	Appointed 4 th June 2023
Ms J Wills	

Each Trustee guarantees the sum of £1 in the event of a winding up of the charity. The Trustees are the company Directors under company law.

Trustees' annual report (including directors' report and strategic report)

Appointment of Trustees

As set out in the Articles of Association, the Trustees are drawn from the members and subscribers of the Charity. The board of Trustees is able to appoint new members and fill vacancies or add to the board when it feels necessary. The board is required to comprise between three and eleven individuals. A third of the board retire by rotation on an annual basis but are eligible for re-election. The board of Trustees regularly reviews its constituents and their experience and skills profile in relation to the on-going works of the charity.

The aim of the board of Trustees is to have a balance of archaeological, business and financial skills to oversee the charity's works.

Trustee training and induction

Most Trustees come to the charity with some background of archaeological knowledge, either in an amateur or professional capacity or from an academic background. New Trustee appointments have an induction process spent at the offices of the organisation that covers:

- the current environment of UK archaeology
- the history and development of Oxford Archaeology
- the staff and staff structure
- the current strategic objectives and the major challenges and opportunities facing the organisation.

All new Trustees are issued with copies of governing documents, guides to the responsibilities of charitable trustees, recent accounts, budgets and business plans and minutes of previous meetings. Trustees are invited to all outreach events to meet staff and further understand the detailed workings of the charity.

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees, the Chief Executive and the Senior Management Team as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 3 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest rises.

The pay of the Chief Executive and Senior Team is reviewed annually and is normally increased in line with general inflation. The remuneration is reviewed to ensure that it is fair and not out of line with similar roles.

Employee policies

Employment policies are designed to respect employees' human rights and to ensure equal opportunity

Trustees' annual report (including directors' report and strategic report)

and promote diversity. Employees are actively encouraged to undertake relevant training, CPD, and staff appraisals are conducted with individual employees. The policy of the charity with regard to disabled persons is to give full and fair consideration to all applicants for employment and to all employees in relation to promotion. Wherever possible, employees who become disabled during their employment are offered suitable alternative employment. In order to promote wellbeing in the workplace, OA also has a Dignity at Work Policy, a Flexible Working Policy, and a Stress Management Policy and Procedures, along with other HR policies.

Engagement with Employees

OA explicitly builds into its strategy the importance of employee engagement and internal communications. It has built both formal systems but also facilitates and encourages informal communications i.e. not just 'top-down' but also 'bottom-up' and 'side-to-side'. OA formally recognises a trade union, Prospect, and both consults on statutory matters (pay, pensions, H&S etc) but also seeks to discuss with them any other significant change affecting OA. In addition, it holds quarterly branch 'consultation meetings' with representatives elected from all members of staff (irrespective if they belong to a union or not). These consultation meetings have open agendas where any matter can be raised by an employee. Performance and future activity are reported at these meetings and the minutes are circulated to all members of staff. An 'intranet' is maintained and is available for employees to view all aspects of OA's work and employee policies and conditions.

OA also produces a quarterly in-house magazine (InTouch) to communicate key issues and the results of its work. This is an important vehicle allowing employees to understand the work undertaken in the three branch offices. Staff are also invited to the 'AGM day' where, following the main business meeting, a series of discussions and debates about various aspects of OA's work are held.

On a more informal level OA is developing a series of on-line forums in which all employees are encouraged to participate. The monitoring of employees' mental health and general morale are seen as crucial and in addition to training staff in mental first aid, OA undertakes formal surveys to assess and monitor issues.

OA's induction process provides all the required information for new employees to be aware of and engage in these processes.

Third party indemnity provisions

The Trust has in place directors' and officers' liability insurance for the purpose of indemnifying the Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This insurance was in force during the year and is in force as at the date of approving this report.

Trustees' Responsibilities Statement

The Trustees (who are also Directors of Oxford Archaeology Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Trustees' annual report (including directors' report and strategic report)

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

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

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

The Trustees confirm that:

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

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

Trustees' annual report (including directors' report and strategic report)

Auditor

Wenn Townsend having expressed their willingness to continue in office, will be deemed to be reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board

Prof C Gosden
Trustee



Date: 4th October 2023

Independent auditor's report to the members of Oxford Archaeology Limited

Opinion

We have audited the financial statements of Oxford Archaeology Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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



Ajay Bahl BA BFP FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Statutory Auditor
30 St Giles
Oxford
OX1 3LE

Date: 4th October 2023

Principal accounting policies

Basis of accounting

Oxford Archaeology Limited is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern. The balance sheet as at 31 March 2023 shows a net asset of £16,805,824 (2022: £4,182,154). Typically, the Company's largest liability is related to the Company's defined benefit pension scheme, which this year has switched to a net surplus of £2,756,000 (2022: deficit of £6,762,000) at the balance sheet date using an FRS102 valuation basis. The company has agreed contribution rates with the trustees of the scheme, as shown in note 10 to the financial statements. The Company has cash balances of £13,645,774 (2022: £11,736,889), net current assets of £13,813,392 (2022: £10,702,734). The Trustees are confident that the Company will continue to be able to meet its liabilities as they fall due.

The Trustees have also assessed the charity's future programme of works and commitments against the working capital in place and access to other funds (banking arrangements). It has reviewed and considered the current significant economic uncertainty on OA's activity. The Trustees view the level of net current assets as sufficient to ensure future operations within an uncertain trading environment. The charity retains the ability to react flexibly to meet the challenges of this changing environment.

Fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Improvements to property	- 20% straight line
Computers	- 33% straight line
Fixtures, fittings, equipment and vehicles	- 25% straight line

Tangible fixed assets are capitalised at cost where their acquisition value is greater than £500 and are stated at cost net of depreciation.

Principal accounting policies

Goodwill and amortisation

Positive purchased goodwill arising on acquisitions, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and amortised on a straight-line basis over its estimated economic life as follows:

Purchased goodwill	- 18 months straight line
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Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Income is credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred. Invoices raised in advance of the provision of services are included within current liabilities; deferred income.

Stocks and work in progress

Stock represents work in progress which cannot be accurately valued at the year-end date and is stated at the lower of cost and net realisable value. Cost represents directly attributable staff and archaeological costs.

A surplus is recognised on long term contracts if the final outcome can be assessed with reasonable certainty, by including the value of the work in income and amounts recoverable on long term contracts, as the contract progresses.

Payments received on account of work in progress are deducted from gross work in progress. Payments received on account in excess of carrying value of relevant work-in-progress are included in creditors.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Principal accounting policies

The charity is an admitted member of a sub-fund of a Local Government Pension Scheme (LGPS) operated by Oxfordshire County Council and a sub-fund of a LGPS operated by Cambridge County Council, both of which are defined benefit schemes.

A liability for the charity's obligations under the plans is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the statement of financial activities for the year.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- fundraising and publicity
- archaeological investigations
- archaeological services and support costs

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 2.

Defined benefit pension scheme valuation

The charity will adopt the current FRS102 pension scheme valuation in the financial statements, regardless of whether actuarial assumptions (e.g. regarding discount rates) yield a net deficit or net asset valuation.

The analysis of the two defined benefit pension schemes offered to employees is presented in note 10.

Fund accounting

Unrestricted funds are available to be used in accordance with the charitable objectives of the trustees.

Principal accounting policies

Restricted funds are funds that can only be used for particular purposes within the objects of the charity as described by the donor. The charity does not have any restricted funds.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Judgements and key sources of estimation uncertainty

There were no judgements made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the financial statements.

The key source of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is regarding the margin applied to ongoing projects at the year-end date.

Statement of financial activities (including income and expenditure account)

	Note	2023 £	2022 £
Income from:			
Charitable trading income	1	25,075,900	24,431,991
Total income		25,075,900	24,431,991
Expenditure on:			
Costs of raising funds:			
Fundraising and publicity	2	16,482	495
Charitable activities:	2	23,234,748	22,777,532
Total resources expended	2	23,251,230	22,778,027
Net income/(expenditure)		1,824,670	1,653,964
Other recognised gains/(losses)			
Remeasurement gain/(loss) on defined benefit pension plans	10	10,799,000	4,805,000
Net movement in funds		12,623,670	6,458,964
Funds brought forward		4,182,154	(2,276,810)
Funds carried forward		16,805,824	4,182,154
Net Movement in funds prior to FRS102 pension adjustment:			
Net income/(expenditure) per SOFA		1,824,670	1,653,964
Pension finance cost included in charitable activities		1,281,000	1,439,000
Net surplus/(deficit) prior to pension costs		3,105,670	3,092,964

All movements are in unrestricted funds.

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Balance sheet

		2023 £	2022 £
Fixed assets			
Tangible assets	5	236,432	241,420
Intangible assets	6	-	-
		<u>236,432</u>	<u>241,420</u>
Current assets			
Stocks	7	1,349,997	1,784,702
Debtors	8	2,711,913	3,016,141
Cash in hand		13,645,774	11,736,889
		<u>17,707,684</u>	<u>16,537,732</u>
Creditors: amounts falling due within one year	9	<u>(3,894,292)</u>	<u>(5,834,998)</u>
Net current assets		<u>13,813,392</u>	<u>10,702,734</u>
Total assets less current liabilities		<u>14,049,824</u>	<u>10,944,154</u>
Net assets excluding pension liabilities		<u>14,049,824</u>	<u>10,944,154</u>
Defined benefit pension (liability)/asset	10	<u>2,756,000</u>	<u>(6,762,000)</u>
Net (liabilities)/Asset		<u>16,805,824</u>	<u>4,182,154</u>
Funds			
Unrestricted funds		14,049,824	10,944,154
Pension reserve		2,756,000	(6,762,000)
	11	<u>16,805,824</u>	<u>4,182,154</u>

These financial statements were approved by the board of Trustees and authorised for issue on 13th September 2023

and are signed on their behalf by:



Prof C Gosden
Trustee

Date: 4th October 2023

Oxford Archaeology Limited
Company registered number 1618597

Cash flow statement

		2023 £	2022 £
Cash flow from operating activities	13	2,032,119	5,158,440
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(123,234)	(198,236)
Net cash flow from investing activities		(123,234)	(198,236)
Net cash inflow		1,908,885	4,960,204
Increase/(Decrease) in cash	13	1,908,885	4,960,204

Notes to the financial statements

1 Charitable trading income

	2023 £	2022 £
United Kingdom	24,832,787	23,883,271
Rest of the World	243,113	548,720
	<u>25,075,900</u>	<u>24,431,991</u>

2 Total resources expended

	2023 £	2022 £
Fundraising and publicity		
Advertising	16,482	495
Archaeological investigations:		
Salaries	9,123,541	9,114,551
Plant hire	4,173,425	3,809,331
Sub-contracted services	750,515	611,708
Travel and subsistence	1,438,476	1,864,609
Project costs	516,954	634,741
Specialist costs	402,193	348,987
Photographic	4,314	14,713
Finance costs (FRS102 pension adjustments)	1,281,000	1,439,000
	<u>17,690,418</u>	<u>17,837,640</u>

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2023

2 Total resources expended (continued)

	2023 £	2022 £
Archaeological services and support costs:		
Salaries	3,780,380	3,322,901
Training	84,130	63,197
Travel and subsistence	141,776	78,834
Establishment costs	523,038	529,878
Office costs	478,235	487,053
Legal and professional	361,634	286,891
Finance costs	16,966	37,670
Depreciation	128,221	104,118
	<u>5,514,380</u>	<u>4,910,542</u>
Governance costs:		
Auditor's remuneration	11,950	11,350
Costs of preparing for Trustees' meetings and support for Trustees	18,000	18,000
	<u>29,950</u>	<u>29,350</u>
Total resources expended	<u>23,251,230</u>	<u>22,778,027</u>

The aggregate payroll costs were:

	2023 £	2022 £
Salaries	10,634,334	11,006,416
Social security costs	1,034,301	1,046,936
Pension costs	860,912	815,282
	<u>12,529,547</u>	<u>12,868,634</u>

There were redundancy and termination payments of £17,480 within salaries (2022: £9,352).

The full-time equivalent (FTE) number of employees during the financial year was as follows:

	2023	2022
Management	14	13
Administrative	8	7
Archaeological – researchers	50	48
Archaeological – in the field	275	303
	<u>347</u>	<u>371</u>

The total average monthly number of employees was 363 (2022: 393).

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2023

2 Total resources expended (continued)

In the financial year the charity employed the following numbers of higher paid employees:

	2023	2022
	No	No
£60,000 - £69,999	-	1
£70,000 - £79,999	2	2
£80,000 - £89,999	1	-
£90,000 - £99,999	-	-
	<u>-</u>	<u>-</u>

All three employees were accruing benefits under a defined benefit pension scheme for the year ended 31 March 2023 and 31 March 2022.

3 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2022: £Nil).

The total amount of employee benefits received by key management personnel is £272,341 (2022: £307,537). The Trust considers its key management personnel comprise the Trustees and the Senior Management Team.

No trustees are accruing pension arrangements (2022: None).

Trustees received reimbursement of expenses of £257 during the year (2022: £93) in respect of travel.

4 Net incoming resources

Net incoming resources is stated after charging:

	2023	2022
	£	£
Staff pension contributions (note 2)	860,912	815,282
Depreciation of fixed assets (note 5)	128,221	104,118
Auditor's remuneration		
Audit services	11,950	11,350
Foreign exchange losses/(gains)		
Operating lease rentals	263,025	238,740
	<u>263,025</u>	<u>238,740</u>

5 Tangible fixed assets

	Improvements to leasehold property £	Computers £	Fixtures, fittings, equipment and vehicles £	Total £
Cost				
At 1 April 2022	360,964	1,151,909	986,833	2,499,706
Additions	0	40,748	82,486	123,234
At 31 March 2023	<u>360,964</u>	<u>1,192,657</u>	<u>1,069,319</u>	<u>2,622,940</u>
Depreciation				
At 1 April 2022	323,301	1,035,862	899,123	2,258,286
Charge for the year	13,478	63,632	51,112	128,222
At 31 March 2023	<u>336,779</u>	<u>1,099,494</u>	<u>950,235</u>	<u>2,386,508</u>
Net book value				
At 31 March 2023	<u>24,185</u>	<u>93,163</u>	<u>119,084</u>	<u>236,432</u>
At 01 April 2022	<u>37,663</u>	<u>116,047</u>	<u>87,710</u>	<u>241,420</u>

Included in the total net book values in respect of assets held under finance leases was £Nil (2022: £Nil).

6 Intangible assets

	£
Cost	
At 1 April 2022 and 31 March 2023	<u>104,469</u>
Amortisation	
At 1 April 2022 and 31 March 2023	<u>104,469</u>
Net book value	
At 31 March 2022 and 31 March 2023	<u>-</u>

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2023

7 Stocks

	2023 £	2022 £
Short term work in progress	<u>1,349,997</u>	<u>1,784,702</u>

8 Debtors

	2023 £	2022 £
Trade debtors	2,503,935	2,747,946
Prepayments	136,563	139,921
Amounts recoverable on long-term contracts	71,415	128,274
	<u>2,711,913</u>	<u>3,016,141</u>

9 Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	639,045	873,929
Taxation and social security	581,600	543,151
Deferred income	1,925,622	3,670,234
Other creditors	61,345	85,589
Accruals	686,680	662,095
	<u>3,894,292</u>	<u>5,834,998</u>

Supplementary note: Deferred Income

	£
Opening Deferred Income as at 01.04.2022	3,670,234
Amount released to income in year	(2,444,834)
Amount deferred in year	700,222
Closing Deferred Income as at 31.03.2023	1,925,622

There are various reasons for deferral: advanced invoicing on contracts, ongoing analysis and publication work invoiced in advance and archiving and depositions costs invoiced in advanced.

10 Defined benefit pension schemes

The charity offers two defined benefit pension schemes to its employees. These are both local government pensions schemes, the Trustees have therefore considered it appropriate to disclose the schemes in one set of consolidated disclosures for clarity.

Oxfordshire County Council Pension Fund (OCCPF), part of the Local Government Pension Scheme

The charitable company is one of several employing bodies included within the Local Government Pension Scheme (OCCPF).

The OCCPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

The 2022 triennial valuation has now come into force and OA's employer contribution levels are now set at 17.2% (up from 16.3% set in 2019) to cover future service and past service costs (deficit contribution). The 2022 Valuation estimated that the Funding Level was 122% (112% in 2019) for the 'Small Admitted Bodies Pool' that OA forms part of.

The following information is based upon full actuarial valuations of the funds from 31 March 2022, updated to 31 March 2022 by qualified independent actuaries.

Financial assumptions (OCCPF)

The principal financial assumptions used by the actuary were as follows:

	2023	2022
	% pa	% pa
Pension increase rate	2.95 %	3.15%
Salary increase rate	2.95 %	3.15%
Discount rate	4.75 %	2.75%

10 Defined benefit pension schemes (continued)

The Accounting Standards state that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The independent actuary (Hymans Robertson) has adopted an approach to setting the discount rate by constructing a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

The rate of general increases in salaries adopted in the 2022 triennial valuation for the OCCPF has been held at the rate of inflation (CPI). In 2023 the salary increase rate was assumed to be 2.95% (2022: 3.15%).

The post-retirement mortality assumptions used to value the benefit obligation at 31 March 2022 allowed for future improvements in mortality based on the CMI 2021 model with an allowance for smoothing of recent mortality experience and a long term rate of improvement of 1.5%p.a. This has been revised in the latest FRS102 pension fund report (as at 31 March 2023) based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. Based on these assumptions the life expectancy of a male current pensioner is projected to be 87.4 years (future pensioners 87.6). The life expectancy of a female current pensioner is projected to be 90.0 years (future pensioners 90.7).

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2023

The major categories of plan assets (OCCPF) as a percentage of the total plan assets, are as follows:

	2023	2022
	%	%
Equities	73	73
Bonds	16	17
Property	9	8
Cash and other	2	2
	100	100

Cambridgeshire County Council Pension Fund (CCCPF), part of the Local Government Pension Scheme

The charitable company is one of several employing bodies included within the Local Government Pension Scheme (CCCPF).

The CCCPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

The 2022 triennial valuation has now come into force and OA's employer contribution levels are now set at 18.9% (up from 14.4% in 2019) to cover future service and past service costs (deficit contribution). The 2022 Valuation estimated that the Funding Level for Oxford Archaeology was 112% (111% in 2019).

The following information is based upon full actuarial valuations of the funds from 31 March 2022, updated to 31 March 2023 by qualified independent actuaries.

10 Defined benefit pension schemes (continued)

Financial assumptions (CCCPF)

The principal financial assumptions used by the actuary were as follows:

	2023	2022
	% pa	% pa
Pension increase rate	2.95 %	3.15%
Salary increase rate	3.45 %	3.65%
Discount rate	4.75 %	2.75%

The Accounting Standards state that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The independent actuary (Hymans Robertson) has adopted an approach to setting the discount rate by

constructing a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

The rate of general increases in salaries adopted in the 2022 triennial valuation for the CCCPF has been based on inflation (CPI) plus 0.5%. In 2023 the salary increase rate was assumed to be 3.45% (2022: 3.65%).

The post-retirement mortality assumptions used to value the benefit obligation at 31 March 2022 allowed for future improvements in mortality based on the CMI 2021 model with an allowance for smoothing of recent mortality experience and a long term rate of improvement of 1.75%p.a. for both women and men. This has been revised in the latest FRS102 pension fund report (as at 31 March 2023) based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. Based on these assumptions the life expectancy of a male current pensioner is projected to be 87.2 years (future pensioners 87.4). The life expectancy of a female current pensioner is projected to be 90.8 years (future pensioners 91.0).

The major categories of plan assets (CCCPF) as a percentage of the total plan assets, are as follows:

	2023	2022
	% pa	% pa
Equities	68 %	68%
Bonds	14 %	16%
Property	15 %	15%
Cash and other	3 %	1%
	100%	100%

10 Defined benefit pension schemes (continued)

Consolidated notes for both pension schemes

Balance Sheet

The amounts recognised in the balance sheet are as follows:

	2023	2022
	£	£
Fair Value of plan assets	28,696,000	27,917,000
Present Value of funded retirement obligations	(25,940,000)	(34,679,000)
Net (liability)/Asset	2,756,000	(6,762,000)

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2023

Statement of financial activities

The total amounts recognised in the period are as follows:

	2023 £	2022 £
Current service cost	(1,654,000)	(1,772,000)
Net interest expense	(200,000)	(220,000)
Total recognised in net expenditure	(1,854,000)	(1,992,000)
Actuarial gains/(losses)	10,799,000	4,805,000
Total recognised in other gains/(losses)	10,799,000	4,805,000
Total net amount recognised in the period	8,945,000	2,813,000

The amounts charged to net expenditure in the statement of financial activities are included in finance and salaries costs. The estimate of the Employer's contribution for the year ending 31 March 2023 is approximately £521,017 (2022: £493,730).

10 Defined benefit pension schemes (continued)

Reconciliation of defined benefit obligation:

	2023 £	2022 £
Opening defined benefit liabilities at 1 April	34,679,000	35,207,000
Current service cost	1,654,000	1,772,000
Interest cost	973,000	738,000
Change in assumptions & re-measurements	(16,023,000)	(2,959,000)
Estimate of benefits paid	(453,000)	(397,000)
Experience loss/(gain) on defined benefit obligation	4,855,000	73,000
Contributions by plan participant	255,000	245,000
Closing defined benefit liabilities at 31 March	25,940,000	34,679,000

Reconciliation of fair value of employer's assets:

	2023 £	2022 £
Opening fair value of plans' assets at 1 April	27,917,000	25,079,000
Interest on assets	773,000	518,000
Return on asset less interest	(1,716,000)	1,919,000
Other experience *	1,347,000	0
Estimate of benefits paid	(453,000)	(397,000)
Contributions by employer	573,000	553,000
Contributions by plan participant	255,000	245,000
Closing fair value of plans' assets at 31 March	28,696,000	27,917,000

Supplementary note:

In addition to the defined benefit pension schemes referred to in Note 10, Oxford Archaeology Ltd also contributes to a defined contribution pension scheme. The Employer's contribution for the year ending 31 March 2023 is £287,625 (2022: £267,928).

*The other experience on obligations includes an allowance for the 10.1% Pension Increase Order applied to the funded obligations at April 2023 being different to the pension increase assumption adopted in the Employer's Schedule of results at the start of the period (Under section 59 of the Social Security Pensions Act 1975 (c.60), the Treasury shall provide by order for the increase in the rates of public service pensions by 10.1% from April 2023, in line with the increase in the Consumer Prices Index in the 12 months from September 2021 to September 2022).

11 Fund reconciliation

	2023 £	2022 £
Balance at 1 April	4,182,154	(2,276,810)
Actuarial (losses)/gains	10,799,000	4,805,000
Net income/(expenditure)	1,824,670	1,653,964
Balance at 31 March	16,805,824	4,182,154

All funds of the Oxford Archaeology Limited are unrestricted. The pension reserve makes up part of the unrestricted funds of the charity but represents the liability on the defined benefit pension schemes.

12 Leases

Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

Land and buildings	2023 £	2022 £
Within one year	262,720	238,053
More than one year and less than five years	496,754	579,933
Other:		
Within one year	305	687
More than one year and less than five years	0	229

Operating leases – lease payments recognised as an expense in the period
£263,636 (2022 £238,741).

13 Notes to the statement of cash flows

Reconciliation of net expenditure to net cash inflow from operating activities

	2023 £	2022 £
Net income/(expenditure)	1,824,670	1,653,964
Net interest on defined LGPS liability	200,000	220,000
Depreciation	128,221	104,118
Contributions to defined benefit pension schemes	1,081,000	1,219,000
(Increase)/decrease in stocks (note 7)	434,705	(682,207)
(Increase)/decrease in debtors (note 8)	304,228	3,071,686
Increase/(decrease) in creditors (note 9)	(1,940,705)	(428,121)
Net cash inflow from operating activities	<u>2,032,119</u>	<u>5,158,440</u>

Reconciliation of net cash flow to movement in net funds

	2023 £	2022 £
Increase/(decrease) in cash in the year	1,908,885	4,960,204
Change in net funds	<u>1,908,885</u>	<u>4,960,204</u>
Net funds at 1 April	11,736,889	6,776,685
Net funds at 31 March	<u>13,645,774</u>	<u>11,736,889</u>

Analysis of changes in net funds

	At 1 April 2022 £	Cash flows 2023 £	At 31 March 2023 £
Net cash:			
Cash in hand and at bank	11,736,889	1,908,885	13,645,774
Net funds	<u>11,736,889</u>	<u>1,908,885</u>	<u>13,645,774</u>

14 Related Party Transactions

Prof. Hamerow is on the governing board of the Historic Buildings and Monuments Commission for England (the Commission has direct responsibility for the work of Historic England). OA received £30,882 (2022: £23,906) from Historic England on five separate projects in 2023.

An annual subscription of £1,195 (2022: £1,140) was paid to The Federation of Archaeological Managers & Employers (FAME). One of OA's key management personnel (Mr D Poore) is also a director of FAME.

OXFORD ARCHAEOLOGY LIMITED

England & Wales - Charity number 285627

Accounts

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements
For the year ended 31 March 2022

Company No. 1618597
Charity No. 285627

Members of the board and professional advisers

Company registration number	1618597
Charity number	285627
Registered office	Janus House Osney Mead OXFORD OX2 0ES
Board of trustees	Ms Gill Andrews Prof J C Barrett Mr S Blackmore Mr W R C Briant Mr P Chadwick Prof C Gosden Prof H F Hamerow Ms J Wills
Chief Executive	Mr K Welsh
Secretary	Mr A P Lane
Bankers	Barclays Bank PLC Avalon House Marcham Road ABINGDON Oxfordshire OX14 1UB
Auditor	Wenn Townsend 30 St Giles' OXFORD OX1 3LE

Contents

Trustees' annual report (including directors' report and strategic report)	4 - 15
Independent auditor's report	16 - 18
Principal accounting policies	19 - 22
Statement of financial activities	23
Balance sheet	24
Cash flow statement	25
Notes to the financial statements	26 - 36

Trustees' annual report (including directors' report and strategic report)

The Trustees, who are also Directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 March 2021. All instances of reference to Trustees also refers to the Directors thereafter. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Objectives and activities

Objects of the charity and principal activities

The charity's objects and its principal activities are to advance the education of the public in the subject of archaeology, and it primarily achieves this by undertaking archaeological research and investigations and disseminating the results as widely as possible. The charity feels it is important to involve the general public in the 'process of archaeology' in addition to making available its findings.

Most investigations and research projects are driven by national and local planning policies that require preliminary archaeological investigations in advance of development. The charity's work, however, extends beyond this 'development-driven' environment and includes historic building and landscape research, advice for national and regional bodies, guidance for local groups and academic institutions, archaeological training opportunities and the production of academic and general interest publications. The charity promotes archaeological education to people of all ages.

Public benefit

The Charities Act 2011 requires an identifiable benefit or benefits to arise from the work of charities, and such benefits must be to the public or a section of the public. The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit and the conservation and preservation of the archaeological heritage when reviewing the charity's aims and objectives and in planning future activities.

Fundraising standards information

OA does not undertake as part of its activities any direct or significant fundraising. All works are directly project funded without recourse to any separate general fundraising. No significant fundraising activities or campaigns were undertaken in this or prior periods.

Strategic Report

Achievements and Performance

Development, activities and achievements

OA's charitable objective is to advance education in the subject of archaeology for the public benefit in the UK and elsewhere in the world. OA achieves this by undertaking archaeological research by means of excavations, surveys and publishing its results through a variety of different media. This published output is seen as the core of OA's public benefit by targeting academic and local communities, schools and specific interest groups as well as the general public. Oxford Archaeology (OA) comprises three branch offices (in Cambridge, Lancaster and Oxford) allowing it broad coverage across England and Wales.

Trustees' annual report (including directors' report and strategic report)

Funding for archaeological works comes principally through the UK planning system in which developers are required to assess and describe the impacts of their developments and, where necessary, mitigate the consequences. While most archaeological activity is the result of mitigation in advance of development, the outputs deliver social value far beyond the satisfaction of planning conditions. The ebb and flow of archaeological works in any year is tied directly to the volume and types of construction being planned for or undertaken at that time.

In 2020, OA launched its 2020-25 Strategy, setting out its objectives under the headings *Leading and inspiring, Innovating, Creating and sharing knowledge*. In this section we report on our success in delivering those objectives.

Leading and inspiring

OA's work programme in the first half of the year continued to be dominated by a series of major infrastructure projects including the HS2 Phase 1 rail line with our joint-venture partners Cotswold Archaeology as COPA (Cotswold Oxford PCA Archaeology); the Hinkley Point C Connections Project; and a number of large road schemes: the A585 north of Blackpool, the A63 in Hull and further evaluation on the line of the Lower Thames Crossing in Kent and Essex, the latter an Oxford Cotswold Archaeology (OCA) project.

Major cemetery excavations were completed at Fleet Marston on the HS2 Phase 1 project where 400 burials of Roman date were excavated, and at Trinity Burial Ground in Hull, where more than 9000 burials of 19th century date were recovered.

In the east of England, our work was once again dominated by excavations undertaken in advance of housing schemes and included the excavation of a major Roman site at Prior's Hall, Corby which won the Current Archaeology Rescue Project of the Year Award for 2022.

Significant contracts through the year have included:

Projects on the line of HS2 Phase 1 Central Section as OCA – Fusion for HS2 Ltd
Lower Thames Crossing as OCA – Balfour Beatty for Lower Thames Crossing Ltd
A63 Upgrade, Hull - Balfour Beatty for Highways England
Hinkley Point Connection - Balfour Beatty for National Grid.
Wintringham Park, Cambs – Urban & Civic
Sunnica Solar Farm, Cambs and Suffolk –
Frewin Hall, Oxford – Brasenose College

OA also undertook consultancy services for clients (often in the form of desk-based assessments: reviewing the printed sources, historic mapping and recorded sites and finds) and also more strategic overviews for regional and national organisations. In 2021/22 this included an assessment of heritage issues associated with a range of new allocation sites to be put forward in the North Uttlesford (Essex) Local Plan, an environmental impact assessment for a commercial development in Thrapston, Northamptonshire, and ongoing advice to Chester and Cheshire West Council on the Chester Northgate development. The investigation of historic buildings continued to be an important element of OA's work, for example recording at Brasenose, St John's and Corpus Christi Colleges in Oxford, Fleetwood Docks in Lancashire, Waterbeach Barracks in Cambridgeshire, and the recording of historic graffiti scratched into lead on the tower of the church at Cumnor in Oxfordshire.

Trustees' annual report (including directors' report and strategic report)

We remain committed to achieving the highest standards of health, safety and welfare for our staff and for all others who may be affected by our work and this year achieved ISO 45001 (occupational health and safety management systems) certification. The Covid pandemic continued to affect our activities, with covid restrictions remaining in force to varying degrees through the year, but we remained focussed on ensuring that our offices and sites remained safe for staff and visitors. The safe systems of work, welfare and transport developed by OA in 2020 meant that we were able to operate successfully and safely throughout. We continued to focus on staff wellbeing with further investment in the provision of trained Mental Health First Aiders as well as the provision a number of mental health resilience webinars in partnership with local NHS IAPT (Improving Access to Psychological Therapies) services.

Through Prospect Union, we engaged with staff to examine issues of equality within archaeology, setting up a working party to formulate ways in which barriers to progress within the profession could be identified and addressed.

In October, we launched the Assistant Supervisor Career Progression Scheme, aimed at developing the skills of staff in preparation for becoming Supervisors. The launch of this new scheme means that OA now provides comprehensive structured training schemes for early career archaeologists from graduation through to supervisor level. This is of enormous benefit to the organisation but is also beneficial for the profession as a whole.

Supporting and developing archaeological standards and practice as well as the promotion of archaeology within society remains a key objective and OA has provided staff to work on many of the governing and sector institutions including CifA (UK archaeology's chartered institute) and FAME (the Federation of Archaeological Managers & Employers), and committee members of other specialist groups during 2020-21. OA staff give presentations at many of the conferences held by these institutions.

OA continued to collaborate with other organisations, in particular with Cotswold Archaeology as OCA, in the field on the Lower Thames Crossing project and sites on the HS2 Central Section as COPA, and in post-excavation analysis on Redcliff, Bristol and Thame, Oxfordshire. OA also worked with York Archaeology and PCA on the Strategic Pipeline Alliance Project in East Anglia.

Innovating

OA continued to develop its digital recording system and online GIS platform, WebMap. The development programme was enhanced through an agreement with our joint venture partner, Cotswold Archaeology, to collaborate on future development of the system, thus combining the resources and expertise of two of the largest archaeological contractors in the UK.

The largescale post-medieval cemetery excavation at Hull Trinity Burial Ground provided OA with the opportunity to develop an entirely digital burials recording and assessment application which was key to the efficient delivery of this challenging project.

Creating and sharing knowledge

The huge range of projects undertaken during the year has allowed OA to make a really significant contribution to our understanding of the past. We continued our series of highly successful online research seminars with sessions focussed on changes during the middle Bronze Age, the relationship between households and settlements in the Iron age, and the contrast in settlement patterns in northern

Trustees' annual report (including directors' report and strategic report)

and in southern Roman Britain, The seminars drew on recent work largely undertaken by OA and each included a question and answer session with a panel of leading academics. Videos of these webinars were made available on our YouTube channel.

We successfully relaunched our online digital library during the year. The new library includes a much-enhanced user interface with powerful new search tools allowing public access to more than 5000 OA reports and publications.

Clearly, public engagement is central to our strategy and, with the easing of Covid restrictions during the year, it once again became possible to engage directly with the public, albeit with suitable safety measures in place. For example, in-person open days and school visits were held at Chester Northgate, Waterbeach and Burwell in Cambridgeshire, at Bridgwater and on the Hinkley Point C Connection Project in Somerset, at Middlewich in Cheshire and at Frewin Hall in Oxford. At the same time, we made full use of the lessons learned during 2020's full lockdown, with an extensive programme of online, virtual events. As COPA, we delivered series of virtual workshops to schools as part of the HS2 scheme as well as a webinars on the historic buildings at Coleshill. Webinars and virtual site tours on the archaeology of a number of major schemes were also given, including the Dorset Visual Improvement Project, the Hinkley Point C Connection Project and Hull Trinity Burial Ground. In January, the latter two projects were also show-cased as part of the BBC flagship archaeology series, Digging for Britain, and filming for the programme also took place at Frewin Hall in Oxford.

The dissemination of knowledge via more formal means such as academic books and articles has continued and this year saw the publication of London Gateway: settlement, farming and industry from prehistory to the present in the Thames Estuary, The Castle Hill Brickworks and Somerhill Estate: Post-medieval discoveries on the A21 Tonbridge-to-Pembury dualling scheme, Kent, and The Early Medieval Monastic Site at Dacre, Cumbria. Many other short articles and excavation reports were published in local and regional journals across the country.

Further information on OA's activities and achievements can be found on its website: oxfordarchaeology.com and its social media feeds: OA continues to develop its Twitter account (OATweet has over 48,600 followers), its Facebook account (over 5,600 followers), its Instagram account (over 11,200 followers) and its LinkedIn account (nearly 3,000 followers).

Financial Review

Transactions and financial position

The results for the year, and the charity's financial position at the end of the year, are shown in the attached financial statements.

Income for the year decreased slightly to c£24.4 million (2021: £24.9m). An operational surplus of c£3.1 million was recorded prior to the accounting for the FRS 102 pension valuations. This created a net surplus for the year amounting to £1.65 million after pension scheme adjustments of £1.44m in 'Pension finance costs' within the SOFA; unrestricted funds increased to a surplus of £ 4,182,154 (2020 a deficit of £ 2,276,810) due to both a net trading surplus and a decrease in the pensions deficit.

Trustees' annual report (including directors' report and strategic report)

Another year of strong financial performance has primarily been driven by OA's contribution to several large infrastructure programmes, though activity did begin to tail off in the second half of the year as the archaeological fieldwork activities of these major schemes came to an end.

Looking forward, the slowdown of archaeological work associated with large infrastructure schemes seen towards the end of 2021/22 is likely to continue into the first half new financial year. While the direct effects of Covid 19 are unlikely to be so significant, the impact of Russia's invasion of Ukraine, rising inflation and shortages of labour within the construction sector and elsewhere all have the potential to weaken the UK economy in the coming year. In addition, it is likely that the full impact of Brexit has yet to be felt. However, the government's continued commitment to the 'levelling up' agenda has the potential to offer many opportunities for OA, as does continued expansion of the renewable and nuclear energy sectors and the ongoing demand for new housing.

The Trustees have assessed the charity's future programme of works and commitments against the working capital in place and access to other funds (bank overdraft arrangements). The Trustees view the level of net current assets as sufficient to ensure future operations and allow gradual growth and reinvestment in necessary assets.

Reserves policy

The Trustees have felt, and continue to feel, that it is necessary to build up sufficient funds to finance the charity's planned programme of major and specialised research projects. The Trustees feel that it is necessary to have available sufficient finance to fund at least four months' working capital in order to allow this programme of projects to be undertaken without major financial risk.

Internal control and risk management

The Trustees carry out regular reviews of the charity's activities and the systems in use. This is for the purpose of planning for the future and assessing any major risks to which the charity is exposed. The Trustees are satisfied that systems are in place to mitigate exposure to major risks.

The major risks comprise:

- Operational risk – Archaeological projects by their very nature (buried deposits) carry a great deal of uncertainty and there is constant pressure for clients to transfer this risk on to the archaeological organisations themselves. This risk increases with the scale of projects. OA firmly believes that these risks should stay with the developer but, in circumstances where this is not the case, a system of protocols and reviews are in place to mitigate untoward risk. There is a new trend of developers requiring archaeologists to take on more of the non-archaeological enabling and support works associated with projects. This is area of concern, not just in the increased risk it brings, but in archaeologists being pressurised to undertake work outside their main areas of competence.
- Competitive risk – The charity undertakes archaeological research where academic standards are a necessary element. OA also provides a career structure supporting the professional nature of archaeology. Downward pricing pressures within the market can lead to the risk of eroding these academic and professional standards.
- Pension risk – OA is an admitted body to two local authority pension schemes. The annual FRS 102 valuations give the accounts an alarming volatility. OA's contribution rates are set by the triennial valuation as at March 2019 and use different assumptions. These latter valuations have measured

Trustees' annual report (including directors' report and strategic report)

both the Oxfordshire and Cambridge schemes as being in surplus in contrast to the more extreme FRS 102 valuation which measured the deficit at 31 March 2022 at £6.8 million. The results of the latest LGPS triennial valuations, of March 2022, are expected in Autumn 2022 and new contributions will come into force from April 2023. In 2014-15, OA restricted access to its defined benefit pension schemes to limit the extent of further liability. A defined contribution scheme (auto-enrolment) has now been introduced. OA views seriously the risks of its defined benefit pension schemes' FRS 102 deficit but it sees this as a long-term issue. The schemes are 'open' and the position is monitored as a long-term issue. The impact of wider market uncertainties on potential future investment returns will be closely monitored as this has the potential to negatively impact on the deficit. The Trustees consider that this has no impact on OA's going concern basis but will nevertheless keep the situation under continuous review.

- Pandemic risk – The recent Coronavirus pandemic has shown how quickly the whole economy can be disrupted. The short-term shutdown of construction sites has a significant impact on OA's activity and income. The recent disruption was mitigated by government support which limited its impact. It is unclear how any future outbreaks will be supported and therefore this must remain as a potential risk.

The Trustees have reviewed the major risks to which Oxford Archaeology Limited is exposed and can confirm that all reasonable measures are being taken, and systems have been established to control or mitigate the effect of these risks on the achievement of the charity's objectives. The financial risks of the company are discussed in greater detail below.

Financial risk assessment

The company is exposed to a number of financial risks including credit risk, market risk, currency risk and liquidity risk due to its investing activities.

- Credit risk - This represents an increased risk in the current economic environment and all projects of a material scale are carefully reviewed to minimise default.
- Market risk – Currently the 'archaeological market' is facing a period of significant uncertainty as the UK deals with the significant impacts of Covid 19, Brexit and the conflict in the Ukraine. With the high levels of uncertainty, high inflation and increasing interest rates, the level of activity in the future is unpredictable. The government's commitment to the 'levelling up' agenda has the potential to offer new opportunities for OA, however any cutbacks public sector spending may well negatively affect the flow of archaeological projects. OA is continually looking to diversify activities away from the current income stream by developing more research-funded projects and expanding activity in critically important renewable and nuclear energy sectors.
- Liquidity risk - The archaeological sector has undergone a period of expansion after a severe recession. Cash resources have historically been depleted and increased working capital puts further pressure on a limited resource. OA ensures that it has sufficient cash resources to meet its needs by continual monitoring of its working capital position, and any future investments/expansion plans are carefully budgeted. A bank overdraft facility is available as a contingency to cover any short term deficiencies.

Trustees' annual report (including directors' report and strategic report)

Going concern

The Trustees have reviewed Oxford Archaeology Limited's financial position, taking account of the levels of reserves and cash, the 2021-22 budget and longer-term plans, together with its system of financial and risk management. As a result, the Trustees believe that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Plans for future periods

Following a review of the 2020-25 strategy, OA has identified a number of key areas for further investment in order to ensure the long viability of the charity to enable it to deliver its charitable aims and objectives. Of course, such investment must be affordable and the success of the past two years means that OA can both invest strategically and maintain sufficient reserves to ensure that future economic uncertainties can be weathered. Although the work programmes has slowed since the first half 2021/22, it is still reasonably strong and the pipeline of new work looks promising.

Of course, the economic climate has changed markedly over recent months, with high rates of inflation, soaring fuel prices and shortages of materials and labour. Nevertheless, the housing market remains strong and a number of large infrastructure schemes, particularly in renewable and nuclear energy sectors, are likely to result in further large-scale archaeological projects.

Ensuring that our IT, HR and administrative systems and processes are effective and future-proofed is vital for the sustainability of the charity and work is already underway to ensure that this is the case. Retaining and recruiting skilled and experienced staff is, of course, key to our success and, building on our successful early career training schemes, we will continue to develop our training in areas such as project and people management, and equality, diversity and inclusion. We will further develop supportive policies and approaches in areas such as shared parental, maternity and paternity leave in order to ensure that staff are supported and that barriers to progress within the profession are removed. Following the end of Covid-19 restrictions, OA will continue to develop an effective hybrid working policy in order to harness the best of both office and home working, ensuring that a positive and supportive culture is maintained.

OA is seeking to gain Cyber Essentials Plus accreditation ISO 45001 (Health and Safety) certification, as well as retaining its existing ISO 9001, ISO 14001 and ISO 45001 Quality, Environment and Health and Safety Management accreditation, demonstrating that the charity upholds the highest professional standards. It will continue to develop digital recording systems, particularly to ensure that these enhance and integrate with the post excavation analysis process. OA will continue to analyse and publish the results of its investigations.

Work is underway to redesign and relaunch OA's website, to ensure that it provides an accessible and user-friendly gateway to the full range of OA's services, publications and other information and data.

OA will work to reduce its environmental impact, installing electric vehicle charging points at each of its offices, and switching to hybrid or fully electric vehicles where this is practicable, encouraging and supporting staff to cycle to work where they can, and providing advice on environmentally friendly homeworking practices.

Trustees' annual report (including directors' report and strategic report)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charity is constituted as a company limited by guarantee and is therefore governed by the Memorandum and Articles of Association.

Organisation

The charity's activities are regularly monitored by the Trustees, and tactical management is achieved by a Senior Management team consisting of:

- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer

The charity has three regional offices in the UK: Oxford, Lancaster and Cambridge. Each office has its own management team overseeing day-to-day operations.

The organisation is fully self-financing and secures funds by providing research to a variety of organisations which enables it to meet fully its primary objectives. The main sources of income are:

- Commercial Organisations
- Government Departments and Agencies
- Local and County Councils

The Board of Trustees

The Trustees who served the charity during the year were as follows:

Ms Gill Andrews
Prof J C Barrett
Mr S Blackmore
Mr W R C Briant
Mr P Chadwick
Prof C Gosden
Prof H F Hamerow
Ms J Wills
Dr P Warry

Resigned 17th November 2021

Each Trustee guarantees the sum of £1 in the event of a winding up of the charity. The Trustees are the company Directors under company law.

Trustees' annual report (including directors' report and strategic report)

Appointment of Trustees

As set out in the Articles of Association, the Trustees are drawn from the members and subscribers of the Charity. The board of Trustees is able to appoint new members and fill vacancies or add to the board when it feels necessary. The board is required to comprise between three and eleven individuals. A third of the board retire by rotation on an annual basis but are eligible for re-election. The board of Trustees regularly reviews its constituents and their experience and skills profile in relation to the on-going works of the charity.

The aim of the board of Trustees is to have a balance of archaeological, business and financial skills to oversee the charity's works.

Trustee training and induction

Most Trustees come to the charity with some background of archaeological knowledge, either in an amateur or professional capacity or from an academic background. New Trustee appointments have an induction process spent at the offices of the organisation that covers:

- the current environment of UK archaeology
- the history and development of Oxford Archaeology
- the staff and staff structure
- the current strategic objectives and the major challenges and opportunities facing the organisation.

All new Trustees are issued with copies of governing documents, guides to the responsibilities of charitable trustees, recent accounts, budgets and business plans and minutes of previous meetings. Trustees are invited to all outreach events to meet staff and further understand the detailed workings of the charity.

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees, the Chief Executive and the Senior Management Team as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 3 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest rises.

The pay of the Chief Executive and Senior Team is reviewed annually and is normally increased in line with general inflation. The remuneration is reviewed to ensure that it is fair and not out of line with similar roles.

Employee policies

Employment policies are designed to respect employees' human rights and to ensure equal opportunity and promote diversity. Employees are actively encouraged to undertake relevant training, CPD, and staff

Trustees' annual report (including directors' report and strategic report)

appraisals are conducted with individual employees. The policy of the charity with regard to disabled persons is to give full and fair consideration to all applicants for employment and to all employees in relation to promotion. Wherever possible, employees who become disabled during their employment are offered suitable alternative employment. In order to promote wellbeing in the workplace, OA also has a Dignity at Work Policy, a Flexible Working Policy, and a Stress Management Policy and Procedures, along with other HR policies.

Engagement with Employees

OA explicitly builds into its strategy the importance of employee engagement and internal communications. It has built both formal systems but also facilitates and encourages informal communications i.e. not just 'top-down' but also 'bottom-up' and 'side-to-side'. OA formally recognises a trade union, Prospect, and both consults on statutory matters (pay, pensions, H&S etc) but also seeks to discuss with them any other significant change affecting OA. In addition, it holds quarterly branch 'consultation meetings' with representatives elected from all members of staff (irrespective if they belong to a union or not). These consultation meetings have open agendas where any matter can be raised by an employee. Performance and future activity are reported at these meetings and the minutes are circulated to all members of staff. An 'intranet' is maintained and is available for employees view all aspects of OA's work and employee policies and conditions.

OA also produces a quarterly in-house magazine (InTouch) to communicate key issues and the results of its work. This is an important vehicle allowing employees to understand the work undertaken in the three branch offices. Staff are also invited to the 'AGM day' where, following the main business meeting, a series of discussions and debates about various aspects of OA's work are held.

On a more informal level OA is developing a series of on-line forums in which all employees are encouraged to participate. The monitoring of employees' mental health and general morale are seen as crucial and in addition to training staff in mental first aid, OA undertakes formal surveys to assess and monitor issues.

OA's induction process provides all the required information for new employees to be aware of and engage in these processes.

Third party indemnity provisions

The Trust has in place directors' and officers' liability insurance for the purpose of indemnifying the Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This insurance was in force during the year and is in force as at the date of approving this report.

Trustees' Responsibilities Statement

The Trustees (who are also Directors of Oxford Archaeology Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom

Trustees' annual report (including directors' report and strategic report)

Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

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

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

The Trustees confirm that:

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

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

Trustees' annual report (including directors' report and strategic report)

Auditor

Wenn Townsend having expressed their willingness to continue in office, will be deemed to be reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board



Prof H Hamerow
Trustee

Date: 14th September 2022

Independent auditor's report to the members of Oxford Archaeology Limited

Opinion

We have audited the financial statements of Oxford Archaeology Limited (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2022

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

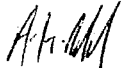
- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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


Ajay Bahl BA BFP FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Statutory Auditor
30 St Giles
Oxford
OX1 3LE

Date: 14th September 2022

Principal accounting policies

Basis of accounting

Oxford Archaeology Limited is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, and UK Generally Accepted Accounting Practice

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern. The balance sheet as at 31 March 2022 shows a net surplus of £4,182,154 (2021: deficit of £2,276,810). The Company's largest liability is related to the Company's defined benefit pension scheme, which has a net deficit of £6,762,000 (2021: £10,128,000) at the balance sheet date using an FRS102 valuation basis. The company has agreed contribution rates with the trustees of the scheme, as shown in note 10 to the financial statements. The Company has cash balances of £11,736,889 (2020: £6,776,685), net current assets of £10,702,734 (2020: £7,703,888). The Trustees are confident that the Company will continue to be able to meet its liabilities as they fall due.

The Trustees have also assessed the charity's future programme of works and commitments against the working capital in place and access to other funds (banking arrangements). It has reviewed and considered the current significant economic uncertainty on OA's activity. The Trustees view the level of net current assets as sufficient to ensure future operations within an uncertain trading environment. The charity retains the ability to react flexibly to meet the challenges of this changing environment.

Fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Improvements to property	- 20% straight line
Computers	- 33% straight line
Fixtures, fittings, equipment and vehicles	- 25% straight line

Tangible fixed assets are capitalised at cost where their acquisition value is greater than £500 and are stated at cost net of depreciation.

Principal accounting policies

Goodwill and amortisation

Positive purchased goodwill arising on acquisitions, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and amortised on a straight-line basis over its estimated economic life as follows:

Purchased goodwill	- 18 months straight line
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Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Income is credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred. Invoices raised in advance of the provision of services are included within current liabilities; deferred income.

Stocks and work in progress

Stock represents work in progress which cannot be accurately valued at the year-end date and is stated at the lower of cost and net realisable value. Cost represents directly attributable staff and archaeological costs.

A surplus is recognised on long term contracts if the final outcome can be assessed with reasonable certainty, by including the value of the work in income and amounts recoverable on long term contracts, as the contract progresses.

Payments received on account of work in progress are deducted from gross work in progress. Payments received on account in excess of carrying value of relevant work-in-progress are included in creditors.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Principal accounting policies

The charity is an admitted member of a sub-fund of a Local Government Pension Scheme (LGPS) operated by Oxfordshire County Council and a sub-fund of a LGPS operated by Cambridge County Council, both of which are defined benefit schemes.

A liability for the charity's obligations under the plans is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the statement of financial activities for the year.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- fundraising and publicity
- archaeological investigations
- archaeological services and support costs

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 2.

Fund accounting

Unrestricted funds are available to be used in accordance with the charitable objectives of the trustees.

Restricted funds are funds that can only be used for particular purposes within the objects of the charity as described by the donor. The charity does not have any restricted funds.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is

Principal accounting policies

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

Judgements and key sources of estimation uncertainty

There were no judgements made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the financial statements.

The key source of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is regarding the margin applied to ongoing projects at the year-end date.

Statement of financial activities (including income and expenditure account)

	Note	2022 £	2021 £
Income from:			
Charitable trading income	1	24,431,991	24,908,600
Total income		<u>24,431,991</u>	<u>24,908,600</u>
Expenditure on:			
Costs of raising funds:			
Fundraising and publicity	2	495	400
Charitable activities:	2	22,777,532	21,935,478
Total resources expended	2	<u>22,778,027</u>	<u>21,935,878</u>
Net income/(expenditure)		<u>1,653,964</u>	<u>2,972,722</u>
Other recognised gains/(losses)			
Remeasurement gain/(loss) on defined benefit pension plans	10	4,805,000	(4,100,000)
Net movement in funds		<u>6,458,964</u>	<u>(1,127,278)</u>
Funds brought forward		<u>(2,276,810)</u>	<u>(1,149,532)</u>
Funds carried forward		<u>4,182,154</u>	<u>(2,276,810)</u>
Net Movement in funds prior to FRS102 pension adjustment:			
Net income/(expenditure) per SOFA		1,653,964	2,972,722
Pension finance cost included in charitable activities		1,439,000	724,000
Net surplus/(deficit) prior to pension costs		<u>3,092,964</u>	<u>3,696,722</u>

All movements are in unrestricted funds.

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Balance sheet

		2022 £	2021 £
Fixed assets			
Tangible assets	5	241,420	147,302
Intangible assets	6	-	-
		<u>241,420</u>	<u>147,302</u>
Current assets			
Stocks	7	1,784,702	1,102,495
Debtors	8	3,016,141	6,087,827
Cash in hand		11,736,889	6,776,685
		<u>16,537,732</u>	<u>13,967,007</u>
Creditors: amounts falling due within one year	9	<u>(5,834,998)</u>	<u>(6,263,119)</u>
Net current assets		<u>10,702,734</u>	<u>7,703,888</u>
Total assets less current liabilities		<u>10,944,154</u>	<u>7,851,190</u>
Net assets excluding pension liabilities		<u>10,944,154</u>	<u>7,851,190</u>
Defined benefit pension liability	10	<u>(6,762,000)</u>	<u>(10,128,000)</u>
Net (liabilities)/Asset		<u>4,182,154</u>	<u>(2,276,810)</u>
Funds			
Unrestricted funds		10,944,154	7,851,190
Pension reserve		<u>(6,762,000)</u>	<u>(10,128,000)</u>
	11	<u>4,182,154</u>	<u>(2,276,810)</u>

These financial statements were approved by the board of Trustees and authorised for issue on 14th September 2022

and are signed on their behalf by:



Prof H Hamerow
Trustee

Date: 14th September 2022

Oxford Archaeology Limited Company No. 1618597
Company registered number 1618597

Cash flow statement

		2022 £	2021 £
Cash flow from operating activities	13	5,158,440	4,176,795
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(198,236)	(62,547)
Net cash flow from investing activities		(198,236)	(62,547)
Net cash inflow		4,960,204	4,114,248
Increase/(Decrease) in cash	13	4,960,204	4,114,248

Notes to the financial statements

1 Charitable trading income

	2022 £	2021 £
United Kingdom	23,883,271	22,826,987
Rest of the World	548,720	2,081,613
	<u>24,431,991</u>	<u>24,908,600</u>

2 Total resources expended

	2022 £	2021 £
Fundraising and publicity		
Advertising	495	400
	<u>495</u>	<u>400</u>
Archaeological investigations:		
Salaries	9,114,551	8,565,760
Plant hire	3,809,331	3,548,952
Sub-contracted services	611,708	1,121,102
Travel and subsistence	1,864,609	2,575,787
Project costs	634,741	795,911
Specialist costs	348,987	298,427
Photographic	14,713	7,763
Finance costs (FRS102 pension adjustments)	1,439,000	724,000
	<u>17,837,640</u>	<u>17,637,702</u>

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2022

2 Total resources expended (continued)

	2022	2021
	£	£
Archaeological services and support costs:		
Salaries	3,322,901	3,046,195
Training	63,197	39,715
Travel and subsistence	78,834	77,720
Establishment costs	529,878	394,121
Office costs	487,053	302,016
Legal and professional	286,891	325,209
Finance costs	37,670	9,870
Foreign currency exchange (gain)/loss		
Depreciation	104,118	73,680
	<u>4,910,542</u>	<u>4,268,526</u>
Governance costs:		
Auditor's remuneration	11,350	11,250
Costs of preparing for Trustees' meetings and support for Trustees	18,000	18,000
	<u>29,350</u>	<u>29,250</u>
Total resources expended	<u>22,778,027</u>	<u>21,935,878</u>

The aggregate payroll costs were:

	2022	2021
	£	£
Salaries	11,006,416	9,889,487
Social security costs	1,046,936	911,702
Pension costs	815,282	681,294
	<u>12,868,634</u>	<u>11,482,483</u>

There were redundancy and termination payments of £9,352 within salaries (2021: £0).

The full-time equivalent (FTE) number of employees during the financial year was as follows:

	2022	2021
Management	13	12
Administrative	7	8
Archaeological – researchers	48	53
Archaeological – in the field	303	291
	<u>371</u>	<u>364</u>

The total average monthly number of employees was 393 (2021: 376).

2 Total resources expended (continued)

In the financial year the charity employed the following numbers of higher paid employees:

	2022	2021
	No	No
£60,000 - £69,999	1	1
£70,000 - £79,999	2	1
£80,000 - £89,999	-	-
£90,000 - £99,999	-	1
	<u>3</u>	<u>3</u>

All three employees were accruing benefits under a defined benefit pension scheme for the year ended 31 March 2022 and two of them for year ended 31 March 2021.

3 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2021: £Nil).

The total amount of employee benefits received by key management personnel is £307,537 (2021: £325,349). The Trust considers its key management personnel comprise the Trustees and the Senior Management Team.

No trustees are accruing pension arrangements (2021: None).

Trustees received reimbursement of expenses of £93 during the year (2021: £Nil) in respect of travel.

4 Net incoming resources

Net incoming resources is stated after charging:

	2022	2021
	£	£
Staff pension contributions (note 2)	815,282	681,294
Depreciation of fixed assets (note 5)	104,118	73,680
Auditor's remuneration		
Audit services	11,350	11,250
Foreign exchange losses/(gains)		
Operating lease rentals	<u>238,740</u>	<u>161,087</u>

5 Tangible fixed assets

	Improvements to leasehold property £	Computers £	Fixtures, fittings, equipment and vehicles £	Total £
Cost				
At 1 April 2021	348,172	1,045,528	907,770	2,301,470
Additions ⁶	12,792	106,381	79,063	198,236
At 31 March 2022	<u>360,964</u>	<u>1,151,909</u>	<u>986,833</u>	<u>2,499,706</u>
Depreciation				
At 1 April 2021	310,903	981,907	861,358	2,154,168
Charge for the year	12,398	53,955	37,765	104,118
At 31 March 2022	<u>323,301</u>	<u>1,035,862</u>	<u>899,123</u>	<u>2,258,286</u>
Net book value				
At 31 March 2022	<u>37,663</u>	<u>116,047</u>	<u>87,710</u>	<u>241,420</u>
At 31 March 2021	<u>37,269</u>	<u>63,621</u>	<u>46,412</u>	<u>147,302</u>

Included in the total net book values in respect of assets held under finance leases was £Nil (2020: £Nil).

6 Intangible assets

	£
Cost	
At 1 April 2021 and 31 March 2022	<u>104,469</u>
Amortisation	
At 1 April 2021 and 31 March 2022	<u>104,469</u>
Net book value	
At 31 March 2021 and 31 March 2022	<u>—</u>

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2022

7 Stocks

	2022	2021
	£	£
Short term work in progress	<u>1,784,702</u>	<u>1,102,495</u>

8 Debtors

	2022	2021
	£	£
Trade debtors	2,747,946	4,785,893
Prepayments	139,921	142,402
Amounts recoverable on long-term contracts	128,274	1,159,532
	<u>3,016,141</u>	<u>6,087,827</u>

9 Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	873,929	1,438,651
Taxation and social security	543,151	1,466,732
Deferred income	3,670,234	2,326,015
Other creditors	85,589	203,058
Accruals	662,095	828,663
	<u>5,834,998</u>	<u>6,263,119</u>

Supplementary note: Deferred Income

	£
Opening Deferred Income as at 01.04.2021	2,326,015
Amount released to income in year	(736,540)
Amount deferred in year	2,080,759
Closing Deferred Income as at 31.03.2022	3,670,234

There are various reasons for deferral: uncertainty over the final value of contract compensation events, advanced invoicing on contracts, ongoing analysis and publication work invoiced in advance and archiving and depositions costs invoiced in advanced.

10 Defined benefit pension schemes

The charity offers two defined benefit pension schemes to its employees. These are both local government pensions schemes, the Trustees have therefore considered it appropriate to disclose the schemes in one set of consolidated disclosures for clarity.

Oxfordshire County Council Pension Fund (OCCPF), part of the Local Government Pension Scheme

The charitable company is one of several employing bodies included within the Local Government Pension Scheme (OCCPF).

The OCCPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

The last triennial valuation was in 2019 when OA's employer contribution levels were set at 16.3% to cover future service and past service costs (deficit contribution). The 2019 Valuation estimated that the Funding Level was 112% for the 'Small Admitted Bodies Pool' that OA forms part of. The results of the latest LGPS triennial valuations, of March 2022, are expected in Autumn 2022 and new contributions will come into force from April 2023.

The following information is based upon full actuarial valuations of the funds from 31 March 2019, updated to 31 March 2022 by qualified independent actuaries.

Financial assumptions (OCCPF)

The principal financial assumptions used by the actuary were as follows:

	2022	2021
	% pa	% pa
Pension increase rate	3.15 %	2.8%
Salary increase rate	3.15 %	2.8%
Discount rate	2.75 %	2.05%

10 Defined benefit pension schemes (continued)

The Accounting Standards state that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The independent actuary (Hymans Robertson) has adopted an approach to setting the discount rate by constructing a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

The rate of general increases in salaries adopted in the 2019 triennial valuation for the OCCPF has been held at the rate of inflation (CPI). In 2022 the salary increase rate was assumed to be 3.15% (2021: 2.80%).

The post retirement mortality assumptions used to value the benefit obligation at 31 March 2019 are based on the S2PA tables with a multiplier of 90%. This has been revised in the latest FRS102 pension fund report (as at 31 March 2022) based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. Based on these assumptions the life expectancy of a male current pensioner is projected to be 87.2 years (future pensioners 88.1). The life expectancy of a female current pensioner is projected to be 89.5 years (future pensioners 91.1).

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2022

The major categories of plan assets (OCCPF) as a percentage of the total plan assets, are as follows:

	2022	2021
	%	%
Equities	73	71
Bonds	17	19
Property	8	6
Cash and other	2	4
	100	100

Cambridgeshire County Council Pension Fund (CCCPF), part of the Local Government Pension Scheme

The charitable company is one of several employing bodies included within the Local Government Pension Scheme (CCCPF).

The CCCPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

The last triennial valuation was in 2019 when OA's employer contribution levels were set at 14.3% to cover future service and past service costs (deficit contribution). The 2019 Valuation estimated that the Funding Level for Oxford Archaeology was 111%. The results of the latest LGPS triennial valuations, of March 2022, are expected in Autumn 2022 and new contributions will come into force from April 2023.

The following information is based upon full actuarial valuations of the funds from 31 March 2019, updated to 31 March 2022 by qualified independent actuaries.

10 Defined benefit pension schemes (continued)

Financial assumptions (CCCPF)

The principal financial assumptions used by the actuary were as follows:

	2022	2021
	% pa	% pa
Pension increase rate	3.15 %	2.8%
Salary increase rate	3.65 %	3.3%
Discount rate	2.75 %	2.05%

The Accounting Standards state that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The independent actuary (Hymans Robertson) has adopted an approach to setting the discount rate by

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2022

constructing a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

The rate of general increases in salaries adopted in the 2019 triennial valuation for the CCCPF has been based on inflation (CPI) plus 0.5%. In 2022 the salary increase rate was assumed to be 3.65% (2021: 3.30%).

The post retirement mortality assumptions used to value the benefit obligation at 31 March 2019 allowed for future improvements in mortality based on the CMI 2018 model with an allowance for smoothing of recent mortality experience and a long term rate of improvement of 1.2%p.a. for both women and men. This has been revised in the latest FRS102 pension fund report (as at 31 March 2022) based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. Based on these assumptions the life expectancy of a male current pensioner is projected to be 87.0 years (future pensioners 87.9). The life expectancy of a female current pensioner is projected to be 89.2 years (future pensioners 91.0).

The major categories of plan assets (CCCPF) as a percentage of the total plan assets, are as follows:

	2022	2021
	% pa	% pa
Equities	68 %	69%
Bonds	16 %	15%
Property	15 %	15%
Cash and other	1 %	1%
	100%	100%

10 Defined benefit pension schemes (continued)

Consolidated notes for both pension schemes

Balance Sheet

The amounts recognised in the balance sheet are as follows:

	2022	2021
	£	£
Fair Value of plan assets	27,917,000	25,079,000
Present Value of funded retirement obligations	(34,679,000)	(35,207,000)
Net liability	(6,762,000)	(10,128,000)

Statement of financial activities

The total amounts recognised in the period are as follows:

	2022	2021
	£	£

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2022

Current service cost	(1,772,000)	(1,101,000)
Net interest expense	(220,000)	(129,000)
Total recognised in net expenditure	(1,992,000)	(1,230,000)
Actuarial gains/(losses)	4,805,000	(4,100,000)
Total recognised in other gains/(losses)	4,805,000	(4,100,000)
Total net amount recognised in the period	2,813,000	(5,330,000)

The amounts charged to net expenditure in the statement of financial activities are included in finance and salaries costs. The estimate of the Employer's contribution for the year ending 31 March 2022 is approximately £553,000 (2021: £506,000).

10 Defined benefit pension schemes (continued)

Reconciliation of defined benefit obligation:

	2022 £	2021 £
Opening defined benefit liabilities at 1 April	35,207,000	25,253,000
Current service cost	1,772,000	1,101,000
Interest cost	738,000	592,000
Change in assumptions & re-measurements	(2,959,000)	8,589,000
Estimate of benefits paid	(397,000)	(334,000)
Experience loss/(gain) on defined benefit obligation	73,000	(218,000)
Contributions by plan participant	245,000	224,000
Closing defined benefit liabilities at 31 March	34,679,000	35,207,000

Reconciliation of fair value of employer's assets:

	2022 £	2021 £
Opening fair value of plans' assets at 1 April	25,079,000	19,949,000
Interest on assets	518,000	463,000
Return on asset less interest	1,919,000	4,271,000
Estimate of benefits paid	(397,000)	(334,000)
Contributions by employer	553,000	506,000
Contributions by plan participant	245,000	224,000
Closing fair value of plans' assets at 31 March	27,917,000	25,079,000

Supplementary note: In addition to the defined benefit pension schemes referred to in Note 10, Oxford Archaeology Ltd also contributes to a defined contribution pension scheme. The Employer's contribution for the year ending 31 March 2022 is £267,928 (2021: £180,349).

11 Fund reconciliation

	2022 £	2021 £
Balance at 1 April 2021	(2,276,810)	(1,149,532)
Actuarial (losses)/gains	4,805,000	(4,100,000)
Net income/(expenditure)	1,653,964	2,972,722
Balance at 31 March 2022	<u>4,182,154</u>	<u>(2,276,810)</u>

All funds of the Oxford Archaeology Limited are unrestricted. The pension reserve makes up part of the unrestricted funds of the charity but represents the liability on the defined benefit pension schemes.

12 Leases

Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

Land and buildings

	2022 £	2021 £
Within one year	238,053	160,171
More than one year and less than five years	<u>579,933</u>	<u>151,233</u>
Other:		
Within one year	687	916
More than one year and less than five years	<u>229</u>	<u>687</u>

Operating leases – lease payments recognised as an expense in the period
£238,741 (2021: £161,087).

13 Notes to the statement of cash flows

Reconciliation of net expenditure to net cash inflow from operating activities

	2022 £	2021 £
Net income/(expenditure)	1,653,964	2,972,722
Net interest on defined LGPS liability	220,000	129,000
Depreciation	104,118	73,680
Contributions to defined benefit pension schemes	1,219,000	595,000
(Increase)/decrease in stocks (note 7)	(682,207)	(115,714)
(Increase)/decrease in debtors (note 8)	3,071,686	(2,297,012)
Increase/(decrease) in creditors (note 9)	(428,121)	2,819,119
Net cash inflow from operating activities	<u>5,158,440</u>	<u>4,176,795</u>

Reconciliation of net cash flow to movement in net funds

	2022 £	2021 £
Increase/(decrease) in cash in the year	4,960,204	4,114,248
Change in net funds	<u>4,960,204</u>	<u>4,114,248</u>
Net funds at 1 April 2021	6,776,685	2,662,437
Net funds at 31 March 2022	<u>11,736,889</u>	<u>6,776,685</u>

Analysis of changes in net funds

	At 1 April 2021 £	Cash flows 2022 £	At 31 March 2022 £
Net cash:			
Cash in hand and at bank	6,776,685	4,960,204	11,736,889
Net funds	<u>6,776,685</u>	<u>4,960,204</u>	<u>11,736,889</u>

14 Related Party Transactions

Prof. Hamerow is on the governing board of the Historic Buildings and Monuments Commission for England (the Commission has direct responsibility for the work of Historic England). OA received £23,906 (2021: £52,802) from Historic England on three separate projects in 2020-21.

An annual subscription of £1,140 (2021: £1,090) was paid to The Federation of Archaeological Managers & Employers (FAME). One of OA's key management personnel (Mr D Poore) is also a director of FAME.

OXFORD ARCHAEOLOGY LIMITED

England & Wales - Charity number 285627

Accounts

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements
For the year ended 31 March 2021

Company No. 1618597
Charity No. 285627

Members of the board and professional advisers

Company registration number	1618597
Charity number	285627
Registered office	Janus House Osney Mead OXFORD OX2 0ES
Board of trustees	Ms Gill Andrews Prof J C Barrett Mr S Blackmore Mr W R C Briant Mr P Chadwick Prof C Gosden Prof H F Hamerow Dr Peter Warry Ms J Wills
Chief Executive	Dr G Hey
Secretary	Mr A P Lane
Bankers	Barclays Bank PLC Avalon House Marcham Road ABINGDON Oxfordshire OX14 1UB
Auditor	Wenn Townsend 30 St Giles' OXFORD OX1 3LE

Contents

Trustees' annual report (including directors' report and strategic report)	4 - 15
Independent auditor's report	16 - 18
Principal accounting policies	19 - 22
Statement of financial activities	23
Balance sheet	24
Cash flow statement	25
Notes to the financial statements	26 - 36

Trustees' annual report (including directors' report and strategic report)

The Trustees, who are also Directors for the purposes of the Companies Act, present their report and the financial statements of the charity for the year ended 31 March 2021. All instances of reference to Trustees also refers to the Directors thereafter. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Objectives and activities

Objects of the charity and principal activities

The charity's objects and its principal activities are to advance the education of the public in the subject of archaeology, and it primarily achieves this by undertaking archaeological research and investigations and disseminating the results as widely as possible. The charity feels it is important to involve the general public in the 'process of archaeology' in addition to making available its findings.

Most investigations and research projects are driven by national and local planning policies that require preliminary archaeological investigations in advance of development. The charity's work, however, extends beyond this 'development-driven' environment and includes historic building and landscape research, advice for national and regional bodies, guidance for local groups and academic institutions, archaeological training opportunities and the production of academic and general interest publications. The charity promotes archaeological education to people of all ages.

Public benefit

The Charities Act 2011 requires an identifiable benefit or benefits to arise from the work of charities, and such benefits must be to the public or a section of the public. The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit and the conservation and preservation of the archaeological heritage when reviewing the charity's aims and objectives and in planning future activities.

Fundraising standards information

OA does not undertake as part of its activities any direct or significant fundraising. All works are directly project funded without recourse to any separate general fundraising. No significant fundraising activities or campaigns were undertaken in this or prior periods.

Strategic Report

Achievements and Performance

Development, activities and achievements

OA's charitable objective is to advance education in the subject of archaeology for the public benefit in the UK and elsewhere in the world. OA achieves this by undertaking archaeological research by means of excavations, surveys and publishing its results through a variety of different media. This published output is seen as the core of OA's public benefit by targeting academic and local communities, schools and specific interest groups as well as the general public. Oxford Archaeology (OA) comprises three branch offices (in Cambridge, Lancaster and Oxford) allowing it broad coverage across England and Wales.

Trustees' annual report (including directors' report and strategic report)

Funding for archaeological works comes principally through the UK planning system in which developers are required to assess and describe the impacts of their developments and, where necessary, mitigate the consequences. While most archaeological activity is the result of mitigation in advance of development, the outputs deliver social value far beyond the satisfaction of planning conditions. The ebb and flow of archaeological works in any year is tied directly to the volume and types of construction being planned for or undertaken at that time.

The 2020-21 financial year was defined by the Coronavirus pandemic, with the UK's first lockdown announced only a week before it began. Following a very short pause to evaluate and agree our Covid 19 Health and Safety measures at OA, fieldwork began straight away and teams on site were gradually increased as it became possible to provide safe transport and welfare facilities and as staff became more practised in maintaining social distancing. Training was more of a challenge, but OA managed to deliver this to Graduate Trainees and those on the Archaeologist to Assistant Supervisor training programmes quite successfully; online sessions replaced classroom learning. Remarkably, given these constraints, 2020-21 was extremely busy and successful in the field, with large infrastructure schemes being particularly prominent. Projects included work on the HS2 Phase 1 rail line with our joint-venture partners Cotswold Archaeology as COPA (Cotswold Oxford PCA Archaeology); the Hinkley Point C Connections Project; the Dorset Visual Impact Provision (VIP) Project and a number of large road schemes: the A585 north of Blackpool, the A63 in Hull and evaluation on the line of the Lower Thames Crossing in Kent and Essex, the latter an Oxford Cotswold Archaeology (OCA) project.

In the course of these excavations, OA was able to make a significant contribution to knowledge about the past, information that was shared with the public as well as the archaeological community. For example, a hitherto unknown archaeological landscape buried in the tidal silts of the River Wyre on the Lancashire coast was revealed, where it was possible to chart the change from a hunter-gathering way of life in the Mesolithic to the farming communities of the early Neolithic at around 4000 BC. Work in the extraordinary prehistoric landscape of the Dorset Ridgeway uncovered not only three Bronze Age barrows and related burials, but also unexpected Neolithic pits and a 7th-century Anglo-Saxon cemetery among other features. Extensive and varied Roman settlement was investigated along Akeman Street in Buckinghamshire, and at Hinkley, excavation of the stratified remains of a Roman settlement in the Mendips, revealed multiple structures and an excellent range of small finds. The demography and health (or ill health) of the post-medieval population of Hull was brought to light in advance of the A63. Information was shared with the public via webinars, research seminars and TV and news stories.

Work in the east of England continued to be dominated by housing schemes and extensive areas were investigated at Cambourne, Waterbeach and Wintringham Park near Cambridge, for example, that enable the re-evaluation of settlement patterns and social complexity in the later prehistoric period. A defended settlement at Cressing in Essex contained more than 30 Iron Age round houses, which were burnt down in the 1st century AD, possibly connected with the Boudiccan rebellion. These excavation results were also publicised widely.

OA's new and developing Digital Recording System enabled staff to share results as the excavations proceeded, allowing specialist input from the office and encouraging a question-led approach in the field. The WebMap viewer was shared with curators and clients so that they were able to engage more closely with on-going projects and, particularly important in the days of Covid 19 restrictions, were able to monitor progress without having to visit site.

Trustees' annual report (including directors' report and strategic report)

OA completed the survey of heritage remains covering 3,300 sq km in the area around Al Ula, Saudi Arabia, on behalf of the Royal Commission for Al Ula. More than 16,000 archaeological sites were recorded, dating from the Palaeolithic around 200,000 years ago to the Hejaz Railway built in the early 20th century, and which attracted the attention of Lawrence of Arabia in the First World War.

Significant contracts through the year have included:

Projects on the line of HS2 Phase 1 Central Section as OCA – Fusion for HS2 Ltd
Lower Thames Crossing as OCA – Balfour Beatty for Lower Thames Crossing Ltd
A585 Windy Harbour to Skippool Road Scheme – Kier Highways for Highways England
A63 Upgrade, Hull - Balfour Beatty for Highways England
Dorset Visual Impact Provision Project - Morgan Sindall for National Grid.
Hinkley Point Connection - Balfour Beatty for National Grid.
Wintringham Park, Cambs – Urban & Civic
Cambourne West, Cambs – Ellipsis
Al Ula Landscape Survey, Saudi Arabia – Royal Commission for Al Ula.

In addition to field-based projects, OA also undertook consultancy services for clients (often in the form of desk-based assessments: reviewing the printed sources, historic mapping and recorded sites and finds) and also more strategic overviews for regional and national organisations. In 2020/21 this included work as part of a review of Archaeological Priority Areas in London and advice to Chester and Cheshire West Council on the Chester Northgate development. The investigation of historic buildings continued to be an important element of OA's work, for example recording at Worcester College in Oxford, Buckingham Palace, Waterbeach Barracks in Cambridge, Stowe House in Buckinghamshire and the Bramley-Moore Docks in Liverpool in advance of Everton Football Club's new stadium.

Encouraging community engagement and disseminating information of OA's work to the public is central to OA's strategy, and this is co-ordinated by a dedicated Community Archaeology Manager. Direct involvement of the general public was virtually impossible to achieve, given Covid 19 Health and Safety measures, and it was particularly unfortunate that our volunteers helping with finds and archives in the office were unable to attend. However, it was possible to host the University of Central Lancashire's four-week summer training excavation on the A585 Windy Harbour to Skippool Bypass project. The restrictions also encouraged innovation in the use of digital communications, such as virtual tours of sites on our Sketchfab page (e.g. a 3D model with illustrated annotations for Horseheath Road in Linton in Cambs), and talks via Zoom to local groups, which attracted much larger audiences than traditional meetings would have accommodated. Filming for the flagship BBC archaeology series *Digging for Britain* took place, and OA produced many display panels about OA's findings, for example for the Westgate Centre, Oxford. OA also launched the first of its Research Seminars, focusing on the Mesolithic to Neolithic transition in North West England and based on the results from the A585 Windy Harbour to Skippool Road Scheme (<https://oxfordarchaeology.com/research-publication/windy-harbour-research-seminar>). This was made available on YouTube. Two more seminars are planned.

More formal academic books and articles continued to be produced, and the 2020/21 financial year saw the publication of: *Prehistoric Ebbsfleet*, the final monograph on the HS1 investigations, produced jointly with Wessex Archaeology; *Bridging the Past: Life in Medieval and Post-Medieval Southwark*, the fourth and final instalment in the Thameslink Monograph Series, published as a joint venture with PCA; *Excavations at Stoke Quay, Ipswich: Southern Gipeswic and the parish of St Augustine in the East Anglian Archaeology series*, again as a joint venture with PCA; *Farmers and Weavers: Archaeological*

Trustees' annual report (including directors' report and strategic report)

investigations at Kingsway Business Park and Cutacre Country Park, Greater Manchester; and the monograph on The Archaeology of Oxford in the 21st Century via the Oxford Architectural and Historical Society and Boydell and Brewer. Many other short articles and excavation reports were published in local and regional journals across the country.

OA continued to collaborate with other organisations, in particular with Cotswold Archaeology as OCA, in the field on the Lower Thames Crossing project and sites on the HS2 Central Section as COPA, and in post-excavation analysis on Redcliff, Bristol and Thame, Oxfordshire. OA also worked with Trent & Peak Archaeology (York Archaeological Trust) and PCA on the Lincoln to Grantham Resilience scheme. OA's experience of working jointly with others has been very beneficial, enabling the pooling of resources, spreading of risks, sharing expertise, and breaking down barriers within the profession. Archaeological research thrives in a collaborative environment but can be inhibited in a tightly competitive one. A beneficial consequence of closer working has been an increase in staff sub-contracted between organisations on projects. This can benefit not just the parent bodies, but it also creates better continuity and less disruption to the employment of archaeological fieldworkers.

OA launched its 2020-25 Strategy at the beginning of 2020. The pandemic accelerated progress on some of the objectives set out there, particularly digital development, but hampered others, such as public engagement. Among the positive things to emerge, in addition to those mentioned above, was an increased focus on staff wellbeing which included gathering information on stress and bullying and harassment, and the training of Mental Health First Aiders. Through Prospect Union, staff were engaged in all aspects of Health and Safety, but particularly OA's response to Covid 19 and the changing government guidance. This was important for fostering a sense of trust during these exceptional times.

The development of the next stage of OA's training programmes for staff, those developing their skills in readiness to become supervisors, was completed ready for roll-out in 2021. This investment is not only beneficial for the quality of the charity's work but also good for the profession when members of our field teams move on from OA.

The importance of supporting and developing archaeological standards and practice is also seen as a key objective and OA has provided staff to work on many of the governing and sector institutions: CIFA (UK archaeology's chartered institute); FAME (the Federation of Archaeological Managers & Employers); the Society of Antiquaries and committee members of other specialist groups during 2020-21. OA staff give presentations at many of the conferences held by these institutions.

Further information on OA's activities and achievements can be found on its website: oxfordarchaeology.com and its social media feeds: OA continues to develop its Twitter account (OATweet has over 47,700 followers), its Facebook account (over 5,100 followers) and its Instagram account (over 10,600 followers).

Financial Review

Transactions and financial position

The results for the year, and the charity's financial position at the end of the year, are shown in the attached financial statements.

Income for the year increased by an exceptional 59% (c £9.2 million) to c £24.9 million. An operational surplus of c£3.7 million was recorded prior to the accounting for the FRS 102 pension valuations. This created a net surplus for the year amounting to £2.97 million after pension scheme adjustments of

Trustees' annual report (including directors' report and strategic report)

£(724k) in 'Pension finance costs' within the SOFA; the overall deficit in unrestricted funds increased to fell to £ 2,276,810 (2020 £ 1,149,532) due to an increase in the pensions deficit.

The significant improvement in operational financial performance in the year has primarily been driven by OA's contribution to several large infrastructure programmes. Delivering such a significant increase in project activity in an exceptionally difficult, coronavirus impacted, operating environment (especially for field-based staff) is a testament to the dedication of the entire OA team.

Looking forward, there is some uncertainty around the work programme. Covid 19 is likely to continue to have a major impact into 2021-22, and despite the roll-out of vaccines to large parts of the UK population, uncertainty then arises over the impact of new variants that may not be covered by the current vaccines. Brexit also has still the potential to cast uncertainty over the economy continues to adjust to life outside of the EU. Given the huge sums of money the government has invested in mitigating the effects of the pandemic, there will inevitably be some uncertainty around many areas of government spending and also around the proposed changes to planning system (and consequential impact this may have on housing and construction sectors). The government's 'levelling up' programme has committed large funds to infrastructure, and if this continues then OA stands well placed to continue to benefit from these schemes into the future.

Finally, as the current tranche of infrastructure programmes come to an end in the autumn, there will some uncertainty as to the type and duration of projects that OA wins to replace them.

The Trustees have assessed the charity's future programme of works and commitments against the working capital in place and access to other funds (bank overdraft arrangements). The Trustees view the level of net current assets as sufficient to ensure future operations and allow gradual growth and reinvestment in necessary assets.

Reserves policy

The Trustees have felt, and continue to feel, that it is necessary to build up sufficient funds to finance the charity's planned programme of major and specialised research projects. The Trustees feel that it is necessary to have available sufficient finance to fund at least four months' working capital in order to allow this programme of projects to be undertaken without major financial risk.

Internal control and risk management

The Trustees carry out regular reviews of the charity's activities and the systems in use. This is for the purpose of planning for the future and assessing any major risks to which the charity is exposed. The Trustees are satisfied that systems are in place to mitigate exposure to major risks.

The major risks comprise:

- Operational risk – Archaeological projects by their very nature (buried deposits) carry a great deal of uncertainty and there is constant pressure for clients to transfer this risk on to the archaeological organisations themselves. This risk increases with the scale of projects. OA firmly believes that these risks should stay with the developer but, in circumstances where this is not the case, a system of protocols and reviews are in place to mitigate untoward risk. There is a new trend of developers requiring archaeologists to take on more of the non-archaeological enabling and support works

Trustees' annual report (including directors' report and strategic report)

- associated with projects. This is area of concern, not just in the increased risk it brings, but in archaeologists being pressurised to undertake work outside their main areas of competence.
- **Competitive risk** – The charity undertakes archaeological research where academic standards are a necessary element. OA also provides a career structure supporting the professional nature of archaeology. Downward pricing pressures within the market can lead to the risk of eroding these academic and professional standards.
 - **Pension risk** – OA is an admitted body to two local authority pension schemes. The annual FRS 102 valuations give the accounts an alarming volatility. OA's contribution rates are set by the triennial valuation as at March 2019 and use different assumptions. These latter valuations have measured both the Oxfordshire and Cambridge schemes as being in surplus in contrast to the more extreme FRS 102 valuation which measured the deficit at 31 March 2021 at £10.1 million. In 2014-15, OA restricted access to its defined benefit pension schemes to limit the extent of further liability. A defined contribution scheme (auto-enrolment) has now been introduced. OA views seriously the risks of its defined benefit pension schemes' FRS 102 deficit but it sees this as a long-term issue. The schemes are 'open' and the position is monitored as a long-term issue. The impact of Covid19 on potential future investment returns will be closely monitored as this has the potential to negatively impact on the deficit. The Trustees consider that this has no impact on OA's going concern basis but will nevertheless keep the situation under continuous review.
 - **Coronavirus risk** – The recent and ongoing pandemic has shown how quickly the whole economy can be disrupted. The short-term shutdown of construction sites has a major impact on OA's activity and income. The recent disruption was mitigated by government support which limited its impact. It is unclear how future outbreaks will be supported and therefore this must remain as a major risk.

The Trustees have reviewed the major risks to which Oxford Archaeology Limited is exposed and can confirm that all reasonable measures are being taken, and systems have been established to control or mitigate the effect of these risks on the achievement of the charity's objectives. The financial risks of the company are discussed in greater detail below.

Financial risk assessment

The company is exposed to a number of financial risks including credit risk, market risk, currency risk and liquidity risk due to its investing activities.

- **Credit risk** - This represents an increased risk in the current economic environment and all projects of a material scale are carefully reviewed to minimise default.
- **Market risk** – Currently the 'archaeological market' is facing a period of uncertainty as the UK deals both with the impact of Covid19 and life outside of the EU. While infrastructure developments look likely to be a main source of activity in the future, these projects are unpredictable and can create a stop-start programme of work. Resourcing in such an environment is difficult. Cutbacks in the public sector could also negatively affect the flow of archaeological projects. OA is continually looking to diversify activities away from this current income stream by developing more research-funded projects and grant-funded community projects.

Trustees' annual report (including directors' report and strategic report)

- **Liquidity risk** - The archaeological sector has undergone a period of expansion after a severe recession. Cash resources have been depleted and increased working capital will put further pressure on a limited resource. OA ensures that it has sufficient cash resources to meet its needs by continual monitoring of its working capital position, and any future investments/expansion plans are carefully budgeted. A bank overdraft facility acts as a contingency to cover short term deficiencies.

Going concern

The Trustees have reviewed Oxford Archaeology Limited's financial position, taking account of the levels of reserves and cash, the 2020-21 budget and longer-term plans, together with its system of financial and risk management. As a result, the Trustees believe that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Plans for future periods

The positive financial position generated by OA's successful 2020/21 year, has prompted a review of the 2020-25 Strategy in order to invest in the long-term sustainability of the charity, promoting the positive benefits of archaeology and delivering social value to the public. In this process, OA is keenly aware that costs incurred by any plans must be affordable in future years, and that the charity's reserves are sufficient to mitigate future economic uncertainty. The work programme for the next period is generally good, especially in the east of England, and OA has won places on important infrastructure frameworks which should lead to large-scale projects: Highways England Archaeology Framework and East-West Rail, both with Cotswold Archaeology.

Retaining skilled and experienced staff has been central to the charity's success over the last few years, and it will remain a vital ingredient of future success. Maintaining a supportive and open culture is important, as is encouraging innovation and engagement in OA's day-to-day research. OA will continue to develop training, focusing on supervisor and more senior staff, as it builds upon its successful programmes for Graduate Trainees, Archaeologists and Assistant Supervisors. The provision of better administrative support and systems will assist managers but will also improve OA's client and public interface. The charity plans to recruit a Communications Manager who will make an important contribution to these goals.

OA is seeking to gain ISO 45001 (Health and Safety) certification, as well as retaining its existing ISO 9001 and ISO 14001 Quality and Environment Management accreditation, in order to demonstrate that the charity upholds the highest professional standards. It will continue to develop digital recording systems and seek innovative ways to improve the way that archaeological sites are investigated and recorded and will continue to analyse and publish the results of its investigations.

Work is underway to improve OA's website, in particular to develop a Knowledge Hub where OA will share its results with both the public and academics, from Webmap information of OA's findings across the country to complex finds datasets. It will continue to deliver the OA Research Seminars, enlisting academic experts to discuss key findings with OA's archaeologists and encouraging the involvement of the public.

Trustees' annual report (including directors' report and strategic report)

OA will also continue to focus on making the charity a safe and rewarding environment to work, encouraging staff engagement, the work of the newly-formed Gender Equality Working Party and the ongoing initiatives of the Wellbeing Group, such as the Wellness Action Plans and investment in Mental Health provision.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charity is constituted as a company limited by guarantee and is therefore governed by the Memorandum and Articles of Association.

Organisation

The charity's activities are regularly monitored by the Trustees, and tactical management is achieved by a Senior Management team consisting of:

- Chief Executive Officer
- Chief Financial Officer
- Chief Operating Officer

The charity has three regional offices in the UK: Oxford, Lancaster and Cambridge. Each office has its own management team overseeing day-to-day operations.

The organisation is fully self-financing and secures funds by providing research to a variety of organisations which enables it to meet fully its primary objectives. The main sources of income are:

- Commercial Organisations
- Government Departments and Agencies
- Local and County Councils

The Board of Trustees

The Trustees who served the charity during the year were as follows:

Ms Gill Andrews	Appointed	10th June 2020
Prof J C Barrett		
Mr S Blackmore	Appointed	25th November 2020
Mr W R C Briant		
Mr P Chadwick	Appointed	25th November 2020
Prof C Gosden		
Prof H F Hamerow		
Dr Peter Warry		
Ms J Wills		

Each Trustee guarantees the sum of £1 in the event of a winding up of the charity. The Trustees are the

Trustees' annual report (including directors' report and strategic report)

company Directors under company law.

Appointment of Trustees

As set out in the Articles of Association, the Trustees are drawn from the members and subscribers of the Charity. The board of Trustees is able to appoint new members and fill vacancies or add to the board when it feels necessary. The board is required to comprise between three and eleven individuals. A third of the board retire by rotation on an annual basis but are eligible for re-election. The board of Trustees regularly reviews its constituents and their experience and skills profile in relation to the on-going works of the charity.

The aim of the board of Trustees is to have a balance of archaeological, business and financial skills to oversee the charity's works.

Trustee training and induction

Most Trustees come to the charity with some background of archaeological knowledge, either in an amateur or professional capacity or from an academic background. New Trustee appointments have an induction process spent at the offices of the organisation that covers:

- the current environment of UK archaeology
- the history and development of Oxford Archaeology
- the staff and staff structure
- the current strategic objectives and the major challenges and opportunities facing the organisation.

All new Trustees are issued with copies of governing documents, guides to the responsibilities of charitable trustees, recent accounts, budgets and business plans and minutes of previous meetings. Trustees are invited to all outreach events to meet staff and further understand the detailed workings of the charity.

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees, the Chief Executive and the Senior Management Team as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in note 3 to the accounts.

Trustees are required to disclose all relevant interests and in accordance with the Trust's policy withdraw from decisions where a conflict of interest rises.

The pay of the Chief Executive and Senior Team is reviewed annually and is normally increased in line with general inflation. The remuneration is reviewed to ensure that it is fair and not out of line with similar roles.

Trustees' annual report (including directors' report and strategic report)

Employee policies

Employment policies are designed to respect employees' human rights and to ensure equal opportunity and promote diversity. Employees are actively encouraged to undertake relevant training, CPD, and staff appraisals are conducted with individual employees. The policy of the charity with regard to disabled persons is to give full and fair consideration to all applicants for employment and to all employees in relation to promotion. Wherever possible, employees who become disabled during their employment are offered suitable alternative employment. In order to promote wellbeing in the workplace, OA also has a Dignity at Work Policy, a Flexible Working Policy, and a Stress Management Policy and Procedures, along with other HR policies.

Engagement with Employees

OA explicitly builds into its strategy the importance of employee engagement and internal communications. It has built both formal systems but also facilitates and encourages informal communications i.e. not just 'top-down' but also 'bottom-up' and 'side-to-side'. OA formally recognises a trade union, Prospect, and both consults on statutory matters (pay, pensions, H&S etc) but also seeks to discuss with them any other significant change affecting OA. In addition, it holds quarterly branch 'consultation meetings' with representatives elected from all members of staff (irrespective if they belong to a union or not). These consultation meetings have open agendas where any matter can be raised by an employee. Performance and future activity are reported at these meetings and the minutes are circulated to all members of staff. An 'intranet' is maintained and is available for employees view all aspects of OA's work and employee policies and conditions.

OA also produces a quarterly in-house magazine (InTouch) to communicate key issues and the results of its work. This is an important vehicle allowing employees to understand the work undertaken in the three branch offices. Staff are also invited to the 'AGM day' where, following the main business meeting, a series of discussions and debates about various aspects of OA's work are held.

On a more informal level OA is developing a series of on-line forums in which all employees are encouraged to participate. The monitoring of employees' mental health and general morale are seen as crucial and in addition to training staff in mental first aid, OA undertakes formal surveys to assess and monitor issues.

OA's induction process provides all the required information for new employees to be aware of and engage in these processes.

Third party indemnity provisions

The Trust has in place directors' and officers' liability insurance for the purpose of indemnifying the Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. This insurance was in force during the year and is in force as at the date of approving this report.

Trustees' annual report (including directors' report and strategic report)

Trustees' Responsibilities Statement

The Trustees (who are also Directors of Oxford Archaeology Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

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

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

The Trustees confirm that:

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

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

Trustees' annual report (including directors' report and strategic report)

Auditor

Wenn Townsend having expressed their willingness to continue in office, will be deemed to be reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board



Prof C Gosden
Trustee

Date: 15th September 2021

Independent auditor's report to the members of Oxford Archaeology Limited

Opinion

We have audited the financial statements of Oxford Archaeology Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Ajay Bahl BA BFP FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend, Statutory Auditor
30 St Giles
Oxford
OX1 3LE

Date: 15th September 2021

Principal accounting policies

Basis of accounting

Oxford Archaeology Limited is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are included in the Trustees' Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, and UK Generally Accepted Accounting Practice

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis despite the balance sheet showing a deficit of £2,276,810 (2020: deficit of £1,149,531). The Company's largest liability is related to the Company's defined benefit pension scheme, which has a net deficit of £10,128,000 (2020: £5,304,000) at the balance sheet date using an FRS102 valuation basis. The company has agreed contribution rates with the trustees of the scheme, as shown in note 10 to the financial statements. The Company has cash balances of £6,776,685 (2020: £2,662,437), net current assets of £7,703,888 (2020: £3,996,034). The Trustees are confident that the Company will continue to be able to meet its liabilities as they fall due.

The Trustees have also assessed the charity's future programme of works and commitments against the working capital in place and access to other funds (banking arrangements). It has reviewed and considered the ongoing impact of Covid19 on OA's activity. The Trustees view the level of net current assets as sufficient to ensure future operations within an uncertain trading environment. The charity retains the ability to react flexibly to meet the challenges of this changing environment.

Fixed assets and depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Improvements to property	- 20% straight line
Computers	- 33% straight line
Fixtures, fittings, equipment and vehicles	- 25% straight line

Tangible fixed assets are capitalised at cost where their acquisition value is greater than £500 and are stated at cost net of depreciation.

Principal accounting policies

Goodwill and amortisation

Positive purchased goodwill arising on acquisitions, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and amortised on a straight-line basis over its estimated economic life as follows:

Purchased goodwill	- 18 months straight line
--------------------	---------------------------

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

Income is credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period, in which case they are deferred. Invoices raised in advance of the provision of services are included within current liabilities; deferred income.

Stocks and work in progress

Stock represents work in progress which cannot be accurately valued at the year-end date and is stated at the lower of cost and net realisable value. Cost represents directly attributable staff and archaeological costs.

A surplus is recognised on long term contracts if the final outcome can be assessed with reasonable certainty, by including the value of the work in income and amounts recoverable on long term contracts, as the contract progresses.

Payments received on account of work in progress are deducted from gross work in progress. Payments received on account in excess of carrying value of relevant work-in-progress are included in creditors.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Principal accounting policies

The charity is an admitted member of a sub-fund of a Local Government Pension Scheme (LGPS) operated by Oxfordshire County Council and a sub-fund of a LGPS operated by Cambridge County Council, both of which are defined benefit schemes.

A liability for the charity's obligations under the plans is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the statement of financial activities for the year.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- fundraising and publicity
- archaeological investigations
- archaeological services and support costs

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 2.

Fund accounting

Unrestricted funds are available to be used in accordance with the charitable objectives of the trustees.

Restricted funds are funds that can only be used for particular purposes within the objects of the charity as described by the donor. The charity does not have any restricted funds.

Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is

Principal accounting policies

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

Judgements and key sources of estimation uncertainty

There were no judgements made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the financial statements.

The key source of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is regarding the margin applied to ongoing projects at the year-end date.

Statement of financial activities (including income and expenditure account)

	Note	2021 £	2020 £
Income from:			
Charitable trading income	1	24,908,600	15,707,424
Total income		<u>24,908,600</u>	<u>15,707,424</u>
Expenditure on:			
Costs of raising funds:			
Fundraising and publicity	2	400	1,456
Charitable activities:	2	21,935,478	15,820,909
Total resources expended	2	<u>21,935,878</u>	<u>15,822,365</u>
Net income/(expenditure)		<u>2,972,722</u>	<u>(114,941)</u>
Other recognised gains/(losses)			
Remeasurement gain/(loss) on defined benefit pension plans	10	(4,100,000)	4,824,000
Net movement in funds		<u>(1,127,278)</u>	<u>4,709,059</u>
Funds brought forward		<u>(1,149,532)</u>	<u>(5,858,591)</u>
Funds carried forward		<u>(2,276,810)</u>	<u>(1,149,532)</u>
Net Movement in funds prior to FRS102 pension adjustment:			
Net income/(expenditure) per SOFA		2,972,722	(114,941)
Pension finance cost included in charitable activities		724,000	973,000
Net surplus/(deficit) prior to pension costs		<u>3,696,722</u>	<u>858,059</u>

All movements are in unrestricted funds.

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

Balance sheet

		2021 £	2020 £
Fixed assets			
Tangible assets	5	147,302	158,435
Intangible assets	6	-	-
		<u>147,302</u>	<u>158,435</u>
Current assets			
Stocks	7	1,102,495	986,781
Debtors	8	6,087,827	3,790,815
Cash in hand		6,776,685	2,662,437
		<u>13,967,007</u>	<u>7,440,033</u>
Creditors: amounts falling due within one year	9	<u>(6,263,119)</u>	<u>(3,444,000)</u>
Net current assets		<u>7,703,888</u>	<u>3,996,033</u>
Total assets less current liabilities		<u>7,851,190</u>	<u>4,154,468</u>
Net assets excluding pension liabilities		<u>7,851,190</u>	<u>4,154,468</u>
Defined benefit pension liability	10	<u>(10,128,000)</u>	<u>(5,304,000)</u>
Net liabilities		<u>(2,276,810)</u>	<u>(1,149,532)</u>
Funds			
Unrestricted funds		7,851,190	4,154,468
Pension reserve		(10,128,000)	(5,304,000)
	11	<u>(2,276,810)</u>	<u>(1,149,532)</u>

These financial statements were approved by the board of Trustees and authorised for issue on 15th September 2021

and are signed on their behalf by:



Prof C Gosden
Trustee

Date: 15th September 2021

Oxford Archaeology Limited Company No. 1618597
Company registered number 1618597

Cash flow statement

		2021 £	2020 £
Cash flow from operating activities	13	4,176,795	1,001,790
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(62,547)	(134,948)
Net cash flow from investing activities		(62,547)	(134,948)
Net cash inflow		<u>4,114,248</u>	<u>866,842</u>
Increase/(Decrease) in cash	13	<u><u>4,114,248</u></u>	<u><u>866,842</u></u>

Notes to the financial statements

1 Charitable trading income

	2021 £	2020 £
United Kingdom	22,826,987	14,015,284
Rest of the World	2,081,613	1,692,140
	<u>24,908,600</u>	<u>15,707,424</u>

Included in above is £462,938 (2020: £nil) relating to government grants received from the Coronavirus Job Retention Scheme.

2 Total resources expended

	2021 £	2020 £
Fundraising and publicity		
Advertising	400	1,456
Archaeological investigations:		
Salaries	8,565,760	6,337,201
Plant hire	3,548,952	2,157,393
Sub-contracted services	1,121,102	830,212
Travel and subsistence	2,575,787	1,260,611
Project costs	795,911	549,936
Specialist costs	298,427	253,850
Photographic	7,763	11,595
Finance costs (FRS102 pension adjustments)	724,000	973,000
	<u>17,637,702</u>	<u>12,373,798</u>

2 Total resources expended (continued)

	2021	2020
	£	£
Archaeological services and support costs:		
Salaries	3,046,195	2,181,916
Training	39,715	92,546
Travel and subsistence	77,720	80,975
Establishment costs	394,121	444,155
Office costs	302,016	288,411
Legal and professional	325,209	251,639
Finance costs	9,870	18,056
Foreign currency exchange (gain)/loss	-	4
Depreciation	73,680	59,652
	4,268,526	3,417,354
Governance costs:		
Auditor's remuneration	11,250	11,250
Costs of preparing for Trustees' meetings and support for Trustees	18,000	18,507
	29,250	29,757
Total resources expended	21,935,878	15,822,365

The aggregate payroll costs were:

	2021	2020
	£	£
Salaries	9,889,487	7,396,491
Social security costs	911,702	667,821
Pension costs	681,294	675,223
	11,482,483	8,739,535

There were no redundancies and termination payments within salaries (2020: £0).

The full-time equivalent (FTE) number of employees during the financial year was as follows:

	2021	2020
Management	12	12
Administrative	8	9
Archaeological – researchers	53	55
Archaeological – in the field	291	199
	364	275

The total average monthly number of employees was 376 (2020: 286).

2 Total resources expended (continued)

In the financial year the charity employed the following numbers of higher paid employees:

	2021	2020
	No	No
£60,000 - £69,999	1	2
£70,000 - £79,999	1	-
£80,000 - £89,999	-	-
£90,000 - £99,999	1	-
	<u>1</u>	<u>-</u>

All three employees were accruing benefits under a defined benefit pension scheme for the year ended 31 March 2021 and 31 March 2020.

3 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2020: £Nil).

The total amount of employee benefits received by key management personnel is £325,349 (2020: £229,657). The Trust considers its key management personnel comprise the Trustees and the Senior Management Team.

No trustees are accruing pension arrangements (2020: None).

No Trustees received reimbursement of expenses during the year (2020: £507) in respect of travel.

4 Net incoming resources

Net incoming resources is stated after charging:

	2021	2020
	£	£
Staff pension contributions (note 2)	681,294	675,223
Depreciation of fixed assets (note 5)	73,680	59,652
Auditor's remuneration		
Audit services	11,250	11,250
Foreign exchange losses/(gains)	-	4
Operating lease rentals	161,087	214,176
	<u>161,087</u>	<u>214,176</u>

5 Tangible fixed assets

	Improvements to leasehold property £	Computers £	Fixtures, fittings, equipment and vehicles £	Total £
Cost				
At 1 April 2020	342,351	1,006,140	890,432	2,238,923
Additions	5,821	39,388	17,338	62,547
At 31 March 2021	<u>348,172</u>	<u>1,045,528</u>	<u>907,770</u>	<u>2,301,470</u>
Depreciation				
At 1 April 2020	299,509	950,361	830,618	2,080,488
Charge for the year	11,394	31,546	30,740	73,680
At 31 March 2021	<u>310,903</u>	<u>981,907</u>	<u>861,358</u>	<u>2,154,168</u>
Net book value				
At 31 March 2021	<u>37,269</u>	<u>63,621</u>	<u>46,412</u>	<u>147,302</u>
At 31 March 2020	<u>42,842</u>	<u>55,779</u>	<u>59,814</u>	<u>158,435</u>

Included in the total net book values in respect of assets held under finance leases was £Nil (2020: £Nil).

6 Intangible assets

	£
Cost	
At 1 April 2020 and 31 March 2021	<u>104,469</u>
Amortisation	
At 1 April 2020 and 31 March 2021	<u>104,469</u>
Net book value	
At 31 March 2020 and 31 March 2021	<u>-</u>

7 Stocks

	2021 £	2020 £
Short term work in progress	<u>1,102,495</u>	<u>986,781</u>

8 Debtors

	2021 £	2020 £
Trade debtors	4,785,893	3,299,724
Prepayments	142,402	69,786
Amounts recoverable on long-term contracts	1,159,532	421,305
	<u>6,087,827</u>	<u>3,790,815</u>

9 Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,438,651	661,106
Taxation and social security	1,466,732	984,372
Deferred income	2,326,015	1,469,886
Other creditors	203,058	117,763
Accruals	828,663	210,873
	<u>6,263,119</u>	<u>3,444,000</u>

10 Defined benefit pension schemes

The charity offers two defined benefit pension schemes to its employees. These are both local government pensions schemes, the Trustees have therefore considered it appropriate to disclose the schemes in one set of consolidated disclosures for clarity.

Oxfordshire County Council Pension Fund (OCCPF), part of the Local Government Pension Scheme

The charitable company is one of several employing bodies included within the Local Government Pension Scheme (OCCPF).

The OCCPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

The last triennial valuation was in 2019 when OA's employer contribution levels were set at 16.3% to cover future service and past service costs (deficit contribution). The 2019 Valuation estimated that the Funding Level was 112% for the 'Small Admitted Bodies Pool' that OA forms part of.

The following information is based upon full actuarial valuations of the funds from 31 March 2019, updated to 31 March 2021 by qualified independent actuaries.

Financial assumptions (OCCPF)

The principal financial assumptions used by the actuary were as follows:

	2021	2020
	%pa	%pa
Pension increase rate	2.8%	1.8%
Salary increase rate	2.8%	1.8%
Discount rate	2.05%	2.3%

10 Defined benefit pension schemes (continued)

The Accounting Standards state that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The independent actuary (Hymans Robertson) has adopted an approach to setting the discount rate by constructing a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

The rate of general increases in salaries adopted in the 2019 triennial valuation for the OCCPF has been held at the rate of inflation (CPI).

The post retirement mortality assumptions used to value the benefit obligation at 31 March 2019 are based on the S2PA tables with a multiplier of 90%. This has been revised in the latest FRS102 pension fund report (as at 31 March 2021) based on the Fund's VitaCurves with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% and a long-term rate of improvement of 1.5% p.a. Based on these assumptions the life expectancy of a male current pensioner is projected to be 87.4 years (future pensioners 88.4). The life expectancy of a female current pensioner is projected to be 89.7 years (future pensioners 91.3).

The major categories of plan assets (OCCPF) as a percentage of the total plan assets, are as follows:

	2021	2020
	%	%
Equities	71%	68%
Bonds	19%	22%
Property	6%	7%
Cash and other	4%	3%
	100%	100%

Cambridgeshire County Council Pension Fund (CCCPF), part of the Local Government Pension Scheme

The charitable company is one of several employing bodies included within the Local Government Pension Scheme (CCCPF).

The CCCPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

The last triennial valuation was in 2019 when OA's employer contribution levels were set at 14.3% to cover future service and past service costs (deficit contribution). The 2019 Valuation estimated that the Funding Level for Oxford Archaeology was 111%.

The following information is based upon full actuarial valuations of the funds from 31 March 2019, updated to 31 March 2021 by qualified independent actuaries.

10 Defined benefit pension schemes (continued)

Financial assumptions (CCCPF)

The principal financial assumptions used by the actuary were as follows:

	2021	2020
	%pa	%pa
Pension increase rate	2.8%	1.8%
Salary increase rate	3.3%	2.3%
Discount rate	2.05%	2.3%

The Accounting Standards state that the discount rate used to place a value on the obligations should be determined by reference to market yields on high quality corporate bonds at the reporting date. The independent actuary (Hymans Robertson) has adopted an approach to setting the discount rate by constructing a corporate bond yield curve based on the constituents of the iBoxx AA corporate bond index.

The rate of general increases in salaries adopted in the 2019 triennial valuation for the CCCPF has been based on inflation (CPI) plus 0.5%.

The post retirement mortality assumptions used to value the benefit obligation at 31 March 2019 allowed for future improvements in mortality based on the CMI 2018 model with an allowance for smoothing of recent mortality experience and a long term rate of improvement of 1.2% p.a. for both women and men. This has been revised in the latest FRS102 pension fund report (as at 31 March 2021) based on the Fund's VitaCurves with improvements in line with the CMI 2020 model, with a 0% weighting of 2020 data, standard smoothing (Sk7), initial adjustment of 0.5% and a long-term rate of improvement of 1.5% p.a. Based on these assumptions the life expectancy of a male current pensioner is projected to be 87.2

Oxford Archaeology Limited
Company Limited by Guarantee
Financial statements for the year ended 31 March 2021

years (future pensioners 88.2). The life expectancy of a female current pensioner is projected to be 89.4 years (future pensioners 91.2).

The major categories of plan assets (CCCPF) as a percentage of the total plan assets, are as follows:

	2021 %pa	2020 %pa
Equities	69%	68%
Bonds	15%	12%
Property	15%	17%
Cash and other	1%	3%
	<u>100%</u>	<u>100%</u>

10 Defined benefit pension schemes (continued)

Consolidated notes for both pension schemes

Balance Sheet

The amounts recognised in the balance sheet are as follows:

	2021 £	2020 £
Fair Value of plan assets	25,079,000	19,949,000
Present Value of funded retirement obligations	<u>(35,207,000)</u>	<u>(25,253,000)</u>
Net liability	<u>(10,128,000)</u>	<u>(5,304,000)</u>

Statement of financial activities

The total amounts recognised in the period are as follows:

	2021 £	2020 £
Current service cost	(1,101,000)	(1,323,000)
Net interest expense	(129,000)	(231,000)
Total recognised in net expenditure	<u>(1,230,000)</u>	<u>(1,554,000)</u>
Actuarial gains/(losses)	(4,100,000)	4,824,000
Total recognised in other gains/(losses)	<u>(4,100,000)</u>	<u>4,824,000</u>
Total net amount recognised in the period	<u>(5,330,000)</u>	<u>3,270,000</u>

The amounts charged to net expenditure in the statement of financial activities are included in finance and salaries costs. The estimate of the Employer's contribution for the year ending 31 March 2021 is approximately £506,000 (2020: £581,000).

10 Defined benefit pension schemes (continued)

Reconciliation of defined benefit obligation:

	2021 £	2020 £
Opening defined benefit liabilities at 1 April	25,253,000	29,410,000
Current service cost	1,101,000	1,323,000
Interest cost	592,000	728,000
Change in assumptions & re-measurements	8,589,000	(4,614,000)
Estimate of benefits paid	(334,000)	(443,000)
Experience loss/(gain) on defined benefit obligation	(218,000)	(1,369,000)
Contributions by plan participant	224,000	218,000
Closing defined benefit liabilities at 31 March	35,207,000	25,253,000

Reconciliation of fair value of employer's assets:

	2021 £	2020 £
Opening fair value of plans' assets at 1 April	19,949,000	20,255,000
Interest on assets	463,000	497,000
Return on asset less interest	4,271,000	(1,159,000)
Estimate of benefits paid	(334,000)	(443,000)
Contributions by employer	506,000	581,000
Contributions by plan participant	224,000	218,000
Closing fair value of plans' assets at 31 March	25,079,000	19,949,000

11 Fund reconciliation

	2021 £	2020 £
Balance at 1 April 2020	(1,149,532)	(5,858,591)
Actuarial (losses)/gains	(4,100,000)	4,824,000
Net income/(expenditure)	2,972,722	(114,941)
Balance at 31 March 2021	<u>(2,276,810)</u>	<u>(1,149,532)</u>

All funds of the Oxford Archaeology Limited are unrestricted. The pension reserve makes up part of the unrestricted funds of the charity but represents the liability on the defined benefit pension schemes.

12 Leases

Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

Land and buildings

	2021 £	2020 £
Within one year	160,171	213,260
More than one year and less than five years	<u>151,233</u>	<u>170,418</u>

Other:

Within one year	916	916
More than one year and less than five years	<u>687</u>	<u>1,603</u>

Operating leases – lease payments recognised as an expense in the period
£161,087 (2020: £214,176).

13 Notes to the statement of cash flows

Reconciliation of net expenditure to net cash inflow from operating activities

	2021 £	2020 £
Net income/(expenditure)	2,972,722	(114,941)
Net interest on defined LGPS liability	129,000	231,000
Depreciation	73,680	59,652
Contributions to defined benefit pension schemes	595,000	742,000
(Increase)/decrease in stocks (note 7)	(115,714)	(324,680)
(Increase)/decrease in debtors (note 8)	(2,297,012)	(222,876)
Increase/(decrease) in creditors (note 9)	2,819,119	631,635
Net cash inflow from operating activities	4,176,795	1,001,790

Reconciliation of net cash flow to movement in net funds

	2021 £	2020 £
Increase/(decrease) in cash in the year	4,114,248	866,842
Change in net funds	4,114,248	866,842
Net funds at 1 April 2020	2,662,437	1,795,595
Net funds at 31 March 2021	6,776,685	2,662,437

Analysis of changes in net funds

	At 1 April 2020 £	Cash flows 2021 £	At 31 March 2021 £
Net cash:			
Cash in hand and at bank	2,662,437	4,114,248	6,776,685
Net funds	2,662,437	4,114,248	6,776,685

14 Related Party Transactions

Prof. Hamerow was appointed to the governing board of the Historic Buildings and Monuments Commission for England in September 2019 (the Commission has direct responsibility for the work of Historic England). OA received £52,802 (2019: £90,638) from Historic England on three separate projects in 2020-21 and one of the contract pre-dated Prof. Hamerow's appointment and she had no bearing on the decision or rate applied on the other two contracts.

An annual subscription of £1,140 (2019: £830) was paid to The Federation of Archaeological Managers & Employers (FAME). Two key management personnel of OA (Dr G Hey, Mr D Poore) are also directors of FAME.