

**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

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

## 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 7<sup>th</sup>-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](http://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: 15<sup>th</sup> 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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

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

Date: 15<sup>th</sup> 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 £
<b>Income from:</b>			
Charitable trading income	1	24,908,600	15,707,424
<b>Total income</b>		<u>24,908,600</u>	<u>15,707,424</u>
<b>Expenditure on:</b>			
<b>Costs of raising funds:</b>			
Fundraising and publicity	2	400	1,456
<b>Charitable activities:</b>	2	21,935,478	15,820,909
<b>Total resources expended</b>	2	<u>21,935,878</u>	<u>15,822,365</u>
Net income/(expenditure)		<u>2,972,722</u>	<u>(114,941)</u>
<b>Other recognised gains/(losses)</b>			
Remeasurement gain/(loss) on defined benefit pension plans	10	(4,100,000)	4,824,000
<b>Net movement in funds</b>		<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>
<b>Net Movement in funds prior to FRS102 pension adjustment:</b>			
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 £
<b>Fixed assets</b>			
Tangible assets	5	147,302	158,435
Intangible assets	6	-	-
		<u>147,302</u>	<u>158,435</u>
<b>Current assets</b>			
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>
<b>Creditors: amounts falling due within one year</b>	9	<u>(6,263,119)</u>	<u>(3,444,000)</u>
<b>Net current assets</b>		<u>7,703,888</u>	<u>3,996,033</u>
<b>Total assets less current liabilities</b>		<u>7,851,190</u>	<u>4,154,468</u>
<b>Net assets excluding pension liabilities</b>		<u>7,851,190</u>	<u>4,154,468</u>
<b>Defined benefit pension liability</b>	10	<u>(10,128,000)</u>	<u>(5,304,000)</u>
<b>Net liabilities</b>		<u>(2,276,810)</u>	<u>(1,149,532)</u>
<b>Funds</b>			
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 15<sup>th</sup> September 2021

and are signed on their behalf by:



Prof C Gosden  
Trustee

Date: 15<sup>th</sup> September 2021

Oxford Archaeology Limited Company No. 1618597  
Company registered number 1618597



## Cash flow statement

		2021 £	2020 £
<b>Cash flow from operating activities</b>	13	<b>4,176,795</b>	1,001,790
<b>Cash flow from investing activities</b>			
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 £
<b>Fundraising and publicity</b>		
Advertising	<u>400</u>	<u>1,456</u>
<b>Archaeological investigations:</b>		
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
	£	£
<b>Archaeological services and support costs:</b>		
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
	<b>4,268,526</b>	<b>3,417,354</b>
<b>Governance costs:</b>		
Auditor's remuneration	11,250	11,250
Costs of preparing for Trustees' meetings and support for Trustees	18,000	18,507
	<b>29,250</b>	<b>29,757</b>
<b>Total resources expended</b>	<b>21,935,878</b>	<b>15,822,365</b>

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
	<b>11,482,483</b>	<b>8,739,535</b>

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
	<b>364</b>	<b>275</b>

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:

	<b>2021</b>	<b>2020</b>
	<b>No</b>	<b>No</b>
£60,000 - £69,999	<b>1</b>	<b>2</b>
£70,000 - £79,999	<b>1</b>	<b>-</b>
£80,000 - £89,999	<b>-</b>	<b>-</b>
£90,000 - £99,999	<b>1</b>	<b>-</b>
	<b><u>1</u></b>	<b><u>-</u></b>

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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Staff pension contributions (note 2)	<b>681,294</b>	675,223
Depreciation of fixed assets (note 5)	<b>73,680</b>	59,652
Auditor's remuneration		
Audit services	<b>11,250</b>	11,250
Foreign exchange losses/(gains)	<b>-</b>	4
Operating lease rentals	<b>161,087</b>	214,176
	<b><u>161,087</u></b>	<b><u>214,176</u></b>

**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:

	<b>2021</b>	<b>2020</b>
	<b>%pa</b>	<b>%pa</b>
Pension increase rate	<b>2.8%</b>	1.8%
Salary increase rate	<b>2.8%</b>	1.8%
Discount rate	<b>2.05%</b>	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:

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Equities	<b>71%</b>	<b>68%</b>
Bonds	<b>19%</b>	<b>22%</b>
Property	<b>6%</b>	<b>7%</b>
Cash and other	<b>4%</b>	<b>3%</b>
	<b>100%</b>	<b>100%</b>

**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:

	<b>2021</b>	<b>2020</b>
	<b>%pa</b>	<b>%pa</b>
Pension increase rate	<b>2.8%</b>	1.8%
Salary increase rate	<b>3.3%</b>	2.3%
Discount rate	<b>2.05%</b>	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
	<hr/>	<hr/>
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
	<hr/>	<hr/>
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
<b>Net funds</b>	<b>2,662,437</b>	<b>4,114,248</b>	<b>6,776,685</b>

### 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.