

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 No	2022 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
	<hr/> 100 <hr/>	<hr/> 100 <hr/>

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%
	<hr/>	<hr/>

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	<u>16,805,824</u>	<u>4,182,154</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	2023 £	2022 £
Within one year	262,720	238,053
More than one year and less than five years	<u>496,754</u>	<u>579,933</u>
Other:		
Within one year	305	687
More than one year and less than five years	<u>0</u>	<u>229</u>

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.