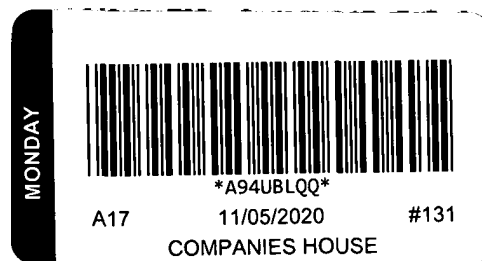


**SHERBORNE AREA SCHOOLS' TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



**SHERBORNE AREA SCHOOLS' TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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**SHERBORNE AREA SCHOOLS' TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	N Rees M Christopher E Gregory (on behalf of Bath & Wells Diocese Board of Education) J Dwyer J Tregale (on behalf of Salisbury Diocese Board of Education)
<b>Trustees</b>	S Hillier, Chief Executive <sup>1,2,3</sup> P Tebbatt <sup>1,3</sup> N Rees, Chair <sup>1</sup> A Cooke <sup>1,3</sup> J Tregale, Vice Chair <sup>2,3</sup> T Bartley <sup>1,3</sup> J Hill <sup>2</sup> R Davey <sup>2</sup> C Plewes <sup>2,3</sup> P Tait <sup>2</sup> J Hogben (resigned 31 December 2019) <sup>2</sup> J Ponsonby (appointed 28 February 2019) <sup>1</sup> B Gudgeon (appointed 28 February 2019) <sup>2</sup>
	<sup>1</sup> Finance & Resources <sup>2</sup> Teaching, Learning & Improvement <sup>3</sup> Pay & Remuneration
<b>Company registered number</b>	08130468
<b>Company name</b>	Sherborne Area Schools' Trust
<b>Principal and registered office</b>	The Gryphon School Bristol Road Sherborne Dorset United Kingdom DT9 4EQ
<b>Company secretary</b>	C Vigar
<b>Accounting officer</b>	S Hillier
<b>Trust management team</b>	S Hillier, CEO S Smith, Head of School Improvement (appointed 15th July 2019) C Watson, Head of Human Resources N Burroughs, Head of ICT Infrastructure M Clark, Head of Health, Safety and Estates Compliance (appointed 1st July 2019) C Vigar, Head of Finance

**SHERBORNE AREA SCHOOLS' TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
<b>Bankers</b>	Lloyds Bank 9 High Street Yeovil Somerset BA20 1RN
<b>Solicitors</b>	Veale Wasbrough Vizards Narrow Quay House Narrow Way Bristol BS1 4QA

**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 10 primary and 2 secondary academies in the Sherborne area. Its academies have a combined pupil capacity of 4,129 and had a roll of 3,380 in the school census.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Sherborne Area Schools' Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**Members' liability**

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

**Trade union facility time  
Relevant union officials**

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	295

**Percentage of time spent on facility time**

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

**Percentage of pay bill spent on facility time** £

Total cost of facility time	-
Total pay bill	13,532,307
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Trustees' Indemnities**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides unlimited cover on any one claim. Since 1 August 2016 the company has opted in to the Department of Education's Risk Protection Arrangement. This is a voluntary arrangement for academies and free schools as an alternative to insurance through which the cost of risks that materialise will be covered by government funds.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

There are 12 Trustees including 6 Foundation Trustees. The Articles of Association (45-80) of the Trust detail the arrangements for Trustees:

- The number of Trustees shall be not less than three nor more than twelve
- The Members shall appoint no fewer than 6 and up to 11 Trustees
- The Members will ensure that the number of Foundation Trustees appointed does not fall below 50% of the total number of Trustees
- The Members will ensure that the total number of Trustees employed by the Trust is no more than one third of the total
- The Chief Executive Officer is a Trustee

The Diocese of Salisbury, as a corporate member, may appoint Trustees under article 50 to ensure Foundation Trustees represent 50% of the total number of Trustees.

New Trustees are appointed under the requirements of the Articles of Association. The Trustees are appointed on the basis of the skills balance required for the Trust including strategic leadership, business management, finance, law or educational improvement. There is a full selection process including interviews and meetings with prospective Trustees.

All Trustees, Governors and professionals working for the Trust will accept and embrace their professional responsibility to care for every child and young person within the partnership. They will be open to change, treating all within the wider SAST community with dignity and respect at all times. They will follow the seven principles of public life (the Nolan principles).

The term of office for Trustees is four years. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. Trustees elect a Chair and Vice Chair annually.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The Trust is committed to ensuring that all Trustees and Local Governors are given the information to support their role to provide challenge and support to the Executive Leadership, the Headteachers and the School Leadership Teams.

All Trustees have access to policies, plans, evaluation reports, all external performance information, agendas, reports, minutes and accompanying papers. Trustee meetings are hosted in all of the Schools and they are preceded by a tour. Trustees are welcomed to visit each School in liaison with the Headteacher.

Trustees have access to Dorset Governors Services and are members of the National Governance Association (NGA) including training courses. There is an annual schedule of training through the year. The Trustees meet annually for a full day Conference in the Spring term. The Chair of Trustees is a current National Leader of Governance.

**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Organisational Structure**

The Sherborne Area Schools' Trust (SAST) is the statutory body for all the Schools in the Multi Academy Trust. The Secretary of State for Education has entered into an agreement with the Sherborne Area Schools' Trust to run the Schools in the Trust and therefore the Multi Academy Trust board is responsible for the standards and operation of all Schools in the Trust.

There is a balance as to the responsibilities delegated to Schools and those that are the responsibility of Trust. The focus is to continually evaluate, improve and develop through strong, effective and accountable leadership at all levels. The aim is to establish clear, simple and effective accountability including slim and streamlined governance. The Scheme of Delegation details the roles and responsibilities of the Members, The Trustees, the Local Governing Bodies, the Executive Head (who is the CEO and Accounting Officer) and the School Headteachers. All Schools are accountable to the Board of Trustees for standards and achievement.

There are three levels of governance:

1. **Members:-** Members appoint the Trustees to run the Trust, and are the only people able to amend the Articles of Association of the SAST. There are 6 members of which 1 will be the Diocese of Salisbury in a corporate capacity and 2 other have foundation status. Members have a strategic vision, with a range of skills such as academic/education, financial, legal, corporate business and creative/cultural.
2. **Board of Trustees:-** Trustees determine policy, and make decisions for the Trust. They are the statutory Governing Body of each School. There are 12 Trustees including 6 with foundation status. The Trustees are appointed on the basis of the skills balance required for the Trust including finance, legal, HR, project/business management, education, estates etc.

The Board of Trustees meets at least 4 times per year including a full day conference. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings.

3. **Local Governing Body (LGB):-** Each school has a LGB with agreed delegation to respond to the context, status, needs and resources of its school community and its connections to the wider world. The LGB will focus on teaching and learning, standards and achievement, community and safeguarding. There will be up to 12 Local Governors in each School and its composition reflects its previous VC, VA or community status. There are no local level sub-committees.

The Board of Trustees has two central Trust Committees: one for Teaching, Learning and Improvement and one for Finance and Resources. Each meets at least 4 times per year.

The Finance and Resources Committee terms of reference focus on finance, audit (it acts as the Audit Committee), premises and financial compliance.

The Teaching, Learning and Improvement Committee terms of reference focus on performance and standards, educational development, staffing, safeguarding and other compliance.

In addition there is a Pay and Remuneration Sub-Committee as well as Trust panels for Staff Discipline, Student Discipline and the Executive Head Appraisal.

There is an operational management structure to lead and support the Trust's aspirations. This includes the CEO, the Head of Finance (CFO), Head of HR and the Clerk who are appointed by the Board of Trustees. In the summer 2019 a Head of Improvement and a Head of Estates, Health and Safety Compliance joined the team. The Headteacher Group chaired by the CEO met every 2 weeks which included all school Headteachers and the Head of Finance and Head of HR

The Chief Executive Officer is the Accounting Officer.

**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees consider the Board of Trustees and the Senior Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually. The SAST Pay and Remuneration Sub-Committee has the following responsibilities:

- To determine the Pay Policy for the Trust
- To ratify appropriate salary ranges and starting salaries for lead practitioners, and members of the leadership group;
- To ratify annual pay progress for teachers as set out in the Pay Policy, taking account of any recommendations made by the school Headteacher in accordance with the approved pay policy and appraisal evidence.
- To approve applications to be paid on the Upper Pay Range.
- To approve annual pay progression for the CEO, taking account of the recommendation made by the CEO Appraisal Panel, following the annual review.
- To determine the application of national inflationary increases as required;
- To monitor and report to the Local Governing Body on the annual pattern of performance pay progression at each level and the correlation between pay progression, quality of teaching and outcomes for pupils.
- To monitor and review the performance and pay of all Headteachers in the Trust.

The annual appraisal of the CEO is conducted by a minimum of three Trustees. The annual appraisal of the School Headteacher is conducted by the CEO and 2 members of the LGB. The Trustees benchmark against pay levels in other Academies of a similar size.

**Connected Organisations, including Related Party Relationships**

**North Dorset Teaching School Alliance (NDTSA)**

In July 2017 The Gryphon School was selected to become a National Teaching School. In addition the CEO and School gained National Leader of Education and National School Support (NLE/NSS) designation.

The Teaching School leads the North Dorset Teaching School Alliance including South Somerset and Wiltshire to build upon local partnerships and collaboration by linking into national networks and resources. The School and Trust have taken a lead role supporting Schools in challenging circumstances. The type of support provided is flexible and tailored to meet the needs of each individual School. National Leaders of Education also have responsibility for developing the next generation of NLEs and National Support Schools. The Alliance is training new teachers, providing high quality school-led initial teacher training and professional development opportunities for teachers at all stages of their career.

**SASTCO Limited and the Gryphon Sports Centre**

The Sherborne Area Schools' Trust Company Limited (a trading subsidiary company of SAST limited by guarantee) took over the management of the Gryphon Sports Centre from West Dorset District Council for community access in November 2017.

The Company's objects are to carry on business by providing or assisting in the facilities and services for recreation, sporting or other leisure time activities in order to improve the conditions of life for the public at large and such other activities as the directors shall in their absolute discretion determine. There are five directors including one independent director who is not an employee or Trustee of SAST.



**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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Other Networks

The Academy Trust is part of a number of wider networks, organisations and other Schools but has no direct role in their governance or management. A core objective is for the Trust to be outward looking and future focused. We are explicit about using the best ideas from around the country and beyond to help improve the experiences and opportunities of our children, students and staff. We also share our expertise and excellence by School to School support with others through a host of groups:

The Jubilee CEO Group brings together CEOs of eight multi-academy trusts from across the SW and Midlands. At its core it aims to address current, rising and strategic problems, to provide a safe place for reflection and mutual support, to support each other's efforts to improve at the leading edge and to provide opportunities for further collaboration by other staff.

The South West Academy Group (SWAG) is a group of up to 9 Secondary Academy Schools from across Somerset, BANES and Devon. It has similar aims to the Jubilee Group but also drills into detailed operational issues. Subject leaders also meet across the Schools; there is an HE+ programme for gifted students.

The Prince's Teaching Institute. The English, Geography and Languages Departments at The Gryphon School have once again been awarded the Prince's Teaching Institute Mark. The Prince's Teaching Institute (PTI) launched the Schools Programme in 2007 to recognise and reward School departments that develop inspirational ideas and activities which enhance teaching.

PiXL (Partners in Excellence) emerged from the London Challenge in 2007 to further develop and widen the learning and success achieved in the capital's School Improvement Programme. The network has evolved from 50 Schools at its inception to current membership of around 1,500 Secondary Schools, 75 PRUs, 550 post-16 providers and 200 Primary Schools – all of whom share a desire to raise standards and inspire young people to achieve excellence in their lives. The Gryphon School joined in 2014 and has selectively used strategies to support leadership challenge and provide resources.

The Gryphon Foundation (also known as The Digby and Newland and Foster Educational Foundations) was established in 2011. Its objects are:

- the advancement of the education of pupils of The Gryphon School, Sherborne, Dorset ("the School") by providing and assisting in the provision of facilities and special benefits for education at the School (not normally provided by the local education authority);
- to fund prizes for the pupils at Prize Giving and Celebration of Achievement events at the School;
- the provision of grants, exhibitions or bursaries for the further or higher education of present or past pupils of the School up to and including the age of 25 (save in exceptional circumstances), including assistance to enable them to enter a profession, trade or calling;
- otherwise promoting the education of the beneficiaries of the Charity.

The objects of the Charity shall be furthered in such manner as the Trustees determine and the selection of beneficiaries of the Charity shall be at the Trustees' discretion.

The Schools have Parent Teacher Associations. The Primary Schools are at the heart of a Sherborne cluster of the Primary Science Teaching Trust. The Schools have Rights Respecting Schools status.

There are no related parties nor sponsors which either control or significantly influence the decisions and operations of Sherborne Area Schools' Trust.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The Academy Trust's main objective is to advance, for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum. This includes Academies other than those designated as Church of England.

Church of England Academies shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship and in having regard to the advice and following any directives of the Diocesan Board of Education.

Our mission and values:

- To be a special collaboration of high performing Primary, Secondary and Alternative Provision Schools seeking to ensure an excellent and sustainable 0-19 education for children within our community across West and North Dorset as well as South Somerset.
- To build upon the existing relationships across partnerships and clusters to develop as a family of Schools working together to strengthen each School and inspire our young people and their families.
- To have a shared commitment to creative and innovative learning opportunities, high aspirations and leadership, and academic success with inspiring Schools, alongside developing the personal attributes for everyone (children and staff) to thrive at every stage of their learning journey.

What we value - our ethos

- Our partnership is an inclusive learning community in which children and adults together are committed to, and inspired by, a love of lifelong learning. The partnership focus is to enhance the whole of a child's learning journey from 0-19 and it also promotes learning amongst adult members of School communities and the families of pupils.
- All Schools are equal partners and are committed to the principles of collaboration, sharing expertise and resources to enable all partner Schools to deliver excellent education for all young people in their care.
- Opportunities for greater consistency and coherence will be actively sought for the benefit of all children and staff.
- We will celebrate each School's unique and individual characteristics in the community it serves. Each School will retain its individual identity, uniform, ethos and where relevant Christian distinctiveness but will be working together for the benefit of the children, families and communities that they serve.
- There will be a rigorous focus on the key areas for improvement in order to achieve the highest standards of academic and personal achievement - nurturing our students' spiritual, moral, social, physical and cultural development.
- All the Trust leaders will act impartially in the best interest of the Trust and will work in the best interest of all the Academies.
- The Trust will recognise, prepare for and act upon the national and local changes taking place across education and that face the partnership Trust.
- The Trust will seek to pre-empt issues of performance (educational, financial, compliance etc). Where a School is experiencing or at risk of experiencing issues, the Trust will take the appropriate action to support the School to resolve those issues in a timely manner and for the benefit of those within the Trust.
- All Schools value all of our staff and the contribution they bring to our Schools and for our young people. All partner Schools are committed to supporting the development of all staff, to fostering leadership and succession planning as well as offering staff greater opportunities within the Trust and its academies. We will engage with our staff in shaping the provision across the Trust.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**In summary the SAST key values are:**

**Partnership and Collaboration**

Our schools support each other, by sharing expertise and resources, to ensure improvement

**Pursuit of Excellence**

We provide a high quality education to enable all students and staff to aspire, thrive and succeed

**Holistic Lifelong Learning**

We promote the personal development of every child and a love of lifelong learning for our students and staff

**Equality and Distinctiveness**

We celebrate the individuality of each school and all in it. We are proud to be at the heart of our local communities.

**Objectives, Strategies and Activities**

The Trust had an ambitious and detailed two year plan strategic and improvement plan for 2017 -2019 in 3 core areas.

**A. SAST Organisation**

- Ensuring the structures and organisation of SAST is fit for purpose

**B. Quality of Provision**

1. Improved outcomes and progress in EYFS, KS1, KS2, GCSE and A Level including destinations, for all students as a result of an education programme from 0-19
2. Excellence in teaching, learning and assessment through a broad and exciting curriculum
3. High expectations of student behaviour and welfare promoting positive attitudes to learning and high attendance
4. A wider range of support, early intervention and partnership support for students and families
5. Promote the Christian distinctiveness of all Schools as part of our pastoral care, collective worship and spiritual, social, cultural and moral education

**C. Quality of Leadership and Management**

1. High quality leadership and management that identifies areas for improvement, plans and implements the strategy including high impact School to School support provided from within and beyond the Trust
2. SAST wide training, CPD and support for staffing from NQT to senior leadership to promote staff well-being, recruitment and retention
3. Secure and manage resources to ensure education in all Schools is financially sustainable through appropriate financial stewardship, control, regularity, propriety and value for money
4. Invest and plan the development of facilities and assets across the estate
5. We remain at the heart of local communities ensuring active local engagement, communication and involvement
6. All risks are well managed to ensure safeguarding, health and safety, compliance and risk mitigation

The key priorities for 2018-19 were

1. Improved outcomes and progress for all
2. Improved support and progress for disadvantaged pupils
3. Greater sharing and collaboration for teachers and support staff
4. Developing the Trust as it grows with additional schools
5. Impactful school to school support for schools requiring improvement
6. Providing a quality offer from the North Dorset Teaching School Alliance
7. Ensuring financial sustainability and increased incomes

**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The priorities and actions for the year are based upon:

- Review of Trust and school performance data including the IDSR, Dorset Data Packs
- Trust School Reviews
- Integrated Curriculum and Financial Planning Tool
- Evaluation from the Executive Leadership Group
- Trust INSET
- MAT Improvement Capacity Framework Review
- MDIF Plan
- National Teaching School KPIs

Key activities and targets were identified in the Trust Improvement Plan. The activities included the following:

- Agreeing common curriculum principles
- Sharing and collaboration between leaders and staff
- SEND and disadvantaged provision
- Specific areas for progress in identified schools
- Improvement support for new schools
- Trust capacity to meet the demand for services
- Reviewing the scheme of delegation

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in West Dorset, North Dorset, South Somerset and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development Schools, offering a broad curriculum.

At the end of 2018-19 the Trust provision incorporates high quality 0-19 education in the form of:

- Two large town Primary Schools each with over 300 children; and one with 210 children
- Seven village Primary Schools with between 40 and 140 children
- One large Secondary School with over 1,600 students including 400 in post-16 education; one small 11-16 secondary school
- Three nursery schools
- Two of the new schools joining the Trust were sponsored conversions

The Schools in the Trust at the start of the financial period were:

- Buckland Newton CE Primary School
- St Andrew's CE Primary School, Yetminster
- St Mary's CE Primary School, Bradford Abbas
- Sherborne Abbey CE Primary School
- Sherborne Primary School
- The Gryphon School, Sherborne
- Thornford CE Primary School

**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Following schools joined the Trust in 2018-19:

- King Arthur's School, Wincanton (1 April 2019)
- Charlton Horethorne CE Primary School (1 May 2019)
- St Mary the Virgin CE Primary School (1 June 2019)
- Shillingstone CE Primary School (1 July 2019)
- Okeford Fitzpaine CE Primary School (1 July 2019)

The Schools serve a large rural catchment area across North and West Dorset as well as South Somerset. Significant numbers apply and join the Schools from outside the catchment areas.

Each School offers considerable public benefit through its role as a provider of education and the links it has developed with the local community. This includes pre-school and after-school provision as well as holiday child care provision. Community groups hire School facilities. The Gryphon Sports Centre provides community facilities with the Leisure Centre, fitness suite, all weather pitch and other sports pitches are available for public use outside of school hours.

The Trust and the North Dorset Teaching School Alliance provide leadership and governance support for other schools in the South West. This has included significant commissioned School to School support for 3 schools outside of the Trust.

## **STRATEGIC REPORT**

### **Achievements and Performance**

#### **Primary**

At the end of KS2 there were 210 students in the 10 Primary Schools. Overall

- the percentage of students reaching expected standards in Reading, Writing, Grammar, Punctuation and spelling and Maths was at or above national; writing was below national in 2018 and is now well above.
- the percentage of students reaching greater than expected standards in Reading and Writing was above national; Grammar, Punctuation and Spelling, and Maths was below national.
- the percentage of students reaching expected standards for combined Reading/Writing/Maths was at or above national for 9 out of 10 Schools
- progress in reading was significantly above national in 2 Schools, above/in line for 8 Schools, below/in line for 0 Schools
- progress in writing was significantly above national in 1 School, above/in line for 9 Schools, below/in line for 0 Schools
- progress in maths was significantly above national in 2 School, above/in line for 7 Schools, below for 1 school

At KS1 attainment was good overall

- overall attainment is above/well above national for expected standards in Reading, Writing and Maths
- overall attainment is above/well above national for greater depth standards in Reading and Writing
- Year 1 Phonics was above national for 4 schools, 80% for 3 schools and below for 3 schools
- EYFS Good level of development was above national in 6 Schools

#### **Secondary**

At the end of KS4 there were 208 students entered at The Gryphon School

- Attainment 8 is high and increased to 50.5
- Progress 8 is just above average at +0.03
- Basics grade 4 or more in both English and Maths was 70%

**SHERBORNE AREA SCHOOLS' TRUST  
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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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King Arthur's School, Wincanton was sponsored to convert and join the Trust on 1 April 2019 from Somerset LA following an Inadequate OFSTED Inspection. Outcomes were below national averages but in line with expectations as a result of a legacy curriculum and the previous quality of leadership, governance and teaching.

At Post-16, the Gryphon Sixth Form had 228 students taking examinations

- attainment was good and in line with national averages - 75% A\*-C
- progress is well above national for the second consecutive year
- there was a high number of UCAS applications with high offer and acceptance rates

In each School there is a breadth of curriculum opportunities and experiences; there are consistent values and ethos evident; all the Schools provide a positive, calm and caring environment. Overall there is excellent teaching, positive attitudes, an array of curriculum experiences, high expectations, high achievement, with a focus on the personal and academic development of every student.

In 2018 the Trust was asked to sponsor local Schools and Trust sponsor status was granted by the DFE/RSC.

In Sherborne additional school places are being provided at Sherborne Abbey Primary School with 4 new classrooms and an extension to the Reception class. This was completed in the summer of 2018.

The Trust had the following grants in 2018-19:

- MAT Development and Improvement Grant £95,000 – to support the development of the Trust
- Teaching School Grant - £50,000
- Aspiring Teaching School Grant £21,220– to support St Mary the Virgin CE Primary School, Gillingham to become a Teaching School
- Leadership Equality and Diversity Fund Grant £20,000 – to provide leadership training including a Women into Leadership course
- Condition Improvement Grant £195,000 to replace the main roof at Buckland Newton CE Primary School
- Condition Improvement Grant £155,000 to provide a new perimeter fence and front gates at Sherborne Primary School
- King Arthur's School Sponsor Grant £150,000; Environmental Improvement Grant £80,000
- Okeford Fitzpaine CE Primary School Sponsor Grant £110,000; Environmental Improvement grant £40,000

**Key Performance Indicators**

**OFSTED Inspection grades**

- Two of the Schools hold an outstanding judgement,
- Seven of the Schools hold an overall good judgement
- One School was assessed as requires improvement
- Two of the five joiner schools had previously had an inadequate judgement
- No schools were inspected during this period; the two schools with a previous inadequate judgement did have monitoring visits which approved the actions underway
- The Gryphon School was inspected in November 2017 and retained its grade of good overall. The Sixth Form held an outstanding judgement
- The Little Gryphon's Nursery was inspected in January 2018 and judged to be good in all categories.

**SHERBORNE AREA SCHOOLS' TRUST  
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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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There are 10 Church of England Schools in the Diocese of Salisbury or Diocese of Bath and Wells who receive a Statutory Inspection of Anglican and Methodist Schools (SIAMS). Currently 4 of the Schools are judged to be outstanding/excellent and 6 of the Schools judged to be good. One new school was inspected during this period just after joining the Trust.

In terms of admissions and places five of the ten Primary Schools are full. Sherborne Abbey is a designated growth school for Sherborne. The Secondary School has 240 places in each year with 98% occupancy. It was significantly oversubscribed for 2019 entry. The Sixth Form has a capacity of 450.

Each School is required to set a balanced budget with the goal of achieving an end of year 1% surplus.

With reduced real term funding and increases in all costs this was not achievable. The overall operating deficit for the Trust is x%.

The target for the proportion of GAG funding used for staffing expenditure is 80%. The proportion in 2018-19 was 108%. Excluding staff costs for the teaching school and nursery, the proportion was 103%.

KPIs are:

- All schools are judged to be good or better in OFSTED Inspections
- All CE schools are judged to be good or better for Christian Distinctiveness in SIAMs
- KS1 Attainment is above national for 90% of schools
- KS2 Progress is above national for each of reading, writing and mathematics
- KS4 Progress 8 and Attainment 8 is above national
- Sixth Form attainment and progress is above national
- Staffing expenditure is no more than 80% of GAG
- All schools set balanced in year budgets

**Going Concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern policy.

**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2019, the Academy received total income of £21,700,105 and incurred total expenditure of £17,730,469. The excess of income over expenditure for the year was £3,969,636. Excluding income on conversion of £4,219,584, there would have been an excess of expenditure over income of £249,948.

At 31 August 2019 the net book value of fixed assets was £12,690,041 and movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The land, buildings and other assets were transferred to the Academy upon conversion. The land and buildings valuation has been estimated on the basis of depreciated replacement cost, by reference to the value of the Gryphon School's land and buildings when it converted adjusted by a factor regarding the relevant, average age of the buildings and the rateable value of the respective sites. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share was transferred across on conversion and is shown as Unrestricted Funds. This is detailed in note 27 to the financial statements

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 28 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

**Reserves Policy**

The Trust aims to maintain its reserves for a number of purposes, including funding current and future spending on fixed assets, financing schools' working capital and providing a contingency against the risks and uncertainties in running a Trust. The Trustee's policy is to hold sufficient reserves to cover these requirements and to use any surpluses generated by each school on improving education and school facilities. The Trust currently intends to maintain financial reserves at a value equivalent to 1.5% to 5% of annual GAG funding (£186,000 to £622,000). At the year end, the Trust held free reserves of £604,000. This level of reserves is in line with the Trusts policy.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

**Investment Policy**

The Trust's position is currently to only invest in risk free and easily accessible current bank accounts aiming to manage its cash balances to provide for the day-to-day working capital requirements of its operations.

In the future, opportunity permitting, the Trust would ensure that any investment instruments are such that there would be no tangible risk to the loss of cash funds. The Trust does not consider the possible future investment of surplus funds as a primary activity, rather it would be the result of good stewardship as and when circumstances allow and investments would only be made when approved by the Board of Trustees.

**Purposes:**

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital balances.
- To ensure there is no tangible risk of loss in the capital value of any cash funds invested.
- To protect the capital value of any invested funds against inflation.
- To optimise returns on invested funds.



**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**Principal Risks And Uncertainties**

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Trust are as follows:

**Financial** - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 83% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** - The Trust has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Trust is well-subscribed, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance and Resources Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 28 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**FUNDRAISING**

The Trust undertakes student fundraising activities for nominated charities on a regular basis. Charities supported during the 2018/19 academic year included The Lily Foundation, Children in Need, Comic Relief, Send a Cow, Jeans for Genes, Plan International, Save the Children, Macmillan Cancer Support, Crisis, Mosaic Family Support, Mercy Ships, and Young Minds.

No commercial partners or professional fundraisers were involved with fundraising activities. The Finance and Resources Committee monitors fundraising activities. No complaints were received regarding the fundraising activities of the Trust.

The Trust does not undertake major fundraising activities unless they are associated with specific projects. No major fundraising activities were undertaken during the 2018/19 reporting period.

**PLANS FOR FUTURE PERIODS**

The Trust is exceptionally well placed to enhance the quality of education even further for the community we serve in the years ahead. There is strong leadership and expertise at all levels.

At the heart of SAST is the desire to work in partnership, to collaborate with others and to be outward facing for the benefit of children and staff. The Schools have extensive links beyond the immediate area and are keen to extend these further. The partnership is open to enquiries from all Schools of any or no faith and of any age range. The Governance structure has been designed to meet the requirements of maintained Schools and Church of England Schools including those that are voluntary aided. All schools expressing an interest in joining the MAT will be subject to a due-diligence evaluation in order that the MAT understands the positive contribution the School would make to the MAT and any support needs of the School.

The Trust will look to grow to include Schools across North Dorset and South Somerset within a 30-45 minute maximum travelling time where there have been longstanding informal links, clusters and partnerships. This can extend into South Somerset and incorporate Church of England Schools in the Diocese of Bath and Wells. This complements and integrates with the developing North Dorset Teaching School Alliance (NDTSA) of which The Gryphon School is the lead school.

It is expected that the Trust will continue to expand in 2019-20 to have around 5,000 students. The reasons and benefits of this growth include:

- A moral purpose to be a "giver" in the School-led system
- Our expertise and experience as a group of Academies and with School Improvement
- The strong need for effective School to School support in the area
- The desire to build a local geographically coherent group of School with shared values
- This will facilitate additional resources into the region
- Building upon existing strong pyramids and partnership across North Dorset

The organisation has additional central capacity for finance, HR, estates support, IT infrastructure and an expanded School Improvement function. A phased growth is anticipated but will need to be agile to take into account Schools suddenly requiring support or sponsorship. All these have been discussed with the DFE and RSC.

The priorities for 2019-20 continue to be

- Improved outcomes and progress for all
- Improved support and progress for disadvantaged pupils
- Greater sharing and collaboration for teachers and support staff
- Impactful School to School support for Schools requiring improvement
- Developing the Trust as it grows with additional Schools
- Providing a quality offer from the North Dorset Teaching School Alliance
- Ensuring financial sustainability with national funding levels and increased other incomes

**SHERBORNE AREA SCHOOLS' TRUST  
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**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The ultimate strategic goal is for the Trust to have the very best Schools not only in Dorset but in the South West and nationally. Trustees, Headteachers and Governors want the Trust to be a beacon of excellent practice which other Schools wish to work with.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

Owing to the nature of the Trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

**DISCLOSURE OF INFORMATION TO AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**AUDITORS**

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on **12/12/19** and signed on its behalf by:

~~S. Hillier~~ **N REES**  
Chair of Trustees



**SHERBORNE AREA SCHOOLS' TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

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**Scope of responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Sherborne Area Schools' Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sherborne Area Schools' Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 5 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Hillier, Chief Executive	5	5
P Tebbatt	4	5
N Rees, Chair	5	5
A Cooke	2	5
J Tregale, Vice Chair	5	5
T Bartley	5	5
J Hill	5	5
R Davey	4	5
C Plewes	4	5
P Tait	5	5
J Hogben	0	3
J Ponsonby	1	1
B Gudgeon	2	2

Changes to the Board of Trustee membership during the year are detailed below.

J Hogben (resigned 31st December 2018)  
B Gudgeon (appointed 28th February 2019)  
J Ponsonby OBE (appointed 28th February 2019)

The Trust Board's main responsibilities include;

- Strategy:- mission, vision, and values
- Governance:- monitor performance and provide support
- Finance:- planning, budgeting, statutory accounts, and cash flow
- Audit:- financial controls and risk management
- Premises:- asset management planning
- Health & Safety:- monitoring compliance and effectiveness
- ICT:- develop and implement an integrated ICT strategy
- Staffing:- HR policies, workforce structure, and pay & remuneration
- Appraisal:- recruitment and appraisal of Headteachers
- Wellbeing:- reporting and action
- Teaching & Learning:- policies, schemes of work and development
- SEND & PP:- compliance, policies, and practice
- Behaviour:- exclusions, awards, and sanctions

**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

- Admissions:- policy and appeals
- Collective worship:- frameworks for monitoring development in faith schools
- Parents & Community:- develop strategies for the Trust
- Safeguarding:- policies, training, and legal compliance
- School Development:- initiative for school improvement
- External review:- reporting and action plans
- School organisation:- school day, terms dates, and INSET

The Trust completed a financial management and governance self-assessment (FMGS) in September 2017. An additional comprehensive review was undertaken by the Board of Trustees at their annual Conference in February 2019. This involved a skills audit, a review of the Scheme of Delegation, and review of structures and systems. Consequently, this has facilitated challenge of existing governance, and how this can be further strengthened.

The Trust intends to conduct its next self-evaluation at the annual Trustee's Conference in February 2020.

The Finance and General Purposes Committee is a sub-committee of the main board of Trustees. Its purpose is to focus on the effectiveness with which the Trust deploys resources to achieve value for money, the budget, finance, school audit, staff recruitment, site development, health and safety, commercial activity and the Little Gryphons Nursery; to challenge and support leaders and managers, holding them to account for tackling weaknesses and further improving outcomes for all students.

The only change to the membership of the sub-committee during the year was the appointment of J Ponsonby, effective from 28th February 2019.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Tebbatt	5	5
S Hillier, Chief Executive	3	5
N Rees	4	5
T Bartley	5	5
A Cooke	3	5
J Ponsonby	1	2

The Teaching, Learning, and Improvement Committee is also a sub-committee of the main board of Trustees. Its purpose is to have a strategic overview of;

- Performance and standards
- Educational development
- Staffing
- Safeguarding
- Other compliance

**HR / Staffing**

1. The approval of Academy staffing structures within the Academy's budget, including approval of any restructuring.
2. The organisation of procedures for the appointment of senior staff at the schools, including middle leaders.
3. To oversee the recruitment, induction, training, CPD, wellbeing and other HR processes for all the staff within the Trust at a strategic level.
4. To ratify all HR policies for the Trust.
5. The Sherborne Area Schools' Trust Board is the employer for all staff and therefore is the final appeal body in matters of pay and staff discipline.

**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

**ICT**

1. To ensure an ICT strategy for the Trust that maximises the use of technology in both administrative and academic settings.
2. To ensure compatibility and integration of computer systems across all schools in the Trust to facilitate maximum efficiency and cohesiveness.

Changes to the membership of the sub-committee during the year were as follows;

J Hogben (resigned 31st December 2018)

B Gudgeon (appointed 28th February 2019)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Hillier, Chief Executive	4	4
P Tait	3	4
J Hill	4	4
J Hogben	0	2
C Davey	4	4
J Tregale	4	4
C Plewes	4	4
B Gudgeon	1	1

**Review of value for money**

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management.
- FMGS for all new joining schools
- Value for money purchasing and competitive tendering
- Joint procurement and tendering eg photocopying, telephones, IT purchases, tracking software, catering
- Providing joint services across schools eg IT support services
- Reviewing controls and managing risk.
- External ESFA Integrated Curriculum Financial Planning benchmarking review
- Making comparisons with similar Academies using data provided by the ESFA and the Government.
- External SRMA reviews by ESFA for new sponsor schools
- Challenging proposals and examining their effectiveness and efficiency.
- Restructuring and deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money (continued)**

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sherborne Area Schools' Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**The risk and control framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint School Business Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Finance policies and procedures
- Purchases
- Income
- Payroll
- Finance Reporting

On a quarterly basis, the internal auditor reports to the board of Trustees through the finance and resources committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework (continued)**

**Review of effectiveness**


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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

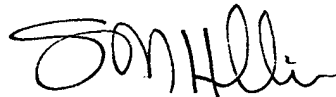
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on **12/12/19** and signed on their behalf by:

**N Rees**  
Chair of Trustees



**S Hillier**  
Accounting Officer





**SHERBORNE AREA SCHOOLS' TRUST**  
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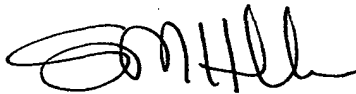
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Sherborne Area Schools' Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

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



**S Hillier**

Accounting Officer

Date: 12/12/19

**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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



**S Hillier**

Accounting Officer

Date: 12/12/19

**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SHERBORNE AREA SCHOOLS' TRUST**

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SHERBORNE AREA SCHOOLS' TRUST (CONTINUED)**

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**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report 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 Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SHERBORNE AREA SCHOOLS' TRUST (CONTINUED)**

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**Responsibilities of Trustees**

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

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


**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



**Tim Borton FCA (Senior statutory auditor)**  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

Date:

24 December 2019

**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHERBORNE AREA SCHOOLS' TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 30 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sherborne Area Schools' Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Sherborne Area Schools' Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Sherborne Area Schools' Trust's funding agreement with the Secretary of State for Education dated 1 August 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

**Conclusion**

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

**SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHERBORNE  
AREA SCHOOLS' TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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**Tim Borton FCA (Reporting Accountant)**

**Bishop Fleming LLP**  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

Date:

24 December 2019

**SHERBORNE AREA SCHOOLS' TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	As restated Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants:	3					
Assets transferred on conversion		55,419	(1,726,000)	5,890,165	4,219,584	-
Other donations and capital grants		97,758	348,569	750,320	1,196,647	569,723
Charitable activities	4	1,103,021	14,406,623	-	15,509,644	13,074,518
Teaching schools	34	-	350,898	-	350,898	128,792
Other trading activities		422,449	-	-	422,449	412,141
Investments	7	883	-	-	883	720
<b>Total income</b>		<b>1,679,530</b>	<b>13,380,090</b>	<b>6,640,485</b>	<b>21,700,105</b>	<b>14,185,894</b>
<b>Expenditure on:</b>						
Raising funds		143,407	-	-	143,407	107,241
Charitable activities	9	1,399,171	15,565,743	294,460	17,259,374	15,148,307
Teaching schools	34	-	327,688	-	327,688	50,778
<b>Total expenditure</b>		<b>1,542,578</b>	<b>15,893,431</b>	<b>294,460</b>	<b>17,730,469</b>	<b>15,306,326</b>
<b>Net income/(expenditure)</b>		<b>136,952</b>	<b>(2,513,341)</b>	<b>6,346,025</b>	<b>3,969,636</b>	<b>(1,120,432)</b>
Transfers between funds	22	-	(144,693)	144,693	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>136,952</b>	<b>(2,658,034)</b>	<b>6,490,718</b>	<b>3,969,636</b>	<b>(1,120,432)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	28	-	(1,464,000)	-	(1,464,000)	1,452,000
<b>Net movement in funds</b>		<b>136,952</b>	<b>(4,122,034)</b>	<b>6,490,718</b>	<b>2,505,636</b>	<b>331,568</b>



**SHERBORNE AREA SCHOOLS' TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>As restated Total funds 2018 £</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	<b>118,260</b>	<b>(6,374,416)</b>	<b>6,352,771</b>	<b>96,615</b>	<b>(234,953)</b>
Net movement in funds	<b>136,952</b>	<b>(4,122,034)</b>	<b>6,490,718</b>	<b>2,505,636</b>	<b>331,568</b>
<b>Total funds carried forward</b>	<b>255,212</b>	<b>(10,496,450)</b>	<b>12,843,489</b>	<b>2,602,251</b>	<b>96,615</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 35 to 70 form part of these financial statements.

**SHERBORNE AREA SCHOOLS' TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER:08130468**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	As restated 2018 £
<b>Fixed assets</b>			
Intangible assets	16	31,879	19,108
Tangible assets	17	12,658,162	6,333,663
		<u>12,690,041</u>	<u>6,352,771</u>
<b>Current assets</b>			
Stocks		15,915	15,915
Debtors	18	1,231,411	573,281
Cash at bank and in hand		1,076,287	763,556
		<u>2,323,613</u>	<u>1,352,752</u>
Creditors: amounts falling due within one year	19	(1,565,403)	(1,048,908)
<b>Net current assets</b>		<u>758,210</u>	<u>303,844</u>
<b>Total assets less current liabilities</b>		<u>13,448,251</u>	<u>6,656,615</u>
<b>Net assets excluding pension liability</b>		<u>13,448,251</u>	<u>6,656,615</u>
Defined benefit pension scheme liability	28	(10,846,000)	(6,560,000)
<b>Total net assets</b>		<u><u>2,602,251</u></u>	<u><u>96,615</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	22	12,843,489	6,352,771
Restricted income funds	22	349,550	185,584
		<u>13,193,039</u>	<u>6,538,355</u>
Restricted funds excluding pension asset	22	13,193,039	6,538,355
Pension reserve	22	(10,846,000)	(6,560,000)
<b>Total restricted funds</b>	22	<u>2,347,039</u>	<u>(21,645)</u>
<b>Unrestricted income funds</b>	22	<u>255,212</u>	<u>118,260</u>
<b>Total funds</b>		<u><u>2,602,251</u></u>	<u><u>96,615</u></u>

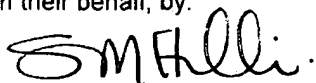
SHERBORNE AREA SCHOOLS' TRUST  
(A COMPANY LIMITED BY GUARANTEE)  
REGISTERED NUMBER:08130468

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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The financial statements on pages 30 to 70 were approved by the Trustees, and authorised for issue and are signed on their behalf, by:

S Hillier



Date:

12/12/2019

The notes on pages 35 to 70 form part of these financial statements.

**SHERBORNE AREA SCHOOLS' TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	As restated 2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	24	368,741	197,253
<b>Cash flows from investing activities</b>	25	(56,010)	(102,319)
<b>Change in cash and cash equivalents in the year</b>		312,731	94,934
Cash and cash equivalents at the beginning of the year		763,556	668,622
<b>Cash and cash equivalents at the end of the year</b>	26	<u>1,076,287</u>	<u>763,556</u>

The notes on pages 35 to 70 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Sherborne Area Schools' Trust meets the definition of a public benefit entity under FRS 102.

**1.2 GOING CONCERN**

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

**1.3 INCOME**

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

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.3 INCOME (continued)**

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**1.4 EXPENDITURE**

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

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 INTANGIBLE ASSETS**

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following basis:

Amortisation is provided on the following basis:

Website	- 4 years straight line
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.6 TANGIBLE FIXED ASSETS**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following basis.

Long-term leasehold property	- 50 years straight line
Fixtures, fittings and equipment	- 5 years straight line
Plant and machinery	- 7 years straight line
Motor vehicles	- 4 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Where the Academy Trust has been granted use of the school buildings from the Diocese under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Diocese. A donation from the Diocese has been recognised equal to the deemed rental expense, based on the rateable value of the buildings.

**1.7 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first first out basis.

**1.8 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.9 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.10 LIABILITIES**

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

**1.11 FINANCIAL INSTRUMENTS**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1.12 OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.13 PENSIONS**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

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

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

**1.14 CONVERSION TO AN ACADEMY TRUST**

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the predecessor schools to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 27.

**1.15 AGENCY ARRANGEMENTS**

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 33.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. Accounting policies (continued)**

**1.16 FUND ACCOUNTING**

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

**2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**SHERBORNE AREA SCHOOLS' TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Donations</b>					
Assets transferred on conversion	55,419	(1,726,000)	5,890,165	<b>4,219,584</b>	-
Donations	97,758	348,569	-	<b>446,327</b>	420,489
Capital Grants	-	-	750,320	<b>750,320</b>	149,234
<b>Subtotal</b>	97,758	348,569	750,320	<b>1,196,647</b>	569,723
	153,177	(1,377,431)	6,640,485	<b>5,416,231</b>	569,723
Total 2018	143,520	276,969	149,234	569,723	

**4. Income from charitable activities**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Education	802,185	14,406,623	<b>15,208,808</b>	12,723,776
Nursery	300,836	-	<b>300,836</b>	350,742
<b>Total 2019</b>	1,103,021	14,406,623	<b>15,509,644</b>	13,074,518
Total 2018	1,093,278	11,981,240	13,074,518	

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**5. Funding for the Academy Trust's education**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	12,435,054	<b>12,435,054</b>	11,135,707
Start up Grants	-	125,600	<b>125,600</b>	13,717
Other DfE Group grants	-	808,183	<b>808,183</b>	514,045
	-	13,368,837	<b>13,368,837</b>	11,663,469
<b>Other Government grants</b>				
High Needs	-	131,159	<b>131,159</b>	109,349
Other Government grants	-	382,922	<b>382,922</b>	205,088
	-	514,081	<b>514,081</b>	314,437
<b>Other funding</b>				
Internal catering income	482,819	-	<b>482,819</b>	489,369
Sales to students	25,441	-	<b>25,441</b>	26,796
Other	293,925	523,705	<b>817,630</b>	229,705
<b>Total 2019</b>	<b>802,185</b>	<b>14,406,623</b>	<b>15,208,808</b>	<b>12,723,776</b>
<b>Total 2018</b>	<b>745,870</b>	<b>11,977,906</b>	<b>12,723,776</b>	

**6. Income from other trading activities**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings, leisure and other income	208,721	<b>208,721</b>	172,066
School transport income	213,728	<b>213,728</b>	240,075
<b>TOTAL 2019</b>	<b>422,449</b>	<b>422,449</b>	<b>412,141</b>

All prior year income related to unrestricted funds.

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**7. Investment income**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	883	883	720

All prior year income related to unrestricted funds.

**8. Expenditure**

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	130,230	-	13,177	143,407	107,241
Education:					
Direct costs	10,927,618	120,884	1,473,353	12,521,855	11,011,968
Allocated support costs	1,849,875	1,179,229	1,347,275	4,376,379	3,784,877
Nursery:					
Direct costs	326,765	-	5,208	331,973	316,112
Allocated support costs	-	18,342	10,825	29,167	35,350
Teaching school	297,819	112	29,757	327,688	50,778
<b>Total 2019</b>	<b>13,532,307</b>	<b>1,318,567</b>	<b>2,879,595</b>	<b>17,730,469</b>	<b>15,306,326</b>
<b>Total 2018</b>	<b>11,595,913</b>	<b>1,419,850</b>	<b>2,290,563</b>	<b>15,306,326</b>	

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**9. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Education	1,364,796	15,533,438	<b>16,898,234</b>	14,796,845
Nursery	34,375	326,765	<b>361,140</b>	351,462
<b>Total 2019</b>	<b>1,399,171</b>	<b>15,860,203</b>	<b>17,259,374</b>	<b>15,148,307</b>
<b>Total 2018</b>	<b>1,808,464</b>	<b>13,339,843</b>	<b>15,148,307</b>	

**10. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Education	12,521,855	4,376,379	<b>16,898,234</b>	14,796,845
Nursery	331,973	29,167	<b>361,140</b>	351,462
<b>Total 2019</b>	<b>12,853,828</b>	<b>4,405,546</b>	<b>17,259,374</b>	<b>15,148,307</b>
<b>Total 2018</b>	<b>11,328,080</b>	<b>3,820,227</b>	<b>15,148,307</b>	

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**10. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Education</b>	<b>Nursery</b>	<b>Total</b>	<b>Total</b>
	<b>2019</b>	<b>2019</b>	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>£</b>	<b>2019</b>	<b>2018</b>
			<b>£</b>	<b>£</b>
Pension income	184,000	-	<b>184,000</b>	182,000
Staff costs	10,842,311	326,765	<b>11,169,076</b>	9,899,461
Depreciation	253,583	-	<b>253,583</b>	229,398
Educational supplies	323,408	3,079	<b>326,487</b>	252,616
Examination fees	165,098	-	<b>165,098</b>	151,847
Staff development	47,366	614	<b>47,980</b>	15,627
Other costs	353,368	1,295	<b>354,663</b>	339,445
Supply teachers	85,307	-	<b>85,307</b>	43,982
Technology costs	11,046	-	<b>11,046</b>	26,602
Amortisation	13,749	-	<b>13,749</b>	7,713
Educational services	242,619	220	<b>242,839</b>	179,389
<b>Total 2019</b>	<b>12,521,855</b>	<b>331,973</b>	<b>12,853,828</b>	<b>11,328,080</b>
<b>Total 2018</b>	<b>11,011,968</b>	<b>316,112</b>	<b>11,328,080</b>	

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**10. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Education</b>	<b>Nursery</b>	<b>Total</b>	<b>Total</b>
	<b>2019</b>	<b>2019</b>	<b>funds</b>	<b>funds</b>
	<b>£</b>	<b>£</b>	<b>2019</b>	<b>2018</b>
			<b>£</b>	<b>£</b>
Staff costs	1,849,875	-	<b>1,849,875</b>	1,526,924
Depreciation	44,704	-	<b>44,704</b>	36,387
Other costs	13,427	192	<b>13,619</b>	33,470
Recruitment and support	54,117	-	<b>54,117</b>	50,285
Maintenance of premises and equipment	185,977	817	<b>186,794</b>	185,522
Cleaning	74,283	3,030	<b>77,313</b>	72,921
Rent and rates	476,599	7,102	<b>483,701</b>	426,287
Energy costs	191,990	4,393	<b>196,383</b>	170,770
Insurance	94,735	-	<b>94,735</b>	70,006
Security and transport	300,648	-	<b>300,648</b>	293,516
Catering	429,714	12,753	<b>442,467</b>	414,403
Technology costs	310,242	-	<b>310,242</b>	169,506
Office overheads	105,558	78	<b>105,636</b>	148,648
Legal and professional	225,323	-	<b>225,323</b>	184,073
Bank interest and charges	12,150	802	<b>12,952</b>	11,307
Profit on disposal of fixed assets	(20,000)	-	<b>(20,000)</b>	-
Governance	27,037	-	<b>27,037</b>	26,202
<b>Total 2019</b>	<b>4,376,379</b>	<b>29,167</b>	<b>4,405,546</b>	<b>3,820,227</b>
<b>Total 2018</b>	<b>3,784,877</b>	<b>35,350</b>	<b>3,820,227</b>	

**11. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Operating lease rentals	<b>49,177</b>	39,005
Depreciation of tangible fixed assets	<b>298,289</b>	265,785
Amortisation of intangible assets	<b>16,173</b>	8,937
Auditors' remuneration		
- audit	<b>16,250</b>	12,900
- other services	<b>9,565</b>	2,450



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**12. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	9,916,837	8,615,508
Social security costs	874,053	746,327
Pension costs	2,535,077	2,153,137
	<u>13,325,967</u>	<u>11,514,972</u>
Agency staff costs	85,307	43,982
Staff restructuring costs	121,033	36,959
	<u><u>13,532,307</u></u>	<u><u>11,595,913</u></u>

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	121,033	36,959
	<u><u>121,033</u></u>	<u><u>36,959</u></u>

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £55,216 (2018: £36,959). Individually, the payments were £38,284, £10,000 and £6,932 (2018: £17,643 and £19,316).

These severance payments relate to redundancies committed to by the Local Authority prior to schools transferring into the Trust.

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	164	146
Administration and support	317	294
Management	24	19
	<u><u>505</u></u>	<u><u>459</u></u>

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**12. Staff costs (continued)**

**c. Staff numbers (continued)**

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	137	129
Administration and support	134	136
Management	24	19
	295	284

**d. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	4	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	-
In the band £110,001 - £120,000	1	-
	1	-

**e. Key management personnel**

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Trust Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £369,136 (2018: £242,889). As the Trust continues to grow, who is included within key management personnel has been changed this year and therefore the comparative figure has been adjusted to reflect this. The remuneration has increased due to the inclusion of additional trust roles this year, with 6 roles now, rather than 3 previously.

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in Note 13 has not been included in the total benefits received by key management personnel above.

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**13. Central services**

The Academy Trust has provided the following central services to its academies during the year:

- Executive leadership
- Human resources
- Financial services
- Legal services
- Health & Safety
- Other corporate support services

The Academy Trust charges for these services on the following basis:

4.7 - 5.0% of GAG funding.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Buckland Newton C of E VC Primary School	16,512	15,568
Sherborne Abbey C of E VC Primary School	51,686	48,176
Sherborne Primary School	54,732	53,577
St Andrew's C of E VC Primary School	24,484	25,135
St Mary's C of E VC Primary School	21,681	22,145
The Gryphon School	334,611	336,227
Thornford CE VA School	20,226	19,371
Charlton Horethorne Primary School	4,310	-
King Arthur's School	37,831	-
Okeford Fitzpaine Primary School	2,168	-
St Mary the Virgin Primary School	8,633	-
Shillingstone Primary School	3,474	-
<b>Total</b>	<b>580,348</b>	<b>520,199</b>

**14. Trustees' remuneration and expenses**

During the year ended 31 August 2019, expenses totalling £1,664 were reimbursed or paid directly to 1 Trustee (2018 - £884 to 1 Trustee).

The Executive Head and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Head and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, 1 from the Academy Trust in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows: S Hillier Trustee: Remuneration £115,000 - £120,000 (2018: £105,000 - £110,000), Employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. Trustees' and Officers' insurance**

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

**16. Intangible assets**

	<b>Website £</b>
<b>Cost</b>	
At 1 September 2018	45,698
Additions	28,944
	<hr/>
At 31 August 2019	74,642
	<hr/>
<b>Amortisation</b>	
At 1 September 2018	26,590
Charge for the year	16,173
	<hr/>
At 31 August 2019	42,763
	<hr/>
<b>Net book value</b>	
At 31 August 2019	31,879
	<hr/> <hr/>
At 31 August 2018	19,108
	<hr/> <hr/>

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**17. Tangible fixed assets**

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	6,516,253	1,116,404	14,972	14,767	7,662,396
Additions	524,350	208,273	-	-	732,623
Transfers intra group	5,798,345	91,820	-	-	5,890,165
At 31 August 2019	<u>12,838,948</u>	<u>1,416,497</u>	<u>14,972</u>	<u>14,767</u>	<u>14,285,184</u>
<b>Depreciation</b>					
At 1 September 2018	463,093	842,003	10,421	13,216	1,328,733
Charge for the year	142,216	153,282	2,016	775	298,289
At 31 August 2019	<u>605,309</u>	<u>995,285</u>	<u>12,437</u>	<u>13,991</u>	<u>1,627,022</u>
<b>Net book value</b>					
At 31 August 2019	<u>12,233,639</u>	<u>421,212</u>	<u>2,535</u>	<u>776</u>	<u>12,658,162</u>
At 31 August 2018	<u>6,053,160</u>	<u>274,401</u>	<u>4,551</u>	<u>1,551</u>	<u>6,333,663</u>

**18. Debtors**

	2019 £	As restated 2018 £
<b>Due within one year</b>		
Trade debtors	112,989	49,754
Amounts owed by group undertakings	-	91,224
Prepayments and accrued income	1,023,665	370,730
Tax recoverable	94,757	61,573
	<u>1,231,411</u>	<u>573,281</u>

**19. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	362,918	203,471
Other taxation and social security	250,274	186,804

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**19. Creditors: Amounts falling due within one year (continued)**

	2019 £	2018 £
Other creditors	211,201	155,270
Accruals and deferred income	741,010	503,363
	<u>1,565,403</u>	<u>1,048,908</u>

**20. Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	1,076,287	763,556
Financial assets that are debt instruments measured at amortised cost	789,166	283,680
	<u>1,865,453</u>	<u>1,047,236</u>

	2019 £	2018 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(1,317,650)</u>	<u>(861,110)</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accrued expenditure.

**21. Prior year adjustments**

In previous years, in line with the Academy Accounts Direction, the Trust was accounting for the notional rent on Diocese owned buildings by recognising two years income, and one year of expenditure, with the other year being treated as prepaid. Due to a change in the Academy Accounts Direction 2018 to 2019 explicitly stating the treatment of the notional rent should be a notional donation for the current year and a notional rental for the use of the premises, the Trust has restated the comparative figures to reflect this.

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**22. Statement of funds**

	Balance at 1 September 2018 - As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	118,260	1,679,530	(1,542,578)	-	-	255,212
<b>Restricted general funds</b>						
General Annual Grant (GAG)	107,570	12,380,547	(12,431,104)	(144,693)	-	(87,680)
Pupil Premium	-	525,808	(525,808)	-	-	-
Start Up Grant	-	125,600	(75,600)	-	-	50,000
Other DfE grants	-	329,763	(329,763)	-	-	-
Other grants	-	450,928	(450,928)	-	-	-
Other income	-	593,977	(307,971)	-	-	286,006
Donated facilities	-	348,569	(348,569)	-	-	-
Teaching school	78,014	350,898	(327,688)	-	-	101,224
Pension reserve	(6,560,000)	(1,726,000)	(1,096,000)	-	(1,464,000)	(10,846,000)
	<u>(6,374,416)</u>	<u>13,380,090</u>	<u>(15,893,431)</u>	<u>(144,693)</u>	<u>(1,464,000)</u>	<u>(10,496,450)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	180,805	5,890,165	(7,805)	-	-	6,063,165
DfE/ESFA capital grants	932,801	671,048	(80,492)	-	-	1,523,357
Capital expenditure from GAG	556,372	-	(24,017)	144,693	-	677,048
Donated fixed assets	4,682,793	-	(202,146)	-	-	4,480,647
Other	-	79,272	20,000	-	-	99,272
	<u>6,352,771</u>	<u>6,640,485</u>	<u>(294,460)</u>	<u>144,693</u>	<u>-</u>	<u>12,843,489</u>
<b>Total Restricted funds</b>	<u>(21,645)</u>	<u>20,020,575</u>	<u>(16,187,891)</u>	<u>-</u>	<u>(1,464,000)</u>	<u>2,347,039</u>
<b>Total funds</b>	<u>96,615</u>	<u>21,700,105</u>	<u>(17,730,469)</u>	<u>-</u>	<u>(1,464,000)</u>	<u>2,602,251</u>

**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Statement of funds (continued)**

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

**RESTRICTED FUNDS**

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Start up Grant – This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy.

Other DfE grants - Represents funding received from other DfE bodies.

Other grants - This fund represents grants made to the school from non-government sources.

Other income - Represents all other incoming resources to the Academy Trust.

Donated facilities - Represents matching donation income and rental expense to/from the Salisbury Diocese for use of the Church School buildings.

Pension reserve – This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

**RESTRICTED FIXED ASSET FUNDS**

Fixed assets transferred on conversion/acquisition of academies - This represents the buildings and equipment donated to the Trust from the Local Authority on conversion or the acquisition of existing academies.

Fixed assets purchased from GAG and other restricted funds - This represents the assets purchased out of restricted funds for the ongoing operations of the Academies.

DfE/ESFA Capital Grants - These funds are received from the DfE/ESFA for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Other capital donations - These funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

**TRANSFERS BETWEEN FUNDS**

Transfers between funds have been made from General Annual Grant (GAG) to Fixed Asset funds, due to fixed asset expenditure from the GAG fund.



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**22. Statement of funds (continued)**

**Total funds analysis by Academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	As restated 2018 £
Buckland Newton C of E VC Primary School	29,672	62,218
Sherborne Abbey C of E VC Primary School	181,615	109,582
Sherborne Primary School	105,588	84,774
St Andrew's C of E VC Primary School	55,127	68,122
St Mary's C of E VC Primary School	73,184	95,638
The Gryphon School	(233,797)	(120,621)
Thornford CE VA School	(2,331)	(22,578)
Charlton Horethorne Primary School	(16,924)	-
King Arthur's School	-	-
Okeford Fitzpaine Primary School	61,377	-
St Mary the Virgin Primary School	13,453	-
Shillingstone Primary School	34,443	-
Central	303,355	26,709
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	604,762	303,844
Restricted fixed asset fund	12,843,489	6,352,771
Pension reserve	(10,846,000)	(6,560,000)
	<hr/>	<hr/>
<b>Total</b>	<b>2,602,251</b>	<b>96,615</b>
	<hr/> <hr/>	<hr/> <hr/>

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
The Gryphon School	(233,797)
Thornford CE VA School	(2,331)
Charlton Horethorne Primary School	(16,924)
	<hr/> <hr/>

Levels of funding have reduced in recent years, whilst there has been an increase in real terms costs. The 3 year budget plans for these school show a projected return to surplus.

The Academy Trust is taking the following action to return the academies to surplus:

By undertaking a comprehensive review, using the Integrated Curriculum Financial Planning and School Resource Management Self-Assessment tools to ensure costs incurred by each academy are focused effectively on the delivery of a first class curriculum.

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**22. Statement of funds (continued)**

**Total cost analysis by Academy**

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Buckland Newton C of E VC Primary School	299,584	71,899	19,352	99,066	<b>489,901</b>	479,351
Sherborne Abbey C of E VC Primary School	954,302	155,538	43,959	225,191	<b>1,378,990</b>	1,288,225
Sherborne Primary School	978,922	208,790	59,392	182,415	<b>1,429,519</b>	1,414,235
St Andrew's C of E VC Primary School	411,220	73,021	26,150	101,022	<b>611,413</b>	550,991
St Mary's C of E VC Primary School	404,807	36,713	18,878	78,683	<b>539,081</b>	504,399
The Gryphon School	5,888,427	977,057	424,894	1,720,107	<b>9,010,485</b>	8,795,855
Thornford CE VA School	371,527	73,728	19,200	127,425	<b>591,880</b>	597,787
King Arthur's School	733,292	115,655	23,259	119,504	<b>991,710</b>	-
Charlton Horethorne Primary School	68,610	13,744	5,937	13,873	<b>102,164</b>	-
St Mary the Virgin Primary School	165,251	47,845	2,465	52,596	<b>268,157</b>	-
Okeford Fitzpaine Primary School	25,158	6,557	1,204	11,373	<b>44,292</b>	-
Shillingstone Primary School	61,876	8,837	911	53,340	<b>124,964</b>	-
Central services	182,019	200,621	75,636	315,350	<b>773,626</b>	485,761
<b>Academy Trust</b>	<b>10,544,995</b>	<b>1,990,005</b>	<b>721,237</b>	<b>3,099,945</b>	<b>16,356,182</b>	<b>14,116,604</b>

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**22. Statement of funds (continued)**

Comparative information (as restated) in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	384,306	1,649,659	(1,915,705)	-	-	118,260
<b>Restricted general funds</b>						
General Annual Grant (GAG)	102,520	11,135,707	(11,016,321)	(114,336)	-	107,570
Pupil Premium	-	460,462	(460,462)	-	-	-
Start Up Grant	-	13,717	(13,717)	-	-	-
Other DfE grants	-	446,802	(368,788)	-	-	78,014
Other grants	-	25,170	(25,170)	-	-	-
Other income	-	39,471	(39,471)	-	-	-
Donated facilities	-	276,969	(276,969)	-	-	-
Pension reserve	(7,097,000)	-	(915,000)	-	1,452,000	(6,560,000)
	<u>(6,994,480)</u>	<u>12,398,298</u>	<u>(13,115,898)</u>	<u>(114,336)</u>	<u>1,452,000</u>	<u>(6,374,416)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets transferred on conversion	188,610	-	(7,805)	-	-	180,805
DfE/ESFA capital grants	835,618	137,937	(40,754)	-	-	932,801
Capital expenditure from GAG	466,053	-	(24,017)	114,336	-	556,372
Donated fixed assets	4,884,939	-	(202,146)	-	-	4,682,793
	<u>6,375,220</u>	<u>137,937</u>	<u>(274,722)</u>	<u>114,336</u>	<u>-</u>	<u>6,352,771</u>
<b>Total Restricted funds</b>	<u>(619,260)</u>	<u>12,536,235</u>	<u>(13,390,620)</u>	<u>-</u>	<u>1,452,000</u>	<u>(21,645)</u>
<b>Total funds</b>	<u>(234,954)</u>	<u>14,185,894</u>	<u>(15,306,325)</u>	<u>-</u>	<u>1,452,000</u>	<u>96,615</u>

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**23. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	12,658,162	<b>12,658,162</b>
Intangible fixed assets	-	-	31,879	<b>31,879</b>
Current assets	255,212	1,914,953	153,448	<b>2,323,613</b>
Creditors due within one year	-	(1,565,403)	-	<b>(1,565,403)</b>
Provisions for liabilities and charges	-	(10,846,000)	-	<b>(10,846,000)</b>
<b>Total</b>	<b>255,212</b>	<b>(10,496,450)</b>	<b>12,843,489</b>	<b>2,602,251</b>

**Analysis of net assets between funds - prior year (restated)**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	6,333,663	6,333,663
Intangible fixed assets	-	-	19,108	19,108
Current assets	118,260	1,234,492	-	1,352,752
Creditors due within one year	-	(1,048,908)	-	(1,048,908)
Provisions for liabilities and charges	-	(6,560,000)	-	(6,560,000)
<b>Total</b>	<b>118,260</b>	<b>(6,374,416)</b>	<b>6,352,771</b>	<b>96,615</b>

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**24. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	3,969,636	(1,120,432)
<b>Adjustments for:</b>		
Amortisation	16,173	8,937
Depreciation	298,289	265,785
Capital grants from DfE and other capital income	(704,674)	(149,234)
Interest receivable	(883)	(720)
Defined benefit pension scheme obligation inherited	1,726,000	-
Defined benefit pension scheme cost less contributions payable	912,000	733,000
Defined benefit pension scheme finance cost	184,000	182,000
Decrease/(increase) in stocks	-	(5,100)
Increase in debtors	(658,130)	(304,389)
Increase in creditors	516,495	587,406
Tangible fixed assets transferred on conversion	(5,890,165)	-
<b>Net cash provided by operating activities</b>	<b>368,741</b>	<b>197,253</b>

**25. Cash flows from investing activities**

	2019 £	2018 £
Interest receivable	883	720
Purchase of intangible assets	(28,944)	(4,938)
Purchase of tangible fixed assets	(732,623)	(247,335)
Capital grants from DfE and other capital income	704,674	149,234
<b>Net cash used in investing activities</b>	<b>(56,010)</b>	<b>(102,319)</b>

**26. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	1,076,287	763,556
<b>Total cash and cash equivalents</b>	<b>1,076,287</b>	<b>763,556</b>

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**27. Conversion to an academy trust**

On 1 April 2019 King Arthur's School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sherborne Area Schools' Trust from Somerset County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>				
Land and buildings	-	-	5,713,345	<b>5,713,345</b>
Other tangible fixed assets	-	-	27,100	<b>27,100</b>
<b>Current assets</b>				
Budget surplus on LA funds	14,281	-	-	<b>14,281</b>
Defined benefit pension scheme liability	-	(609,000)	-	<b>(609,000)</b>
<b>Net assets/(liabilities)</b>	<b>14,281</b>	<b>(609,000)</b>	<b>5,740,445</b>	<b>5,145,726</b>

The ESFA has not yet provided its valuation of the land and buildings at King Arthur's School. Accordingly, the valuation has been estimated on the basis of depreciated replacement cost, by reference to the value of the Gryphon School's land and buildings when it converted adjusted by a factor regarding the relevant, average age of the buildings and the rateable value of the respective sites."

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**27. Conversion to an academy trust (continued)**

On 1 May 2019 Charlton Horethorne Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sherborne Area Schools' Trust from Somerset County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>				
Other tangible fixed assets	-	-	12,910	<b>12,910</b>
<b>Current liabilities</b>				
Budget deficit on LA funds	(21,013)	-	-	<b>(21,013)</b>
Defined benefit pension scheme liability	-	(160,000)	-	<b>(160,000)</b>
<b>Net (liabilities)/assets</b>	<b>(21,013)</b>	<b>(160,000)</b>	<b>12,910</b>	<b>(168,103)</b>

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**27. Conversion to an academy trust (continued)**

On 1 June 2019 St Mary the Virgin Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sherborne Area Schools' Trust from Dorset County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>				
Land and buildings	-	-	35,000	<b>35,000</b>
Other tangible fixed assets	-	-	25,990	<b>25,990</b>
<b>Current assets</b>				
Budget surplus on LA funds	28,935	-	-	<b>28,935</b>
Defined benefit pension scheme liability	-	(475,000)	-	<b>(475,000)</b>
<b>Net assets/(liabilities)</b>	<b>28,935</b>	<b>(475,000)</b>	<b>60,990</b>	<b>(385,075)</b>



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**27. Conversion to an academy trust (continued)**

On 1 July 2019 Okeford Fitzpaine Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sherborne Area Schools' Trust from Dorset County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>				
Land and buildings	-	-	10,000	<b>10,000</b>
Other tangible fixed assets	-	-	9,640	<b>9,640</b>
<b>Current assets</b>				
Budget surplus on LA funds	1,485	-	-	<b>1,485</b>
Defined benefit pension scheme liability	-	(129,000)	-	<b>(129,000)</b>
<b>Net assets/(liabilities)</b>	<b>1,485</b>	<b>(129,000)</b>	<b>19,640</b>	<b>(107,875)</b>

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**27. Conversion to an academy trust (continued)**

On 1 July 2019 Shillingstone Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sherborne Area Schools' Trust from Dorset County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>Tangible fixed assets</b>				
Land and buildings	-	-	40,000	<b>40,000</b>
Other tangible fixed assets	-	-	16,180	<b>16,180</b>
<b>Current assets</b>				
Budget surplus on LA funds	31,731	-	-	<b>31,731</b>
Defined benefit pension scheme liability	-	(353,000)	-	<b>(353,000)</b>
<b>Net assets/(liabilities)</b>	<b>31,731</b>	<b>(353,000)</b>	<b>56,180</b>	<b>(265,089)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Dorset Council and Somerset County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £234,881 were payable to the schemes at 31 August 2019 (2018 - £175,302) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. Pension commitments (continued)**

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £1,033,306 (2018 - £740,727).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £772,000 (2018 - £668,000), of which employer's contributions totalled £592,000 (2018 - £513,000) and employees' contributions totalled £ 180,000 (2018 - £155,000). The agreed contribution rates for future years are 17.4 per cent for employers and 5.5 - 7.5 per cent for employees.

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

**Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.65 - 3.70</b>	3.80
Rate of increase for pensions in payment/inflation	<b>2.15 - 2.20</b>	2.30
Discount rate for scheme liabilities	<b>1.90</b>	2.65
Inflation assumption (CPI)	<b>2.15 - 2.20</b>	2.30

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

	<b>2019</b>	<b>2018</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>22.9</b>	24.0
Females	<b>24.0 - 24.8</b>	26.1
<i>Retiring in 20 years</i>		
Males	<b>24.6</b>	26.3
Females	<b>25.8 - 26.7</b>	28.5

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**28. Pension commitments (continued)**

**Sensitivity analysis**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>474,000</b>	295,000
Discount rate -0.1%	<b>(485,000)</b>	(303,000)
Mortality assumption - 1 year increase	<b>(659,000)</b>	(403,000)
Mortality assumption - 1 year decrease	<b>636,000</b>	389,000
CPI rate +0.1%	<b>(426,000)</b>	(268,000)
CPI rate -0.1%	<b>415,000</b>	261,000

The Academy Trust's share of the assets in the scheme was:

	<b>At 31 August 2019</b>	<b>At 31 August 2018</b>
	<b>£</b>	<b>£</b>
Equities	<b>4,056,000</b>	2,565,000
Gilts	<b>972,000</b>	656,000
Corporate bonds	<b>562,000</b>	362,000
Property	<b>793,000</b>	531,000
Cash and other liquid assets	<b>220,000</b>	48,000
Investment funds	<b>419,000</b>	314,000
Other	<b>707,000</b>	466,000
<b>Total market value of assets</b>	<b>7,729,000</b>	4,942,000

The actual return on scheme assets was £521,000 (2018 - £111,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current service cost	<b>(1,255,000)</b>	(1,246,000)
Past service cost	<b>(249,000)</b>	-
Interest income	<b>152,000</b>	123,000
Interest cost	<b>(336,000)</b>	(305,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,688,000)</b>	(1,428,000)

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**28. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>11,800,000</b>	<b>11,749,000</b>
Conversion of academy trusts	<b>3,011,000</b>	-
Current service cost	<b>1,255,000</b>	1,246,000
Interest cost	<b>336,000</b>	305,000
Employee contributions	<b>180,000</b>	155,000
Actuarial losses/(gains)	<b>1,829,000</b>	(1,468,000)
Benefits paid	<b>(85,000)</b>	(187,000)
Past service costs	<b>249,000</b>	-
<b>At 31 August</b>	<b>18,575,000</b>	<b>11,800,000</b>

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>5,240,000</b>	<b>4,652,000</b>
Conversion of academy trusts	<b>1,285,000</b>	-
Interest income	<b>156,000</b>	123,000
Actuarial gains/(losses)	<b>365,000</b>	(16,000)
Employer contributions	<b>592,000</b>	513,000
Employee contributions	<b>180,000</b>	155,000
Benefits paid	<b>(85,000)</b>	(187,000)
Administration expenses	<b>(4,000)</b>	-
<b>At 31 August</b>	<b>7,729,000</b>	<b>5,240,000</b>

**29. Operating lease commitments**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	<b>30,227</b>	41,930
Later than 1 year and not later than 5 years	<b>23,090</b>	48,612
	<b>53,317</b>	90,542

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**NOTES TO THE FINANCIAL STATEMENTS  
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**30. Members' liability**

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

**31. Related party transactions**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the year:

During the year an amount of £3,450 (2018: £3,450) was paid to Saled Limited, a subsidiary of the Salisbury Diocesan Board of Education,

**32. Post balance sheet events**

Harbour Vale School transferred into the trust on 1st November 2019.

**33. Agency arrangements**

The Academy Trust distributes bursary funds to students as an agent for the ESFA. In the accounts period ended 31 August 2019 the Academy Trust received £25,435 (2018: £33,911) and disbursed £26,453 (2018: £32,815) from the fund. an amount of £1,096 is included in other creditors relating to undistributed funds that is payable to the ESFA.

**SHERBORNE AREA SCHOOLS' TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**34. Teaching school trading account**

	2019 £	2019 £	2018 £	2018 £
<b>Income</b>				
<b>Direct income</b>				
Grant Funding	66,667		80,833	
Self-generated income	284,231		47,959	
<b>Total direct income</b>	<b>350,898</b>		<b>128,792</b>	
<b>Total income</b>		<b>350,898</b>		<b>128,792</b>
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	287,919		27,070	
Professional fees	20,020		17,850	
<b>Total direct expenditure</b>	<b>307,939</b>		<b>44,920</b>	
<b>Other expenditure</b>				
Other staff costs	9,900		1,628	
Travel costs	1,895		869	
Audit and accountancy	300		300	
Catering	1,298		203	
Admin and office costs	1,264		-	
Professional services	2,030		2,858	
Maintenance	112		-	
Course fees	2,950		-	
<b>Total other expenditure</b>	<b>19,749</b>		<b>5,858</b>	
<b>Total expenditure</b>		<b>327,688</b>		<b>50,778</b>
<b>Surplus from all sources</b>		<b>23,210</b>		<b>78,014</b>
<b>Teaching school balances at 1 September 2018</b>		<b>78,014</b>		<b>-</b>
<b>Teaching school balances at 31 August 2019</b>		<b>101,224</b>		<b>78,014</b>

The Gryphon School was awarded National Teaching School status and National Support School status in August 2017 to establish the North Dorset Teaching School Alliance. The Alliance includes primary, secondary, state and independent schools across North and West Dorset along with South Somerset. It offers initial teacher training, continuing professional and leadership development, and school to school support for those schools looking to improve their performance.

A part of the Sherborne Area Schools' Trust (SAST) mission is for schools working together to provide outstanding education for pupils, and involves ongoing training for teachers within the Trust and additional support for schools seeking to improve standards of teaching and learning. SASR and NDTSA have a mutual desire to work collaboratively and in partnership with others, for the benefit of all our children and staff. The Trust receives additional grants to support the work of the Alliance. This is deployed to employ a Teaching School Director to lead and co-ordinate all the activity.