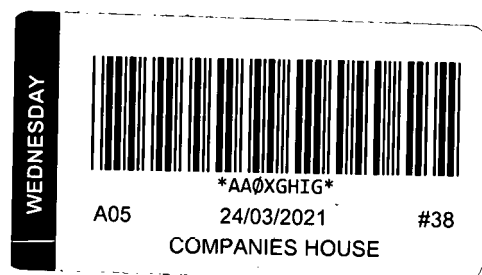


Company Registration Number: 08130468 (England & Wales)

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



**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

Members

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)
P McGuigan (appointed 8 May 2019)

Trustees

S Hillier, Chief Executive^{1,2,3}
P Tebbatt^{1,3}
N Rees, Chair¹
A Cooke^{1,3}
J Tregale, Vice Chair^{2,3}
T Bartley^{1,3}
J Hill²
R Davey²
C Plewes^{2,3}
P Tait²
J Hogben (resigned 31 December 2019)²
J Ponsonby¹
B Gudgeon (resigned 27 February 2020)²
H Dawes (appointed 1 July 2020)²

¹ Finance & Resources
² Teaching, Learning & Improvement
³ Pay & Remuneration

Company registered number 08130468

Company name Sherborne Area Schools' Trust

Principal and registered office The Gryphon School
Bristol Road
Sherborne
Dorset
United Kingdom
DT9 4EQ

Company secretary C Vigar

Accounting officer S Hillier

Trust management team

S Hillier, CEO
S Smith, Deputy CEO/Head of School Improvement
C Watson, Head of Human Resources
N Burroughs, Head of ICT Infrastructure
M Clark, Head of Estates and Health, Safety Compliance
K Heap, Head of Operations (appointed 01 July 2020)
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 2020

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	Lloyds Bank 9 High Street Yeovil Somerset BA20 1RN
Solicitors	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 2020**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2020. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 13 primary and 4 secondary academies in the North Dorset and South Somerset area. Its academies have a combined pupil capacity of 6,169 and had a roll of 5,084 in the school census on 1st October 2020.

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. The Charitable Company operates as Sherborne Area Schools' Trust.

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration Details on page 1.

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 cease to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides unlimited cover on any 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.

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.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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.

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.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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 and Risk 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 CEO Appraisal.

There is an operational management structure to lead and support the Trust's aspirations. This includes the CEO, Deputy CEO and head of Improvement, the Head of Finance (CFO), Head of HR, Head of IT Infrastructure, Head of Estates, Health and Safety Compliance and the Clerk who are appointed by the Board of Trustees. The Headteacher Group chaired by the CEO/Deputy met at least every 2 weeks. During the period of national lockdown there were daily Teams meetings. The CEO is the Accounting Officer.

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

1. To determine the Pay Policy for the Trust
2. To ratify appropriate salary ranges and starting salaries for lead practitioners, and members of the leadership group;
3. 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.
4. To approve applications to be paid on the Upper Pay Range
5. To approve annual pay progression for the CEO, taking account of the recommendation made by the CEO Appraisal Panel, following the annual review.
6. To determine the application of national inflationary increases as required;
7. 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.
8. 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 with an independent external advisor. 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.

**SHERBORNE AREA SCHOOLS' TRUST
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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Trade union facility time

Relevant union officials

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

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

Provide the total cost of facility time	-
Provide the total pay bill	£18,671,604
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	-
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Related Parties and other Connected Charities and Organisations

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. In 2019-20 there were 30 initial trainee teachers – 15 primary and 15 secondary.

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.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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.

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 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:

- (a) 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);
- (b) to fund prizes for the pupils at Prize Giving and Celebration of Achievement events at the School;
- (c) 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;
- (d) 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.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials both informally and through the termly JCNC Meetings

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

- Regular updates to all staff members, via termly updates and newsletters, including covering both financial and non-financial performance
- Wider staff engagement in recruitment processes
- Common and shared INSET days and training opportunities
- Staff are informed and involved in the day-to-day operation and development of their schools. This is done through regular staff meetings; subject, year and leadership meetings; training sessions; INSET days; internal and external communications. The performance of the schools is shared and owned by all staff in each school.
- The policy in respect of applications for employment from disabled persons is that all persons shall be treated equally when they make applications to the trust. The Trust will seek to make reasonable adjustments to recruitment and working practice and will not discriminate on grounds of disability.
- The Trust will support employees who become disabled and promote the training, career development and promotion of disabled persons in line with its wider equality duties.

Engagement with suppliers, customers and others in a business relationship with the Trust

The trust plays a major role in the local community including its relationships with local businesses. This includes school transport, catering, maintenance, improved facilities and suppliers. The relationship seeks to ensure value for money and the provision of high quality services and goods. Since the Covid-19 closures the trust did follow the procurement policy note to continue to pay suppliers to help support businesses and employment.

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.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

- 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.

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 key priorities for 2019-20 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

The priorities and actions for the year are based upon:

- Review of Trust and school performance data including the IDSR, Dorset Data Packs
- Trust Performance Analysis Meetings and Full School Reviews
- Integrated Curriculum and Financial Planning Tool/SRMA reports and action plans
- Evaluation from the Executive Leadership Group
- Trust INSET
- MAT Improvement Capacity Framework Review
- TCAF Grant support
- National Teaching School KPIs

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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

- Disadvantaged student progress
- Curriculum intent, implementation and impact at heart of the quality of education
- Specific areas for progress in identified schools and improvement support for new schools
- Sharing and collaboration between leaders and staff
- Integration of new schools joining the trust
- Increasing trust capacity to meet the demand for services
- Reviewing and updating the scheme of delegation, terms of reference and trust/school policies

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 Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy'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 2019-20 there are 5000 children and 850 staff. There are:

- Three large town Primary Schools each with over 300 children; and one with 210 children
- Nine village Primary Schools with between 32 and 140 children
- Two 11-18 Secondary Schools with Sixth Forms; one small 11-16 secondary school; one 11-16 Alternative Provision School
- Three nursery schools
- One of the new schools joining the Trust was a sponsored conversion – Harbour Vale School (previously known as the Sherborne Learning Centre)

The Schools in the Trust at the start of the financial period were:	The following schools joined the Trust in 2019-20
<ul style="list-style-type: none">• 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• 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)	<ul style="list-style-type: none">• Harbour Vale School - previously known as the Sherborne Learning Centre (1 Nov 2019)• Shaftesbury School (1 July 2020)• Shaftesbury CE Primary School (1 July 2020)• Motcombe CE Primary School (1 July 2020)• St Andrew's CE Primary School, Fontmell Magna (1 July 2020) <p>These four schools were previously the schools in the Southern Academy Trust (SAT). They transferred into SAST. SAT has now closed.</p>

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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 primary and secondary initial teacher training, leadership and governance support for other schools in the South West. It is now supporting four schools with a previous inadequate OFSTED judgement and two schools with a previous requires improvement judgement.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

All national tests and examinations were cancelled due to the Covid-19 pandemic. At KS4 and post-16 the Centre Assessed Grades (CAGs) submitted were rigorous, positive and fair. Students were very successful in securing their desired university, college and training places – this was improved further following the OFQUAL/DFE decision to award students the higher of the CAG and the national algorithm produced grade.

There is no national or local comparative data for primary or secondary schools published for 2020 performance.

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 March 2020 Coronavirus (Covid-19) pandemic hit with the national lockdown. A new vocabulary was born of stay home, shielding, key workers, social distancing, furloughing, quarantining, testing, antibodies, social distancing, zoom and Teams (which we were already trialling) and more. It was the most challenging of circumstances with rapidly changing national guidelines and restrictions – new and unprecedented issues to deal with.

The response from leaders and staff was outstanding. Colleagues were proactive and committed to supporting the local communities. It started with quick provision of free school meals and/or vouchers (in place before the national scheme was introduced). This included staff delivering food to families. Schools were open for vulnerable children and those of key workers throughout this period including the Easter holiday. This was alongside providing activities and learning for those at home. After May half-term all our primary schools opened for reception, Y1 and Y6; the secondary schools later opened for Y10 and Y12 for short periods. During the lockdown some of our schools clustered together to share provision – this was the case for the three Shaftesbury primary schools and then also the three Sherborne based schools. The level of mutual support and care was excellent. Headteachers met initially daily and then 3 times a week through Teams to share the challenges and issues. This also embraced schools beyond the trust in the Sherborne/Shaftesbury/Sturminster area.

All our schools fully reopened in September following national guidelines and new ways of operating including use of sanitiser, staggered starts and endings, use of bubbles, facecoverings on school transport and in public areas for 11+ if appropriate, one-way systems et al. Students have arrived from around the world into Barton Hill Boarding House, following a quarantine period. It has been great to see our staff, children and

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

students back moving back to more normal ways. We have retained the breadth and balance of our curriculum offer – unfortunately some of our many extra-curricular activities, trips, performances and other community experiences are on hold.

The Trust had the following grants in 2019-20:

- Trust Capacity Fund (TCAF) £177,912 – to support the development of the Trust
- Teaching School Grant - £40,000
- Condition Improvement Grant £93,000 to repair roof damage at Shaftsbury School
- Harbour Vale Sponsor Grant £110,000; Environmental Improvement Grant £40,000
- Suitability Grant for Harbour Vale School - £320,000 for internal refurbishment and external new build reception and additional teaching spaces
- Leadership Support Grant £2,500 for St Andrew's CE Primary School
- Initial School Condition Allocation (SCA) 2020-21 - £577,686; Additional government SCA June 2020 - £268,288; Total = £845,974

TCAF

The core purpose of the grant was to support the growth of the Trust from 3500 students to be a sustainable medium sized local trust. Specifically the focus was the addition of the 4 schools of the Southern Academy Trust (SAT). SAT had limited improvement capacity and was struggling. The integration of these schools was fully supported by the DFE, RSC and Diocese of Salisbury.

The SAT schools joined SAST on 1 July 2020 and SAT has closed. There are now 5000 students and 850 staff in 17 schools – 13 primary and 4 secondary. This was achieved despite the C19 lockdown and partial opening of schools.

The grant support has enabled the smooth integration of the new schools into one larger trust. This has included consistent and common systems and processes for all schools. It has enabled the trust to front end costs and pay for services through 2020-2021. There is now additional capacity for the trust across improvement, HR, finance, estates, compliance and IT support.

Key Performance Indicators

Current OFSTED Inspection grades:

- Two of the schools hold an outstanding judgement,
- Nine of the schools hold an overall good judgement
- Two schools were assessed as requires improvement
- Four joiner schools had previously had an inadequate judgement – 3 were sponsored by the trust; one had been sponsored by SAT
- No schools were inspected during this period

There are 14 Church of England Schools – nine in the Diocese of Salisbury and one in the Diocese of Bath and Wells - who receive a Statutory Inspection of Anglican and Methodist Schools (SIAMS) every 5 years. Currently 6 of the Schools are judged to be outstanding/excellent, 7 of the Schools judged to be good and one RI/satisfactory. Shaftesbury School was inspected in November 2019 and judged good (previously satisfactory)

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 2.4%.

The target for the proportion of GAG funding used for staffing expenditure is 80%. The proportion in 2019/20 was 113%. Excluding staff costs for the teaching school, boarding and nursery, the proportion was 110%.

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

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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 Statement of Accounting Policies.

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 2020 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 2020, the Academy received income (excluding assets transferred on conversion or from academies joining, and fixed assets) of £21,601,495 and incurred total expenditure (excluding pension and fixed assets) of £22,170,323. The excess of expenditure over income (after transfers between funds of £42,950) for the year was £525,878

At 31 August 2020 the net book value of fixed assets was £44,319,686 and movements in tangible fixed assets are shown in note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets contain a mixture of assets that were transferred to the Academy upon conversion, assets donated to the Academy Trust and assets that were transferred in upon other Academies joining the Academy Trust. The Gryphon School land and buildings have been valued based on the ESFA valuation on conversion. The land and buildings at King Arthurs have 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. The land and buildings at Shaftesbury School (including the boarding facility) have been based on the insurance rebuild cost on the date of conversion, valued by professional surveyors. Where land and buildings used by the Academy Trust are on a Church Supplementary Agreement, these have not been included as an asset in the financial statements. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

**SHERBORNE AREA SCHOOLS' TRUST
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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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 27 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.

It has been challenging to set a balanced budget in difficult circumstances. The impact of Covid-19 and school closures has been significant. The Covid-19 impact on schools with large external income totals £277,000. This has not been reclaimable. The Trust as a whole has made a Covid-19 reclaim from the Government of £240,000. The Trust furloughed circa 70 staff providing government funding 80% of their income. The Trust chose to top this up to 100%. There were also full LGPS costs. This is not reclaimable and totals £70,000. The issues have affected the 13 SAST schools more significantly - it has been apparent that there is greater risk exposure from running your own services such as catering, transport and the nursery.

In summary the Trust would be in a better position without the impact of C19 and if the anticipated support for King Arthurs School was provided.

There has been a School Resource Management Review (SRMA) of the Trust conducted in 2020 required as part of the growth transfer of the SAT schools.

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 (£247,000 to £823,000). At the year end, the Trust held £589,667 of free reserves. This level of reserves is in line with the Trust's policy. Additionally, the Trust held other restricted reserves of £484,149.

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 2020

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 89.7% 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.

There have been particular financial costs associated with the Covid-19 pandemic and full school closure. Schools operating their own catering, transport and nursery/child care provision saw a significant loss of income. Some costs were reduced including through furloughing staff or have been reclaimed through the national Covid reclaim scheme. The reclaim scheme does not allow claims for loss of income. Schools were expected to continue to pay suppliers to support businesses as per the procurement policy note. Some of these costs and loss of income will continue into 2020-21. It has been necessary to issue a notice of closure and start redundancy processes for the Little Gryphon's Nursery.

In early April the guidance published by the DfE, confirmed that the DfE would pay some additional costs in limited circumstances. These were:

- increased premises related costs (including utilities and resources needed to keep the school open, such as hygiene services) associated with keeping schools open during the Easter and/or summer half term holidays, for vulnerable children and the children of critical workers, over and above the costs that schools would have faced in other circumstances
- support for free school meals for eligible children who are not attending school, where those costs are not covered by the national voucher scheme - this covers:
 - costs to schools arising before the introduction of the national voucher scheme
 - costs where schools are providing free meals to children for whom the national voucher scheme is inappropriate (for example, because there are no participating supermarkets locally or schools are providing meals directly) - schools can only claim through this fund for free school meals provided over Easter and summer half term holidays where it was required because local supermarkets were not yet part of the national scheme
- additional cleaning – required due to confirmed or suspected coronavirus (COVID-19) cases, in line with COVID-19: cleaning of non-healthcare settings, over and above the cost of existing cleaning arrangements

Some costs were specifically not covered including:

- loss of self-generated income (eg after school clubs, parental meals income),
- additional staff costs including for the Easter holidays or summer half term and
- costs associated with opening schools to more pupils from 1st June 2020.

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.

SHERBORNE AREA SCHOOLS' TRUST
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TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Fraud and mismanagement of funds - The Trust has appointed separate external independent auditors to conduct both in-year internal audit processes and the annual accounts audit. These 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. A separate Trust Audit Committee will operate from September 2020 taking on the audit functions currently in the Finance and Resources Committee.

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 Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

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 so that risks to revenue funding from a falling roll are small. Funding levels remain challenging although the new national funding formula has increased rates. The funding of High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years. There has been a School Resource Management Review (SRMA) of the Trust conducted in 2020 required as part of the growth transfer of the SAT schools.

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 X 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.

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.

TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

PLANS FOR FUTURE PERIODS

The Trust is 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 consolidate in 2020-21 having grown to 17 schools with 5,000 students. The trust remains keen to expand further because of:

- 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

Future schools will need to be in a good academic and financial position. 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 2020-21 are getting back to normal

1. Quality of the Curriculum (inc any revised test/exams arrangements)
2. Catch up – assessment, catch up support funding, national tutoring
3. Support and progress for disadvantaged pupils
4. Sharing and collaboration for teachers and support staff
5. Ensuring financial sustainability and increased incomes

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.

The Gryphon Foundation, a registered charity for the benefit of students and former students of the Gryphon school, made a donation of £4,650 (2019: £22,735). No amount was due to or from The Gryphon Foundation at the year end (2019: £nil).

**SHERBORNE AREA SCHOOLS' TRUST
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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 21/01/21 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to be 'Nigel Rees', with a long horizontal line extending to the right.

Nigel Rees
Chair of Trustees

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

GOVERNANCE STATEMENT

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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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.

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

GOVERNANCE STATEMENT (CONTINUED)

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 7 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
N Rees, Chair	6	7
S Hillier, Chief Executive	7	7
P Tebbatt	5	7
P Tait	4	7
J Hill	3	7
T Bartley	7	7
R Davey	6	7
J Tregale, Vice Chair	7	7
A Cooke	4	7
C Plewes	7	7
B Gudgeon	1	7
J Ponsonby	5	7
H Dawes	1	3
J Hogben	0	2

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

J Hogben (resigned 31st December 2019)

B Gudgeon (appointed 27 February 2020)

H Dawes (appointed 1 July 2020)

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

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 INSE

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.

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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

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

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;

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
S Hillier, Chief Executive	3	4
P Tait	4	4
J Hill	2	4
R Davey	4	4
J Tregale	4	4
C Plewes	4	4
B Gudgeon	2	3
H Dawes	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.

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (CONTINUED)

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 2019 to 31 August 2020 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
- 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:

On a termly 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.

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:

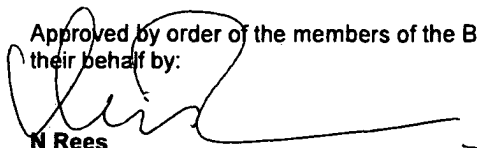
- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development 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.

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

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on
their behalf by:



N Rees
Chair of Trustees

21/01/21

and signed on



S Hillier
Accounting Officer

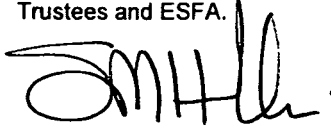
**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 2019.

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 2019.

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: 25/01/2021

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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:

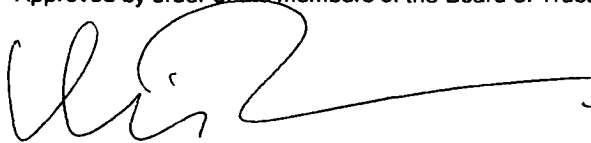
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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:



N Rees

Chair of Trustees

Date:

25/01/2021

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

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

Opinion

We have audited the financial statements of Sherborne Area Schools' Trust (the 'Academy Trust') for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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)**

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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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.

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.

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.

**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)**

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. 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: 29 January 2021

**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

In accordance with the terms of our engagement letter dated 30 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sherborne Area Schools' Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Sherborne Area Schools' Trust and 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 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities.

We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year. We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and noncompliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**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)**

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tim Borton FCA (Reporting Accountant)

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date: 29 January 2021

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Assets transferred on conversion		-	-	-	-	4,219,584
Transfer of existing academies into the Academy Trust	32	526,461	(6,406,529)	31,506,353	25,626,285	-
Other donations and capital grants		92,154	378,069	1,416,331	1,886,554	1,196,647
Charitable activities	4	986,863	19,600,187	-	20,587,050	15,509,644
Teaching schools	35	-	104,692	-	104,692	350,898
Other trading activities	6	438,622	-	-	438,622	422,449
Investments	7	908	-	-	908	883
Total income		2,045,008	13,676,419	32,922,684	48,644,111	21,700,105
Expenditure on:						
Raising funds		99,594	-	-	99,594	145,169
Charitable activities	9	1,562,439	21,773,259	458,938	23,794,636	17,257,612
Teaching schools	35	-	85,031	-	85,031	327,688
Transfer from Local Authority on Conversion	26	-	217,000	-	217,000	-
Total expenditure		1,662,033	22,075,290	458,938	24,196,261	17,730,469
Net income/(expenditure)		382,975	(8,398,871)	32,463,746	24,447,850	3,969,636
Transfers between funds	20	-	42,950	(42,950)	-	-
Net movement in funds before other recognised gains/(losses)		382,975	(8,355,921)	32,420,796	24,447,850	3,969,636
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(1,233,000)	-	(1,233,000)	(1,464,000)
Net movement in funds		382,975	(9,588,921)	32,420,796	23,214,850	2,505,636

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 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Reconciliation of funds:					
Total funds brought forward	255,212	(10,496,450)	12,843,489	2,602,251	96,615
Net movement in funds	382,975	(9,588,921)	32,420,796	23,214,850	2,505,636
Total funds carried forward	638,187	(20,085,371)	45,264,285	25,817,101	2,602,251

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

The notes on pages 36 to 74 form part of these financial statements.

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

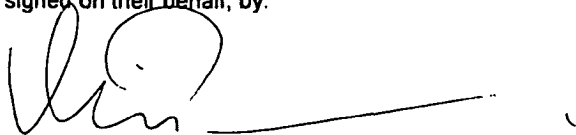
BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	16	35,704	31,879
Tangible assets	17	44,283,982	12,658,162
		<u>44,319,686</u>	<u>12,690,041</u>
Current assets			
Stocks		7,691	15,915
Debtors	18	2,341,941	1,231,411
Cash at bank and in hand		2,467,329	1,076,287
		<u>4,816,961</u>	<u>2,323,613</u>
Creditors: amounts falling due within one year	19	(2,798,546)	(1,565,403)
Net current assets		<u>2,018,415</u>	<u>758,210</u>
Total assets less current liabilities		<u>46,338,101</u>	<u>13,448,251</u>
Net assets excluding pension liability		<u>46,338,101</u>	<u>13,448,251</u>
Defined benefit pension scheme liability	27	(20,521,000)	(10,846,000)
Total net assets		<u><u>25,817,101</u></u>	<u><u>2,602,251</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	20	45,264,285	12,843,489
Restricted income funds	20	435,629	349,550
		<u>45,699,914</u>	<u>13,193,039</u>
Restricted funds excluding pension asset	20	45,699,914	13,193,039
Pension reserve	20	(20,521,000)	(10,846,000)
Total restricted funds	20	<u>25,178,914</u>	<u>2,347,039</u>
Unrestricted income funds	20	<u>638,187</u>	<u>255,212</u>
Total funds		<u><u>25,817,101</u></u>	<u><u>2,602,251</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The financial statements on pages 31 to 74 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



N Rees

Chair of Trustees

Date: 25/01/2021

The notes on pages 36 to 74 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 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	22	710,794	368,741
Cash flows from investing activities	23	680,248	(56,010)
Change in cash and cash equivalents in the year		1,391,042	312,731
Cash and cash equivalents at the beginning of the year		1,076,287	763,556
Cash and cash equivalents at the end of the year	24, 25	<u>2,467,329</u>	<u>1,076,287</u>

The notes on pages 36 to 74 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies

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

1.1 BASIS OF PREPARATION 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 2019 to 2020 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

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.

- **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.

- **Transfer of existing academies into the Academy Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Academy Trust, 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 for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

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 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 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 2020

1. Accounting policies (continued)

1.8 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.

1.9 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.10 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.11 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.

1.12 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.

1.13 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.

1.14 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.

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.

1.15 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 2020

1. Accounting policies (continued)

1.16 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.

1.17 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 31.

1.18 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The Academy 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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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.

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations					
Assets on academies joining	526,461	(6,406,529)	31,506,353	25,626,285	4,219,584
Other Donations	92,154	378,069	21,283	491,506	446,327
Capital Grants	-	-	1,395,048	1,395,048	750,320
Total 2020	618,615	(6,028,460)	32,922,684	27,512,839	5,416,231
Total 2019	153,177	(1,377,431)	6,640,485	5,416,231	

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4. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Education	641,159	19,568,636	20,209,795	15,208,808
Nursery	345,704	-	345,704	300,836
Boarding	-	31,551	31,551	-
Total 2020	986,863	19,600,187	20,587,050	15,509,644
Total 2019	1,103,021	14,406,623	15,509,644	

5. Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant	-	16,462,405	16,462,405	12,435,054
Start up Grants	-	74,000	74,000	125,600
Other DfE/ESFA grants	-	1,804,219	1,804,219	808,183
	-	18,340,624	18,340,624	13,368,837
Other Government grants				
High Needs	-	239,061	239,061	131,159
Other Government grants	-	570,732	570,732	382,922
	-	809,793	809,793	514,081
Other funding				
Internal catering income	411,497	-	411,497	482,819
Sales to students	26,080	-	26,080	25,441
Other	203,582	126,251	329,833	817,630
Exceptional government funding	-	291,968	291,968	-
Total 2020	641,159	19,568,636	20,209,795	15,208,808
Total 2019	802,185	14,406,623	15,208,808	

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5. Funding for the Academy Trust's educational operations (continued)

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "Exceptional government funding".

The funding received for coronavirus exceptional support covers £153,673 of costs. These costs are included in notes 8, 9 and 10 below.

The Academy Trust furloughed some of its staff under the government's coronavirus job retention scheme. The funding received of £138,295 relates to staff costs which are included within note 12 below.

6. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings, leisure and other income	135,468	135,468	208,721
School transport income	303,154	303,154	213,728
TOTAL 2020	438,622	438,622	422,449

All prior year income related to unrestricted funds.

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	908	908	883

All prior year income related to unrestricted funds.

SHERBORNE AREA SCHOOLS' TRUST
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FOR THE YEAR ENDED 31 AUGUST 2020

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Expenditure on fundraising trading activities:					
Direct costs	89,358	-	10,236	99,594	145,169
Education:					
Direct costs	15,415,462	234,567	1,564,851	17,214,880	12,521,855
Allocated support costs	2,602,101	1,375,696	2,018,915	5,996,712	4,374,617
Nursery:					
Direct costs	455,553	-	2,476	458,029	331,973
Allocated support costs	-	17,971	3,948	21,919	29,167
Boarding:					
Direct costs	4,370	-	70	4,440	-
Allocated support costs	74,122	10,788	13,746	98,656	-
Teaching school	30,638	-	54,393	85,031	327,688
Other expenditure	-	-	217,000	217,000	-
Total 2020	18,671,604	1,639,022	3,885,635	24,196,261	17,730,469
Total 2019	13,532,307	1,318,567	2,879,595	17,730,469	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Education	1,082,491	22,129,101	23,211,592	16,896,472
Nursery	479,948	-	479,948	361,140
Boarding	-	103,096	103,096	-
Total 2020	1,562,439	22,232,197	23,794,636	17,257,612
Total 2019	1,725,936	15,531,676	17,257,612	

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10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	17,214,880	5,996,712	23,211,592	16,896,472
Nursery	458,029	21,919	479,948	361,140
Boarding	4,440	98,656	103,096	-
Total 2020	17,677,349	6,117,287	23,794,636	17,257,612
Total 2019	12,853,828	4,403,784	17,257,612	

Analysis of direct costs

	Education 2020 £	Nursery 2020 £	Boarding 2020 £	Total funds 2020 £	Total funds 2019 £
Pension income	225,000	-	-	225,000	184,000
Staff costs	15,337,128	455,553	4,370	15,797,051	11,169,076
Depreciation	375,913	-	-	375,913	253,583
Educational supplies	360,092	802	-	360,894	326,487
Examination fees	137,292	-	-	137,292	165,098
Staff development	51,658	396	70	52,124	47,980
Other costs	323,358	463	-	323,821	354,663
Supply teachers	78,334	-	-	78,334	85,307
Technology costs	13,525	-	-	13,525	11,046
Amortisation	16,398	-	-	16,398	13,749
Educational services	296,182	815	-	296,997	242,839
Total 2020	17,214,880	458,029	4,440	17,677,349	12,853,828
Total 2019	12,521,855	331,973	-	12,853,828	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2020 £	Nursery 2020 £	Boarding 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	2,602,101	-	74,122	2,676,223	1,848,113
Depreciation	66,627	-	-	66,627	44,704
Other costs	21,333	373	-	21,706	13,619
Recruitment and support	45,576	-	321	45,897	54,117
Maintenance of premises and equipment	335,275	4,206	3,359	342,840	186,794
Cleaning	145,005	2,021	3,104	150,130	77,313
Rent and rates	581,921	9,187	841	591,949	483,701
Energy costs	274,210	2,497	3,088	279,795	196,383
Insurance	109,525	-	338	109,863	94,735
Security and transport	273,111	60	396	273,567	300,648
Catering	575,940	244	4,591	580,775	442,467
Technology costs	404,178	79	1,845	406,102	310,242
Office overheads	140,091	2,360	1,842	144,293	105,636
Legal and professional	372,551	278	4,809	377,638	225,323
Bank interest and charges	9,973	614	-	10,587	12,952
Profit on disposal of fixed assets	-	-	-	-	(20,000)
Governance	39,295	-	-	39,295	27,037
Total 2020	5,996,712	21,919	98,656	6,117,287	4,403,784
Total 2019	4,374,617	29,167	-	4,403,784	

11. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	31,365	49,177
Depreciation of tangible fixed assets	442,540	298,289
Amortisation of intangible assets	16,398	16,173
Auditors' remuneration		
- audit	21,650	16,250
- other services	5,880	9,565

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12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	13,399,036	9,916,837
Social security costs	1,182,626	874,053
Pension costs	3,973,253	2,535,077
	<u>18,554,915</u>	<u>13,325,967</u>
Agency staff costs	77,709	85,307
Staff restructuring costs	38,980	121,033
	<u><u>18,671,604</u></u>	<u><u>13,532,307</u></u>

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	38,980	121,033
	<u><u>38,980</u></u>	<u><u>121,033</u></u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2019: £55,216). Individually, the payments were £Nil (2019: £38,284, £10,000 and £6,932).

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	223	164
Administration and support	427	317
Management	29	24
	<u><u>679</u></u>	<u><u>505</u></u>

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12. Staff (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2020	2019
	No.	No.
Teachers	187	137
Administration and support	211	134
Management	28	24
	426	295

d. Higher paid staff

The number of employees whose employee benefits (excluding employer's national insurance contributions and employer's pension costs) exceeded £60,000 was:

	2020	2019
	No.	No.
In the band £60,001 - £70,000	7	4
In the band £70,001 - £80,000	2	1
In the band £80,001 - £90,000	-	1
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	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 senior management team as listed on page 1 totalling 7 members by 31 August 2020 (6 by 31 August 2019). 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 £540,525 (2019 £369,136).

The strategic growth of the trust required investment in the central team to provide the capacity and expertise to support current and new schools. This was funded from growth and grants. New posts included a Head of Improvement/Deputy CEO and a Head of Estates, Health and Safety Compliance who both started in July 2019. In July 2020 a new member of the senior management team was also added, following the joining of the four schools and central team from the former Southern Academy Trust. This, along with increases in staff costs including pension contributions, accounts for the increase in employee benefits received by key management personnel.

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 a trustee, their remuneration as set out in note 14 has not been included in the total benefits received by key management personnel above.

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NOTES TO THE FINANCIAL STATEMENTS
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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 and payroll
- Financial services
- Legal and governance services
- Health & Safety
- IT Support
- Estates Support
- School improvement
- School admissions and appeals
- General Data Protection Regulation (GDPR) services
- Other corporate support services

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

4.7 - 6.0% of GAG funding.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Buckland Newton C of E VC Primary School	18,534	16,512
Sherborne Abbey C of E VC Primary School	52,738	51,686
Sherborne Primary School	54,476	54,732
St Andrew's C of E VC Primary School, Yetminster	26,266	24,484
St Mary's C of E VC Primary School	21,841	21,681
The Gryphon School	337,600	334,611
Thornford CE VA School	20,566	20,226
Charlton Horethorne Primary School	12,984	4,310
King Arthur's School	91,698	37,831
Okeford Fitzpaine Primary School	10,900	2,168
St Mary the Virgin Primary School	34,452	8,633
Shillingstone Primary School	20,557	3,474
Shaftesbury School	57,002	-
Motcombe C of E Primary School	6,814	-
Shatfesbury C of E Primary School	14,366	-
St Andrew's C of E Primary School, Fontmell Magna	4,054	-
Harbour Vale School	23,619	-
Total	808,467	580,348

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14. Trustees' remuneration and expenses

During the year ended 31 August 2020, expenses totalling £952 were reimbursed or paid directly to 1 Trustee (2019 - £1,664 to 1 Trustee).

The Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer 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, 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 £125,000 - £130,000 (2019: £115,000 - £120,000), Employer's pension contributions £25,000 - £30,000 (2019: £15,000 - £20,000).

Other related party transactions involving the trustees are set out in note 30.

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

	Website £	Computer software £	Total £
Cost			
At 1 September 2019	74,642	-	74,642
Additions	1,795	-	1,795
On acquisition of subsidiaries	-	18,428	18,428
At 31 August 2020	76,437	18,428	94,865
Amortisation			
At 1 September 2019	42,763	-	42,763
Charge for the year	16,398	-	16,398
At 31 August 2020	59,161	-	59,161
Net book value			
At 31 August 2020	17,276	18,428	35,704
At 31 August 2019	31,879	-	31,879

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17. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	12,838,948	1,416,497	14,972	14,767	14,285,184
Additions	482,889	133,796	16,082	-	632,767
On acquisition of subsidiaries	31,306,554	129,039	-	-	31,435,593
At 31 August 2020	<u>44,628,391</u>	<u>1,679,332</u>	<u>31,054</u>	<u>14,767</u>	<u>46,353,544</u>
Depreciation					
At 1 September 2019	605,309	995,285	12,437	13,991	1,627,022
Charge for the year	275,961	165,134	669	776	442,540
At 31 August 2020	<u>881,270</u>	<u>1,160,419</u>	<u>13,106</u>	<u>14,767</u>	<u>2,069,562</u>
Net book value					
At 31 August 2020	<u>43,747,121</u>	<u>518,913</u>	<u>17,948</u>	<u>-</u>	<u>44,283,982</u>
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>

18. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	292,624	112,989
Other debtors	4,063	956
Prepayments and accrued income	1,584,314	1,022,709
VAT recoverable	460,940	94,757
	<u>2,341,941</u>	<u>1,231,411</u>

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19. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	483,978	362,918
Other taxation and social security	393,054	250,274
Other creditors	701,227	211,201
Accruals and deferred income	1,220,287	741,010
	<u>2,798,546</u>	<u>1,565,403</u>
	2020 £	2019 £
Deferred income		
Deferred income at 1 September 2019	341,613	294,606
Resources deferred during the year	801,879	341,613
Amounts released from previous periods	(341,613)	(294,606)
	<u>801,879</u>	<u>341,613</u>

At the balance sheet date the Academy Trust was holding funds received in advance for boarding fees, trips, rates relief, UISFM, PE grant and travel deposits.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	255,212	2,045,008	(1,662,033)	-	-	638,187
Restricted general funds						
General Annual Grant (GAG)	(87,680)	16,473,121	(16,637,036)	203,075	-	(48,520)
Pupil Premium	-	746,183	(746,183)	-	-	-
Start Up Grant	50,000	74,000	(124,000)	-	-	-
Other DfE grants	-	215,508	(215,508)	-	-	-
Other grants	-	165,486	(165,486)	-	-	-
High needs	-	239,061	(239,061)	-	-	-
Teachers' pension grant	-	645,418	(645,418)	-	-	-
Teachers' pay grant	-	235,819	(235,819)	-	-	-
Universal free school meals	-	206,946	(206,946)	-	-	-
PE grant	-	98,994	(98,994)	-	-	-
Trust capacity fund	-	176,848	(176,848)	-	-	-
Other income	286,006	10,000	(169,547)	-	-	126,459
Donated facilities	-	378,069	(378,069)	-	-	-
Teaching school	101,224	104,692	(85,031)	-	-	120,885
COVID exceptional funding	-	294,862	(281,248)	(13,614)	-	-
GAG transferred in	-	149,515	-	(149,515)	-	-
Other restricted funds transferred in	-	39,519	-	-	-	39,519
Boarding	-	297,378	(103,096)	3,004	-	197,286
Pension reserve	(10,846,000)	(6,875,000)	(1,567,000)	-	(1,233,000)	(20,521,000)
	(10,496,450)	13,676,419	(22,075,290)	42,950	(1,233,000)	(20,085,371)

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FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Fixed assets transferred on conversion	6,063,165	-	(123,805)	-	-	5,939,360
DfE/ESFA capital grants	1,523,357	1,081,498	(83,280)	(42,950)	-	2,478,625
Capital expenditure from GAG	677,048	-	(33,853)	-	-	643,195
Donated fixed assets	4,480,647	-	(202,146)	-	-	4,278,501
Other	99,272	334,833	(15,854)	-	-	418,251
Fixed assets transferred in	-	31,506,353	-	-	-	31,506,353
	<u>12,843,489</u>	<u>32,922,684</u>	<u>(458,938)</u>	<u>(42,950)</u>	<u>-</u>	<u>45,264,285</u>
Total Restricted funds	<u>2,347,039</u>	<u>46,599,103</u>	<u>(22,534,228)</u>	<u>-</u>	<u>(1,233,000)</u>	<u>25,178,914</u>
Total funds	<u>2,602,251</u>	<u>48,644,111</u>	<u>(24,196,261)</u>	<u>-</u>	<u>(1,233,000)</u>	<u>25,817,101</u>

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.

High needs - Funding received by the Local Authority to fund further support for students with additional needs.

Teachers' pension grant - Represents grants made to the Academy Trust to support it with the increase in employer contributions to the teachers' pension scheme.

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20. Statement of funds (continued)

Teachers' pay grant - Represents grants made to the Academy Trust to support it with the increase in teachers' pay awards.

Universal free school meals - Represents funding to offer free school meals to pupils.

PE grant - Represents funding received to fund additional and sustainable improvements to the provision of PE and sport.

Trust capacity fund - Represents additional funding to support the growth and development of existing academy trusts.

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.

COVID grants - additional funding in year from government support schemes in response to the coronavirus outbreak.

GAG on conversion - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs, transferred in upon Southern Academy Trust joining the Academy Trust.

Other restricted funds on conversion - Other restricted funding streams transferred in upon Southern Academy Trust joining the Academy Trust.

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 represent 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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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Buckland Newton C of E VC Primary School	57,469	29,672
Sherborne Abbey C of E VC Primary School	100,036	181,615
Sherborne Primary School	96,033	105,588
St Andrew's C of E VC Primary School, Yetminster	91,602	55,127
St Mary's C of E VC Primary School	77,142	73,184
The Gryphon School	(491,913)	(233,797)
Thornford CE VA School	30,695	(2,331)
Charlton Horethorne Primary School	(16,048)	(16,924)
King Arthur's School	58,664	-
Okeford Fitzpaine Primary School	93,839	61,377
St Mary the Virgin Primary School	(14,298)	13,453
Shillingstone Primary School	62,536	34,443
Shaftesbury School	812,215	-
Motcombe C of E Primary School	56,457	-
Shaftesbury C of E Primary School	184,705	-
St Andrew's C of E Primary School, Fontmell Magna	(9,601)	-
Harbour Vale School	(16,788)	-
Central	(98,929)	303,355
Total before fixed asset funds and pension reserve	1,073,816	604,762
Restricted fixed asset fund	45,264,285	12,843,489
Pension reserve	(20,521,000)	(10,846,000)
Total	25,817,101	2,602,251

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

	Deficit £
The Gryphon School	(491,913)
St Mary the Virgin Primary School	(14,298)
Charlton Horethorne Primary School	(16,048)
St Andrew's C of E Primary School, Fontmell Magna	(9,601)
Harbour Vale School	(16,788)

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds (continued)

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

The Gryphon had a deficit carry forward from 2018-19 due to a number of one off costs and funding changes. This was expected to be reduced in 2019-20. Following the Covid-19 pandemic the loss of income from school transport, the nursery and catering has been significant increasing its deficit. The trust did furlough some staff and was able to reclaim some additional costs but this was restricted by national criteria. The loss of income was not reclaimable. The Little Gryphons Nursery had a significant deficit. In July 2020 notice of closure and redundancy processes commenced and the nursery closed on 31 December 2020. A new external provider has set up a new provision.

The Gryphon funding level has increased significantly due to the implementation of the new National Funding Formula. This highlights historic secondary underfunding. The 2020-21 budget shows an in year surplus returning to cumulative surplus at the end of 2021-22. There are potential risks associated with Covid-19 pandemic and how that affects the school through the year.

Harbour Vale joined as a sponsor school on 1 November 2019. It had reduced numbers in year. The plan was to complete a full redesign and rebrand of the school in the summer of 2020 funded by a £320,000 Suitability Grant. This has been delayed by the C19 impact. Works started on site at the end of October 2020. The business plan and design of a high quality alternative provision are under review so that a balanced budget can be set. Dorset Council is also reshaping its use of high needs funding and its commissioning of provision which funds places. There remains a high demand for the support of students.

Charlton Horethorne CE Primary School has a planned deficit which is being repaid. This results from a contribution to capital works agreed with the Diocese of Bath and Wells when the school joined the trust.

St Mary the Virgin CE Primary School was also affected by loss of income due to the Covid-19 pandemic. The school is budgeting for a surplus in 2020-21.

St Andrew's CE Primary School, Fontmell Magna joined the trust on 1 July 2020. It had previously been a sponsored academy conversion joining the Southern Academy Trust. There were significant staffing and leadership issues which the school has been supported with. There is a new Headteacher from 1 September 2020 and we are looking forward to the school continuing to improve and increase pupil numbers. The school is budgeting for a small surplus in 2020-21.

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 schools show a projected return to surplus. These have been shared with the ESFA.

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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20. 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 2020 £	Total 2019 £
Buckland Newton C of E VC Primary School	338,014	76,287	8,081	66,596	488,978	489,901
Sherborne Abbey C of E VC Primary School	1,114,574	172,055	27,170	255,151	1,568,950	1,378,990
Sherborne Primary School	1,066,512	207,938	37,013	186,783	1,498,246	1,429,519
St Andrew's C of E VC Primary School, Yetminster	455,289	54,230	9,695	113,050	632,264	611,413
St Mary's C of E VC Primary School	406,119	39,078	9,699	88,310	543,206	539,081
The Gryphon School	5,773,615	1,357,021	115,896	1,900,450	9,146,982	9,010,485
Thornford CE VA School	377,468	76,231	6,333	113,865	573,897	591,880
King Arthur's School	1,444,934	248,974	37,260	389,123	2,120,291	991,710
Charlton Horethorne Primary School	211,983	40,760	18,903	48,922	320,568	102,164
St Mary the Virgin Primary School	697,178	181,705	19,322	134,518	1,032,723	268,157
Okeford Fitzpaine Primary School	216,866	40,434	13,409	69,862	340,571	44,292
Shillingstone Primary School	398,789	54,533	10,002	108,242	571,566	124,964
Shaftesbury School	584,504	125,763	12,334	106,394	828,995	-
Motcombe C of E Primary School	101,110	11,297	1,193	16,551	130,151	-

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20. Statement of funds (continued)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Shaftesbury C of E Primary School	199,664	25,652	7,840	57,507	290,663	-
St Andrew's C of E Primary School, Fontmell Magna	61,134	4,947	632	15,329	82,042	-
Harbour Vale School	433,842	66,489	6,320	70,991	577,642	-
Central services	334,903	468,983	19,054	599,628	1,422,568	773,626
Academy Trust	14,216,498	3,252,377	360,156	4,341,272	22,170,303	16,356,182

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Statement of funds (continued)

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

	Balance at 1 September 2018 - As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	118,260	1,679,530	(1,542,578)	-	-	255,212
Restricted general funds						
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>
Restricted fixed asset funds						
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>

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

	Balance at 1 September 2018 - As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total Restricted funds	(21,645)	20,020,575	(16,187,891)	-	(1,464,000)	2,347,039
Total funds	96,615	21,700,105	(17,730,469)	-	(1,464,000)	2,602,251

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	44,283,982	44,283,982
Intangible fixed assets	-	-	35,704	35,704
Current assets	638,187	3,234,175	944,599	4,816,961
Creditors due within one year	-	(2,798,546)	-	(2,798,546)
Provisions for liabilities and charges	-	(20,521,000)	-	(20,521,000)
Total	638,187	(20,085,371)	45,264,285	25,817,101

Analysis of net assets between funds - prior year

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

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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22. Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of financial activities)	24,447,850	3,969,636
Adjustments for:		
Amortisation	16,398	16,173
Depreciation	442,540	298,289
Capital grants from DfE and other capital income	(1,313,902)	(704,674)
Interest receivable	(908)	(883)
Defined benefit pension scheme obligation inherited	7,092,000	1,726,000
Defined benefit pension scheme cost less contributions payable	1,125,000	912,000
Defined benefit pension scheme finance cost	225,000	184,000
Decrease in stocks	8,224	-
Increase in debtors	(1,110,530)	(658,130)
Increase in creditors	1,233,143	516,495
Tangible fixed assets transferred on conversion	-	(5,890,165)
Tangible fixed assets transferred in on academies joining	(31,454,021)	-
Net cash provided by operating activities	710,794	368,741

23. Cash flows from investing activities

	2020 £	2019 £
Interest receivable	908	883
Purchase of intangible assets	(1,795)	(28,944)
Purchase of tangible fixed assets	(632,767)	(732,623)
Capital grants from DfE and other capital income	1,313,902	704,674
Net cash provided by/(used in) investing activities	680,248	(56,010)

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	2,467,329	1,076,287

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,076,287	1,391,042	2,467,329
	<u>1,076,287</u>	<u>1,391,042</u>	<u>2,467,329</u>

26. Conversion to an academy trust

On 1 November 2019 Harbour Vale 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.

	Restricted funds £	Total funds £
Defined benefit pension scheme liability	(217,000)	(217,000)
Net liabilities	<u>(217,000)</u>	<u>(217,000)</u>

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £444,161 were payable to the schemes at 31 August 2020 (2019 - £234,881) 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. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,999,254 (2019 - £1,033,306).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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.

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27. Pension commitments (continued)

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 2020 was £1,109,000 (2019 - £772,000), of which employer's contributions totalled £859,000 (2019 - £592,000) and employees' contributions totalled £ 250,000 (2019 - £180,000). The agreed contribution rates for future years are 23.8 per cent for employers and 5.5 - 7.5 per cent for employees.

As described in note 26 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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

	2020	2019
	%	%
Rate of increase in salaries	3.25 - 3.75	3.65 - 3.70
Rate of increase for pensions in payment/inflation	2.25	2.15 - 2.20
Discount rate for scheme liabilities	1.60 - 1.65	1.90
Inflation assumption (CPI)	2.25	2.15 - 2.20

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	23.3	22.9
Females	24.8	24.0 - 24.8
<i>Retiring in 20 years</i>		
Males	24.7	24.6
Females	26.2	25.8 - 26.7

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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	831,000	474,000
Discount rate -0.1%	(854,000)	(485,000)
Mortality assumption - 1 year increase	(1,134,000)	(659,000)
Mortality assumption - 1 year decrease	1,093,000	636,000
CPI rate +0.1%	(718,000)	(426,000)
CPI rate -0.1%	699,000	415,000

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

	2020	2019
	£	£
Equities	6,096,000	4,056,000
Gilts	1,359,000	972,000
Corporate bonds	941,000	562,000
Property	1,130,000	793,000
Cash and other liquid assets	150,000	220,000
Investment funds	682,000	419,000
Other	1,230,000	707,000
Total market value of assets	11,588,000	7,729,000

The actual return on scheme assets was £(1,140,000) (2019 - £521,000).

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

	2020	2019
	£	£
Current service cost	(1,984,000)	(1,255,000)
Past service cost	-	(249,000)
Interest income	164,000	152,000
Interest cost	(389,000)	(336,000)
Total amount recognised in the Statement of Financial Activities	(2,209,000)	(1,688,000)

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	18,575,000	11,800,000
Conversion of academy trusts	379,000	3,011,000
Transferred in on existing academies joining the trust	11,073,000	-
Current service cost	1,984,000	1,255,000
Interest cost	389,000	336,000
Employee contributions	250,000	180,000
Actuarial (gains)/losses	(76,000)	1,829,000
Benefits paid	(465,000)	(85,000)
Past service costs	-	249,000
At 31 August	32,109,000	18,575,000

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

	2020 £	2019 £
At 1 September	7,729,000	5,240,000
Conversion of academy trusts	162,000	1,285,000
Transferred in on existing academies joining the trust	4,198,000	-
Interest income	169,000	156,000
Actuarial (losses)/gains	(1,309,000)	365,000
Employer contributions	859,000	592,000
Employee contributions	250,000	180,000
Benefits paid	(465,000)	(85,000)
Administration expenses	(5,000)	(4,000)
At 31 August	11,588,000	7,729,000

28. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	13,058	30,227
Later than 1 year and not later than 5 years	16,484	23,090
	29,542	53,317

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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29. 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.

30. Related party transactions

Owing to the nature of the Academy 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 the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the year:

During the year an amount of £5,750 (2019: £3,450) was paid to SALED Limited, a subsidiary of the Salisbury Diocesan Board of Education. SDBE is represented as a corporate member of the Academy Trust. The supply of services to the CofE schools in the Academy Trust were deemed fundamental to the schools' ability to deliver their religious ethos. The transaction was conducted 'at cost'.

No other related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 14.

31. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2020 the Academy Trust received £29,809 (2019: £25,435) and disbursed £22,811 (2019: £26,453) from the fund. An amount of £16,496 was transferred into the Academy Trust upon Southern Academy Trust joining. An amount of £24,590 (2019: £1,096) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

**SHERBORNE AREA SCHOOLS' TRUST
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FOR THE YEAR ENDED 31 AUGUST 2020**

32. General information

Sherborne Area Schools Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is The Gryphon School, Bristol Road, Sherborne, Dorset, DT9 4EQ.

33. Principal subsidiaries

The following was a subsidiary undertaking of the Academy Trust:

Name	Company number	Registered office or principal place of business	Included in consolidation
SASTCO Limited	10951836	The Gryphon School, Bristol Road, Sherborne, Dorset, DT9 4EQ	No

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £
SASTCO Limited	163,970	(13,500)	150,470

At the year end SASTCO Limited has a nil net asset position.

The profit made in SASTCO Limited in the year has been donated to the Academy Trust by way of a gift aid payment.

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34. Transfer of existing academies into the academy trust

Southern Academy Trust

	Value reported by transferring trust £	Transfer in recognised £
Intangible assets		
Computer software	18,427	18,427
Tangible fixed assets		
Long-term leasehold property	31,306,554	31,306,554
Furniture and equipment	74,433	74,433
Computer equipment	54,604	54,604
Current assets		
Debtors due within one year	788,896	788,896
Cash at bank and in hand	1,113,313	1,113,313
Liabilities		
Creditors due within one year	(854,942)	(854,942)
Pensions		
Pensions - pension scheme assets	4,198,000	4,198,000
Pensions - pension scheme liabilities	(11,073,000)	(11,073,000)
Net assets	<u>25,626,285</u>	<u>25,626,285</u>

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

35. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
Grant Funding	23,333		66,667	
Self-generated income	81,359		284,231	
Total direct income	104,692		350,898	
Total income		104,692		350,898
Expenditure				
Direct expenditure				
Direct staff costs	-		287,919	
Professional fees	46,671		20,020	
Total direct expenditure	46,671		307,939	
Other expenditure				
Other staff costs	30,638		9,900	
Travel costs	408		1,895	
Audit and accountancy	-		300	
Catering	789		1,298	
Admin and office costs	325		1,264	
Professional services	-		2,030	
Maintenance	-		112	
Course fees	6,200		2,950	
Total other expenditure	38,360		19,749	
Total expenditure		85,031		327,688
Surplus from all sources		19,661		23,210
Teaching school balances at 1 September 2019		101,224		78,014
Teaching school balances at 31 August 2020		120,885		101,224

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FOR THE YEAR ENDED 31 AUGUST 2020**

35. Teaching school trading account (continued)

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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

36. Academy boarding trading account

	2020	2020	2019	2019
	£	£	£	£
INCOME				
Other boarding income		17,937		
Exceptional government funding		13,614		
		<u>31,551</u>		<u>0</u>
DIRECT COSTS				
Other costs	70			
Staff costs	4,370			
	<u></u>	<u>(4,440)</u>		<u>0</u>
SUPPORT COSTS				
Other costs	321			
Maintenance of premises and equipment	3,359			
Cleaning	3,104			
Rent and rates	841			
Energy costs	3,088			
Insurance	338			
Security and transport	396			
Catering	4,591			
Technology costs	1,845			
Office overheads	1,842			
Legal and professional	4,809			
Staff costs	74,122			
	<u></u>	<u>(98,656)</u>		<u>0</u>
SURPLUS / (DEFICIT)		<u>(71,545)</u>		<u>0</u>
Surplus on transfer of academy into Trust		279,437		
Central recharges		(10,610)		
		<u>197,282</u>		<u>0</u>
SURPLUS CARRIED FORWARD		<u><u>197,282</u></u>		<u><u>0</u></u>

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "Exceptional government funding".

The Academy Trust furloughed some of its boarding staff under the government's coronavirus job retention scheme. The funding received of £13,614 relates to staff costs which are included within note 12 above.