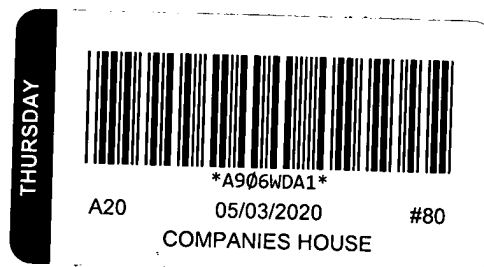


DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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



**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Salisbury Diocesan Board of Education Bishop Karen Gorham Lucinda Herklots (Resigned 30 November 2018) Anthony MacRow-Wood Anthony Smith (resigned 31 December 2018) Joy Tubbs David Pain (appointed 11 January 2019)
Trustees	Anthony Smith, Chair (resigned 31 December 2018) Joy Tubbs Timothy Balmforth Ronald Jenkinson (resigned 14 July 2019) Graham Exon, Chair (appointed 11 February 2019) Mark Lacey Graham Maundrell Philippa Hill (appointed 5 February 2019) Anne Millin Patrick Jarman Giles Pugh (appointed 11 March 2019) Rosemary Tong (appointed 25 January 2019) Joanne Wright (appointed 14 January 2019)
Company registered number	08656655
Company name	Diocese of Salisbury Academy Trust
Principal and registered office	The Diocesan Education Centre The Avenue Wilton SP2 0FG
Company secretary	Nicola Summerill
Accounting Officer	Mark Lacey
Senior management	Mark Lacey, Chief Executive Officer Daniel Parker, Finance Director Linda Rowley, Academy Improvement Director (to December 2018) Jo Hicks, Academy Improvement Director (from January 2019)
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Bankers	Lloyds Bank PLC 38 Blue Boar Row Salisbury Wiltshire SP1 1DB
Solicitors	Browne Jacobson LLP 1 Manor Court Dix's Field Exeter Devon EX1 1UP

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

The Trust operates 15 primary academies within the Diocese of Salisbury. Its academies have a combined pupil capacity of 3,414 and had a roll of 2,677 in the school census in October 2019.

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 the Diocese of Salisbury Academy Trust (DSAT) are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as the Diocese of Salisbury Academy Trust (DSAT).

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

Trade union facility time

There were no trade union officials employed by the Academy Trust in the year.

Members' liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- The Members shall appoint up to 3 Trustees;
- The Salisbury Board of Education shall appoint Trustees so as to ensure that the total number of Trustees appointed shall be a majority of the total number of Trustees; and
- The total number of staff including the Chief Executive Officer shall not exceed one third of the total number of Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include familiarisation with the work of the Trust, time with lead officers and a chance to meet staff and pupils in some of our academies. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by other bodies.

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

Organisational Structure

The Board of Trustees normally meets six times per year. 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. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are four committees as follows:

- Resources Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting and drafting the annual budget including setting staffing levels;
- Standards Committee - this meets three times per year to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and relevant pastoral issues;
- Remuneration Committee – this meets annually to approve pay recommendations for Headteachers and other senior leaders; and
- Audit Committee – this meets three times per year to review internal controls, receive internal and external audit reports and to maintain an overview of the risk register.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Chief Executive and Senior Leadership Team (SLT). The SLT comprises the Chief Executive, Finance Director, Academy Improvement Director and the Business Support Administrator.

The governance functions and authorities within the Trust are detailed in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Chief Executive and Headteachers are responsible for the appointment of staff, though appointment panels – again, responsibilities are outlined in the Scheme of Delegation.

The Academy Trust comprises fifteen primary schools. Each school has its own Local Governing Board. Again, their responsibilities are outlined in the Scheme of Delegation. The Chairs of each LGB meet regularly with the Chair of the Trust Board.

The Chief Executive Officer 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 Trust 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 and normally increased in accordance with average earnings. The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles adjusting for any additional responsibilities. Staff are paid according to an agreed range and progression is judged annually based on a rigorous programme of performance management.

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

Related Parties and other Connected Charities and Organisations

The Trust is connected to the Principal Sponsor of the Academy Trust, the Salisbury Diocesan Board of Education, who appoint the Members and a majority of Trustees. The Diocesan Board of Education provide services to all schools with the Trust, as they do to all schools within the Diocese.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Company's objects are specifically restricted to the following:

- To advance for the public benefit education 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, which shall include:
- Church of England academies designated as such which 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 any advice and following any directives issued by the Diocesan Board of Education;
- Other Academies with or without a designated religious character; and
- In relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

The principal object and activity of the Charitable Company is the operation of the Diocese of Salisbury Academy Trust, to provide free education and care for pupils of different abilities.

The trust vision statement is:

'Beyond expectations for all of God's children'

Our vision is for the growth of thriving Christian learning communities, providing everyone with the opportunity to achieve more than they ever thought possible. Christian service is at the heart of all we do, as we help young people to develop excitement in learning and to live life to the full. We value everyone equally and demonstrate this through our words, actions, community life and the quality of the opportunities we provide.

Children at the heart of all we do

Our young people will be inspired to develop academically and spiritually, aspiring beyond their own and others' expectations.

Faithfulness to our Christian tradition

We put God's love into action through our values of love, reconciliation, hope, forgiveness, peace, grace, justice and joy. Working with our parishes and communities, we encourage an understanding of the significance of faith through teaching, worship and prayer.

Striving for excellence

We love learning and are passionate about the high standards we can achieve in all aspects of life.

Collaboration

We build strong partnerships, learning with and from others as we challenge ourselves to reach new heights. We give of our best and expect the best from one another.

Celebrating success

We celebrate the achievements of every individual and share our successes widely.

Objectives, Strategies and Activities

1. For every child to attend an excellent school, through effective delivery of our Trust Improvement Model;
2. To inspire our children with an ambitious, well-designed and well-sequenced curriculum;
3. For leaders and staff at every level to be empowered and supported towards career progression; and
4. To make effective use of our resources such that academies are able to flourish.

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

Full details of the Strategic Plan are published on the Trust's website www.dsat.org.uk/strategic-plan/

Public Benefit

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

The Academy Trust aims to advance for the public benefit, education in the Diocese of Salisbury. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development of schools, offering a broad and balanced curriculum.

The Academy Trust has taken in schools in a range of contexts, including a number who have previously struggled academically and financially.

STRATEGIC REPORT

Achievements and Performance

- Southbroom St James was judged to be good in September 2018;
- Marden Valé received a successful HMI monitoring visit indicating effective progress was being made;
- Beaminster St Mary's received a requiring improvement report – this indicated progress from its previous inspection; a clear plan is in place to accelerate progress further;
- Good SIAMS inspections were received by Southbroom St James, Milldown, Trent Young's, Shrewton and Wilton;
- The Trust average for the children achieving the Good Level of Development at Foundation Stage is 73% which is in line with the national average (Trust average 69% in 2018);
- The Trust average for children reaching the expected standard in the Year 1 phonics check is 79%. This is broadly in line with the national average (Trust average 80% in 2018);
- Results in Reading, Writing and Maths at Key Stage 1 are just below national average at the expected and greater depth standards but are generally up on previous years;
- Results at Key Stage 2 are the best yet – the Trust has a significant number of sponsored academies, having joined in difficult circumstances but tangible progress is clearly being seen;
- At Key Stage 2, Reading attainment at age-related expectations (ARE+) is 5% below the national average (9% in 2018);
- Writing attainment at ARE+ is 5% below the national average (7% in 2018);
- GPS attainment at ARE+ is 9% below the national average (12% in 2018);
- Maths attainment at ARE+ is 9% below the national average (18% in 2018);
- Writing attainment at Greater Depth Standard is 19% (15% in 2018). This is in line with the 2018 national average of 18%;
- Trust combined attainment in Reading, Writing and Maths at the expected standard is 55%, an increase of 8% from last year, compared to a 1% rise nationally. This remains below the national average but shows positive progress;
- Gaps are closing steadily for disadvantaged children;
- The quality of teaching and learning across the Trust continues to improve through the work of senior leaders and the improvement team;
- Significant work has been put into the development of maths teaching and supporting children's development as self-regulating learners;
- The Trust Board has developed significantly by recruiting appropriately qualified and experienced members which increase its capacity to scrutinise matters arising for the Trust and to make informed and appropriate decisions;
- The new St Peter's CE Primary Academy has opened successfully and numbers are 130 in September 2019;
- Building work has commenced at St Bartholomew's with a view to expanding capacity;

**DIOCESE OF SALISBURY ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

- Following an in-depth Trustwide review, a new Trust Improvement Model has been developed, along with a new academy improvement staffing structure that will be implemented in 2019-20;
- The Trust has gained approval to bring in 3 new academies that currently form a small academy trust of 750 pupils;
- The Trust received a successful visit from a DfE advisor who reviewed progress made during the year;
- Almost £170k has been secured for capital development works in our academies;
- A new MIS has been successfully implemented across the Trust and a new assessment system is ready to be implemented from September 2019;
- A Trust-wide absence policy and staff well-being package has been implemented; and
- Future financial planning is strong in the majority of academies. Some challenges exist that are being closely managed and often relate to other circumstances.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, there was a GAG carry forward of £Nil, with total unrestricted reserves carried forward of £790,131.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2019 were 2,677, a slight decrease of 28 compared to 2018. It is anticipated that this number will continue to rise, particularly given the new school that the Trust has just opened.

Another key financial performance indicator is staffing costs as a percentage of grant funding. For 2019 this was 86.4%, compared to 83.5% in 2018.

Going Concern

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

FINANCIAL REVIEW

Financial Review

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

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

During the year ended 31 August 2019, the Academy Trust received total income of £15,211,617 and incurred total expenditure of £16,380,997 excluding the restricted fixed asset fund. The excess of expenditure over income, for the year was £1,169,380 however this includes pension charges, CIF income and expenditure and therefore the underlying operational performance for the year is shown in the following table:

**DIOCESE OF SALISBURY ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Revenue funds	Unrestricted £	Restricted £	Total £
Revenue income as reported	800,705	14,410,912	15,211,617
Deduct CIF income	-	(168,593)	(168,593)
Operating revenue income	800,705	14,242,319	15,043,024
Revenue expenditure as reported	722,644	15,658,353	16,380,997
Add LGPS Pension 'costs'	-	(884,000)	(884,000)
Add back start up grant expenditure	-	(72,865)	(72,865)
Add back CIF expenditure	-	(283,127)	(283,127)
Operating revenue expenditure	722,644	14,418,361	15,141,005
Operating revenue surplus/(deficit)	78,061	(176,042)	(97,981)

At 31 August 2019 the net book value of fixed assets was £4,118,267 and movements in tangible fixed assets are shown in Note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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 23 to the financial statements.

Key financial policies reviewed during the year include the Finance Manual which lays out the framework for financial management, including financial responsibilities of the Board, officers, Headteachers, managers, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

The Trust published its Reserves Policy in October 2017.

1. Individual academies within the Trust are expected to set a balanced budget each year;
2. The Board, CEO and FD will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserve as described in this policy. This step requires analysis of the reason for any shortfall, the availability of any other source of funding before using resources and evaluation of the time period that the funds will be required and replenished;
3. LGBs can request the Trust Board for access to reserves for a specific purpose but it is up to the Board whether requests are granted as they have the responsibility of securing the financial stability of the Trust as a whole. Uses that will be considered include, but are not limited to:
 - a. Contribution to in year budget deficits arising from changes in pupil numbers;
 - b. Contribution to capital projects;
 - c. Investment in future educational initiatives;
 - d. In the event of an academy requesting to access more than their identified share of the reserves the Board may approve the use of other reserves subject to an agreed repayment plan; and
 - e. Authorisation to use reserves of any kind will be reported to the Resources Committee.

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately equivalent to one month of operating expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the Trust amount to £5,056,502 (excluding the pension reserve), although £4,266,186 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £790,316 (representing unrestricted funds) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents less than 1 month of normal recurring expenditure, below the stated policy, but the Trust is working towards this target.

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

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the CEO and Finance Director within strict guidelines approved by the Board of Trustees.

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 Academy are as follows:

Financial - the Academy Trust has considerable reliance on continued Government funding through the ESFA. In the last year 93% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy 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 pupil numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil 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 Academy 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.

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

The Trust has agreed a Risk Register with associated actions to mitigate against those risks. These have been discussed by Trustees and include the financial risks to the Academy 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 Academy 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.

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 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 Academy 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 23 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 Academy Trust is open to fundraising opportunities but will only do so where this conforms to recognised standards. The Academy Trust applies for grants from government sources and other recognised Trusts and bodies. Each school is also encouraged to have its own Parent Teaching Association.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy Trust will continue to work with its strategic partners to improve the educational opportunities for pupils in the wider community.

The Academy Trust will seek to sponsor additional schools and also allow voluntary converters to join the Academy Trust from both the primary and secondary sectors. Allowing voluntary schools to join is fundamental to the ethos of the Academy Trust in collaboration and sharing best practice. There are plans in 2019-20 to incorporate another smaller academy trust into the Academy Trust, which would add three good schools and approximately 750 pupils.

Following a successful capital funding bid, the Academy Trust is expanding the capacity of St Bartholomew's. The growth plan for the new school at St Peter's will also continue.

Full details of our plans for the future are given in our Strategic Plan, which is available on our website or from our Business Support Administrator.

**DIOCESE OF SALISBURY ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

The Trust welcomes applications for employment from disabled persons; the treatment of employees who become disabled and the training, career development and promotion of disabled persons are of paramount importance to us as a diocesan Trust.

Where the Trust introduces, maintains or develops arrangements to provide information for employees, or where there are changes to policies that might materially affect them, we enter into a consultation process with those employees and their representatives.

TRUSTEES INDEMNITIES— there were no third party indemnity provisions during the year or at the date of approval of the Trustees' report.

AUDITORS

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 4/12/19 and signed on the board's behalf by:


Graham Exon
Chair of Trustees

**DIOCESE OF SALISBURY ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, CEO 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 Diocese of Salisbury Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 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
Anthony Smith	2	2
Joy Tubbs	5	6
Timothy Balmforth	5	6
Ronald Jenkinson	3	6
Graham Exon, Chair	3	3
Mark Lacey	6	6
Graham Maundrell	6	6
Philippa Hill	4	5
Anne Millin	5	6
Patrick Jarman	6	6
Giles Pugh	3	3
Rosemary Tong	3	5
Joanne Wright	2	4

Membership of the Trust Board has been strengthened during the year. The Board has continued to focus its work on the academic and financial performance of its academies, seeking to ensure that children are able to succeed. The Board has received praise in a number inspection reports although there are examples of some schools that still require significant input and support after joining the Trust.

The Board receives detailed performance data from the CEO, Academy Improvement Director and Finance Director, such that it is able to identify areas of concern accurately, learn from best practice and foresee challenges ahead.

The Board has carried out its own on-going review of governance during the year. Its internal processes and systems are working effectively and it holds officers and schools to account for performance. Individual reviews of governance have been carried out in a number of its Academies and actions have been put into place where improvements can be made. A more detailed review of governance is planned during 2019-20.

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the Trust's finances and ensure the effective deployment of resources.

**DIOCESE OF SALISBURY ACADEMY 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
Joy Tubbs	1	3
Graham Maundrell	2	3
Patrick Jarman	3	3
Mark Lacey (not a member- attended as CEO)	3	3
Giles Pugh	1	2

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor and evaluate the internal systems and processes that operate within the Trust and to maintain an overview of the Risk Register.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Anthony Smith	1	1
Graham Exon	1	1
Patrick Jarman	1	2
Giles Pugh	1	1
Mark Lacey (not a member- attended as CEO)	2	2

The Remuneration Committee is a sub-committee of the main Board of Trustees. Its purpose is to approve pay recommendations for Headteachers and other senior leaders.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Graham Maundrell	1	1
Anne Millin	0	1
Tony Smith	1	1
Mark Lacey (not a member- attended as CEO)	1	1

The Standards Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment and relevant pastoral issues.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Anne Millin	3	3
Tim Balmforth	3	3
Ron Jenkinson	1	3
Mark Lacey (not a member- attended as CEO)	3	3
Rosemary Tong	2	2
Phillippa Hill	2	2

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

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:

- a Trust wide teacher absence insurance policy which achieved reduced premiums and consistent levels for all Academies within the Trust;
- new Management Information and budget software with improved capability and reduced costs from previous suppliers; and
- reorganised business support for a Hub within the Trust which has achieved savings for the Academies within it.

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 by the Audit Committee has been in place in the Diocese of Salisbury Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

GOVERNANCE STATEMENT (CONTINUED)

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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Bishop Fleming Bath Limited, the external auditor to perform additional checks.

The reviewer'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 a review of forecasting and budgetary controls, and core financial systems both centrally and at several of the schools within the Trust.

On a regular basis, the reviewer reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal assurance work has been delivered in accordance with the schedule of work as planned. There were no material control issues arising as a result of the reviews carried out. A number of minor changes have been made to processes and systems to ensure that high standards are met.

REVIEW OF EFFECTIVENESS

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

- the internal assurance work;
- the work of the external auditors;
- scrutiny by the Trust Board and its committees; and
- 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

Graham Exon
Chair of Trustees

4/12/10
Mark Lacey
Accounting Officer

and signed on their

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Diocese of Salisbury Academy 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.

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.

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.



Mark Lacey
Accounting Officer
Date:

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make 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 on
by:

4/12/19

and signed on its behalf

Graham Exon
Chair of Trustees

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DIOCESE OF SALISBURY ACADEMY TRUST**

OPINION

We have audited the financial statements of Diocese of Salisbury Academy Trust (the 'Academy Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DIOCESE OF SALISBURY ACADEMY 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DIOCESE OF SALISBURY ACADEMY TRUST (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

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

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

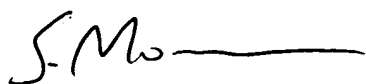
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Simon Morrison FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 19 / 12 / 2019

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DIOCESE OF
SALISBURY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diocese of Salisbury Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Diocese of Salisbury Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Diocese of Salisbury Academy 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 Diocese of Salisbury Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIOCESE OF SALISBURY ACADEMY TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Diocese of Salisbury Academy Trust's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

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 non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DIOCESE OF
SALISBURY ACADEMY 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison FCA (Reporting Accountant)

Bishop Fleming Bath Limited
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 19/12/2019

DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	77,421	515,987	3,735,940	4,329,348	123,500
Charitable activities		541,955	13,894,925	-	14,436,880	12,000,818
Other trading activities		174,341	-	-	174,341	160,269
Investments	6	6,988	-	-	6,988	746
TOTAL INCOME		800,705	14,410,912	3,735,940	18,947,557	12,285,333
EXPENDITURE ON:						
Charitable activities		712,644	15,668,353	171,042	16,552,039	13,385,163
TOTAL EXPENDITURE		712,644	15,668,353	171,042	16,552,039	13,385,163
NET INCOME/ (EXPENDITURE)		88,061	(1,257,441)	3,564,898	2,395,518	(1,099,830)
Transfers between funds	18	-	(87,318)	87,318	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		88,061	(1,344,759)	3,652,216	2,395,518	(1,099,830)
Actuarial losses on defined benefit pension schemes	23	-	(1,494,000)	-	(1,494,000)	1,284,000
NET MOVEMENT IN FUNDS		88,061	(2,838,759)	3,652,216	901,518	184,170
RECONCILIATION OF FUNDS:						
Total funds brought forward		712,255	(4,089,322)	466,051	(2,911,016)	(3,095,186)
Net movement in funds		88,061	(2,838,759)	3,652,216	901,518	184,170
TOTAL FUNDS CARRIED FORWARD		800,316	(6,928,081)	4,118,267	(2,009,498)	(2,911,016)

The notes on pages 26 to 54 form part of these financial statements.

DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08656655

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	4,118,267	466,051
		<u>4,118,267</u>	<u>466,051</u>
CURRENT ASSETS			
Debtors	15	821,963	957,004
Cash at bank and in hand		1,002,421	1,330,600
		<u>1,824,384</u>	<u>2,287,604</u>
Creditors: amounts falling due within one year	16	(886,149)	(976,671)
NET CURRENT ASSETS		<u>938,235</u>	<u>1,310,933</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,056,502</u>	<u>1,776,984</u>
Defined benefit pension scheme liability	23	(7,066,000)	(4,688,000)
TOTAL NET LIABILITIES		<u>(2,009,498)</u>	<u>(2,911,016)</u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
Fixed asset funds	18	4,118,267	466,051
Restricted income funds	18	137,919	598,678
		<u>4,256,186</u>	<u>1,064,729</u>
Restricted funds excluding pension asset	18	4,256,186	1,064,729
Pension reserve	18	(7,066,000)	(4,688,000)
Total restricted funds	18	<u>(2,809,814)</u>	<u>(3,623,271)</u>
Unrestricted income funds	18	<u>800,316</u>	<u>712,255</u>
TOTAL FUNDS		<u>(2,009,498)</u>	<u>(2,911,016)</u>

The financial statements on pages 23 to 54 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:


Graham Exon
Chair of Trustees

The notes on pages 26 to 54 form part of these financial statements.

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in)/provided by operating activities	20	(416,442)	591,205
CASH FLOWS FROM INVESTING ACTIVITIES	21	88,263	(34,032)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(328,179)	557,173
Cash and cash equivalents at the beginning of the year		1,330,600	773,427
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	1,002,421	1,330,600

The notes on pages 26 to 54 form part of these financial statements

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Diocese of Salisbury Academy 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.

At the year end the Trust had net liabilities of £2,009,948 (2018: £2,911,016). This includes a provision for obligations arising under defined benefit schemes of £7,066,000 (2018: £4,688,000). This provision is not expected to become wholly payable for the foreseeable future. At 31 August 2019 the Trust had funds carried forward (excluding fixed asset and pension funds) of £938,235 (2018: £1,310,933).

The Trustees therefore have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 INCOME

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

• **Grants**

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 year 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.

**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME (CONTINUED)

- **Sponsorship income**

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

- **Donations**

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**

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

- **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

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.

- **Charitable activities**

These 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.

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

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS

Assets costing £2,000 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 each asset on a straight-line basis over its expected useful life, as follows:

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.

During the year land and buildings relating to St Peter's was donated to the Academy Trust from the local authority. The land and buildings relating to this school is recognised at the cost of the building to the donor and depreciated over its estimated useful life.

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	25% straight line
Office equipment	-	20% 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 and reclassified to freehold or leasehold land and buildings.

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.

1.6 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.

1.7 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.

**DIOCESE OF SALISBURY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.8 LIABILITIES AND PROVISIONS

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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.9 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 15. Prepayments are not financial instruments. 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 16. 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.

1.10 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.

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

1. ACCOUNTING POLICIES (continued)

1.11 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.

1.12 FUND ACCOUNTING

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

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

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

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

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

1.13 OPERATING LEASES

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

**DIOCESE OF SALISBURY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of 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.

Under the Church Supplemental Agreement between the Academy Trust and the Salisbury Diocesan Board of Education the Academy Trust is given rent free use of certain land and buildings. The Academy Accounts Direction requires that an appropriate notional donation of rent is recognised in the financial statements. The rent has been estimated based on the rateable value of the land and buildings.

**DIOCESE OF SALISBURY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DONATIONS				
Donation of buildings	-	3,735,940	3,735,940	-
Donations	77,421	515,987	593,408	(76,500)
Capital Grants	-	-	-	200,000
SUBTOTAL	<u>77,421</u>	<u>515,987</u>	<u>593,408</u>	<u>123,500</u>
	<u>77,421</u>	<u>4,251,927</u>	<u>4,329,348</u>	<u>123,500</u>
Total 2018	<u>173,302</u>	<u>(49,802)</u>	<u>123,500</u>	

During the year buildings with a value of £3,735,940 were transferred to the Trust relating to St Peter's School.

Donations in the prior year included inherited assets on conversions as schools joined the Academy Trust. Included within these inherited assets was a LGPS pension deficit of £721,000.

**DIOCESE OF SALISBURY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

4. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA GRANTS				
General Annual Grant	-	11,112,607	11,112,607	9,224,549
Start up Grants	-	-	-	95,000
Other DfE/ESFA grants	-	2,136,690	2,136,690	1,853,689
	-	13,249,297	13,249,297	11,173,238
OTHER GOVERNMENT GRANTS				
High Needs	-	461,706	461,706	394,535
Other government grants non capital	-	183,922	183,922	88,986
	-	645,628	645,628	483,521
OTHER FUNDING				
Catering income	149,748	-	149,748	62,231
Other income	123,916	-	123,916	88,961
	273,664	13,894,925	14,168,589	11,807,951
Total 2018	151,192	11,656,759	11,807,951	

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	59,419	59,419	43,217
Consultancy	16,572	16,572	34,925
Fees received	98,350	98,350	82,127
EY Foundation Unit	268,291	268,291	192,867
	442,632	442,632	353,136

**DIOCESE OF SALISBURY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	6,988	6,988	746

All 2018 amounts relate to unrestricted income.

7. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
EDUCATION:					
Direct costs	10,197,017	-	1,175,460	11,372,477	9,024,941
Allocated support costs	2,153,041	1,630,317	1,396,204	5,179,562	4,360,222
	<u>12,350,058</u>	<u>1,630,317</u>	<u>2,571,664</u>	<u>16,552,039</u>	<u>13,385,163</u>
TOTAL 2018	<u>9,969,887</u>	<u>497,389</u>	<u>2,917,887</u>	<u>13,385,163</u>	

**DIOCESE OF SALISBURY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	11,372,477	5,179,562	16,552,039	13,385,163
Total 2018	9,024,941	4,360,222	13,385,163	

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension income	128,000	119,000
Staff costs	9,838,603	7,937,774
Educational supplies	604,474	491,906
Examination fees	74,217	49,761
Other costs	166,082	150,720
Supply teachers	458,414	226,162
Technology costs	66,912	24,427
Educational consultancy	35,775	25,191
	11,372,477	9,024,941

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	2,184,973	1,804,126
Depreciation	171,042	28,385
Other costs	31,980	36,269
Supply staff costs	7,068	15,551
Recruitment and support	43,912	35,202
Maintenance of premises and equipment	469,178	186,797
Cleaning	86,404	61,800
Rent and rates	441,169	314,911
Energy costs	179,397	139,216
Insurance	146,447	116,945
Security and transport	35,311	26,235
Catering	486,280	340,057
Technology costs	194,616	134,307
Office overheads	196,501	164,454
Legal and professional	187,474	393,346
Bank charges	2,797	254
CIF expenditure	283,127	524,895
Governance	31,886	37,472
	<u>5,179,562</u>	<u>4,360,222</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	34,993	9,079
Depreciation of tangible fixed assets	171,041	28,394
Fees paid to auditors for:		
- audit	14,500	14,500
- other services	7,800	3,600
	<u>217,334</u>	<u>55,573</u>

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

10. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	8,937,015	7,282,185
Social security costs	723,641	586,148
Pension costs	2,342,253	1,862,048
	<u>12,002,909</u>	<u>9,730,381</u>
Agency staff costs	465,482	227,987
Staff restructuring costs	20,667	11,519
	<u><u>12,489,058</u></u>	<u><u>9,969,887</u></u>

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teaching	120	102
Admin	170	146
Management	18	13
	<u>308</u>	<u>261</u>

c. HIGHER PAID STAFF

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	6	5
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1
	<u><u>8</u></u>	<u><u>7</u></u>

The above employees participated in the Teacher's Pension Scheme and Local Government Pension Scheme. During the year ended 31 August 2019, pension contributions for those staff amounted to £81,880 (2018: £63,579).

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

10. STAFF COSTS (CONTINUED)

d. 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. 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 £263,887 (2018 - £221,790).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

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

11. CENTRAL SERVICES

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

- Financial services
- Legal services
- Human resources
- Education support services
- Governance support services
- Health and safety services
- Safeguarding services
- Other services as arising

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

The Academy Trust charge is based on 5% of GAG income.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Southbroom St James	39,372	54,456
Beaminster St Marys	24,744	26,948
Dunbury	24,984	22,948
Whitesheet	12,840	14,112
St Bartholomew's	60,960	60,054
The Trinity	35,976	21,450
Marden Vale	56,556	53,460
St John's	45,108	44,808
Trent Young's	25,104	25,176
St Andrew's	59,976	55,032
Beechcroft St Pauls	42,060	40,861
Shrewton	22,524	23,400
Milldown	44,280	3,761
Wilton	36,000	3,180
St Peter's	16,176	-
TOTAL	546,660	449,646

DIOCESE OF SALISBURY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

12. TRUSTEES' REMUNERATION AND EXPENSES

During the year, retirement benefits were accruing to 1 Trustee (2018 - 1) in respect of defined benefit pension schemes.

One Trustee has received remuneration in respect of services they provide undertaking the roles of 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: M Lacey: Remuneration £85,000 - £90,000 (2018 - £85,000 - £90,000), Employer's pension contributions £10,000 - £15,000 (2018 - £10,000 - £15,000)

During the year ended 31 August 2019, expenses totalling £2,102 were reimbursed directly to 3 Trustees (2018 - £2,944 to 4 Trustees). Expenses were reimbursed for travel, mileage and subsistence.

13. 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.

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2018	-	394,080	136,382	530,462
Additions	3,735,940	40,610	46,708	3,823,258
At 31 August 2019	3,735,940	434,690	183,090	4,353,720
DEPRECIATION				
At 1 September 2018	-	44,666	19,745	64,411
Charge for the year	74,719	51,250	45,073	171,042
At 31 August 2019	74,719	95,916	64,818	235,453
NET BOOK VALUE				
At 31 August 2019	3,661,221	338,774	118,272	4,118,267
At 31 August 2018	-	349,414	116,637	466,051

**DIOCESE OF SALISBURY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

14. TANGIBLE FIXED ASSETS (CONTINUED)

During the year land and buildings relating to St Peter's was donated to the Academy Trust from the local authority. The land and buildings relating to this school is recognised at the cost of the building to the donor and depreciated over its estimated useful life.

15. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	33,159	19,364
Tax recoverable	118,393	81,387
Other debtors	16,600	10,374
Prepayments and accrued income	653,811	845,879
	<u>821,963</u>	<u>957,004</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	401,409	392,435
Other taxation and social security	171,008	165,724
Other creditors	12,917	22,347
Accruals and deferred income	300,815	396,165
	<u>886,149</u>	<u>976,671</u>

	2019 £	2018 £
Deferred income at 31 August 2019		
Deferred income at 1 September 2018	238,174	247,424
Resources deferred during the year	203,944	238,174
Amounts released from previous periods	(238,174)	(247,424)
	<u>203,944</u>	<u>238,174</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for government grants received relating to the following financial year as well as money received for trips, taking place in the 2019/20 academic year.

DIOCESE OF SALISBURY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	1,003,138	1,330,600
Financial assets that are debt instruments measured at amortised cost	429,339	440,756
	<u>1,432,477</u>	<u>1,771,356</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(475,802)	(429,208)

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

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

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

DIOCESE OF SALISBURY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	712,255	800,705	(712,644)	-	-	800,316
RESTRICTED GENERAL FUNDS						
GAG	263,360	11,112,607	(11,288,649)	(87,318)	-	-
CIF income	196,469	168,593	(293,127)	-	-	71,935
Pupil premium	-	977,948	(977,948)	-	-	-
Start up grant	138,849	-	(72,865)	-	-	65,984
DFC	-	219,283	(219,283)	-	-	-
UIFSM	-	340,197	(340,197)	-	-	-
Other ESFA/DfE income	-	419,169	(419,169)	-	-	-
High needs income	-	461,706	(461,706)	-	-	-
Other govt grants	-	220,422	(220,422)	-	-	-
Trip income	-	150,205	(150,205)	-	-	-
Donations	-	60,432	(60,432)	-	-	-
Other restricted income	-	280,350	(280,350)	-	-	-
Pension reserve	(4,688,000)	-	(884,000)	-	(1,494,000)	(7,066,000)
	<u>(4,089,322)</u>	<u>14,410,912</u>	<u>(15,668,353)</u>	<u>(87,318)</u>	<u>(1,494,000)</u>	<u>(6,928,081)</u>
RESTRICTED FIXED ASSET FUNDS						
Restricted Fixed Asset Funds	266,051	-	(96,323)	87,318	-	257,046
Local Authority capital grant	200,000	3,735,940	(74,719)	-	-	3,861,221
	<u>466,051</u>	<u>3,735,940</u>	<u>(171,042)</u>	<u>87,318</u>	<u>-</u>	<u>4,118,267</u>
TOTAL RESTRICTED FUNDS	<u>(3,623,271)</u>	<u>18,146,852</u>	<u>(15,839,395)</u>	<u>-</u>	<u>(1,494,000)</u>	<u>(2,809,814)</u>
TOTAL FUNDS	<u>(2,911,016)</u>	<u>18,947,557</u>	<u>(16,552,039)</u>	<u>-</u>	<u>(1,494,000)</u>	<u>(2,009,498)</u>

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

18. STATEMENT OF FUNDS (CONTINUED)

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

The General Annual Grant (GAG) represents funding received from the ESFA during the period in order to fund the continuing activities of the Academy Trust.

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

Start up grant represents grants received for the DfE to assist with the conversion of schools to Academy status to join the Trust in the future.

Universal infant free school meals represents money received from the ESFA for the provision of free school meals to all reception and key stage one pupils.

High needs income represents funding received by the Local Authority to fund further support for students with additional needs.

Trip income represents income received from parents for children to be able to attend school trips.

Other restricted income includes funding received for tuition fees, income received in relation to school lockers and other restricted donations.

CIF income- these are funds received for direct expenditure on improvement to Diocese land and buildings.

Local Authority capital income represents funding received from Wiltshire Council to acquire fixtures and fittings for St Peter's school, which opened on 1 September 2018.

Pension fund - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Southbroom St James	141,599	151,839
Beaminster St Mary's	(79,380)	41,898
Dunbury	(41,812)	(57,948)
Whitesheet	(99,860)	(94,781)
St Bartholomew's	63,636	88,216
The Trinity	175,574	165,201
Marden Vale	(164,238)	42,853
St John's	161,160	142,352
St Andrew's	70,499	54,347
Beechcroft St Paul's	33,006	71,883
Shrewton	187,975	162,713
Milldown	66,834	21,550
Wilton	219,669	120,806
Trent Youngs	12,344	-
St Peter's	65,157	-
Central services	54,137	203,535
CIF funding	71,935	196,469
Total before fixed asset funds and pension reserve	938,235	1,310,933
Restricted fixed asset fund	4,118,267	466,051
Pension reserve	(7,066,000)	(4,688,000)
TOTAL	(2,009,498)	(2,911,016)

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

	Deficit £
Whitesheet	(99,860)
Dunbury	(41,812)
Marden Vale	(164,238)
Beaminster St Mary's	(79,380)

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18. STATEMENT OF FUNDS (CONTINUED)

The deficit in Whitesheet is as a result of a historic significant reduction in pupil numbers at this small school. The deficit at Dunbury was caused by staff absence costs and lower pupil numbers in previous years. The deficit at Beaminster St Mary's was caused by lower pupil numbers and high staff costs in the year. There was a decision to invest in the educational and building environment at Marden Vale which has resulted in a deficit at this Academy in the year.

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

Ongoing financial reviews with these Academies is ongoing to balance their budgets and return them to financial sustainability in the medium term. Restructuring has taken place at a number of Academies to reduce staff costs for future years. Whitesheet and Dunbury have seen an increase in pupil numbers which has contributed to their improved financial performance. There is focus on Beaminster and Marden Vale to improve their financial health and to reduce their deficits over the medium term.

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Southbroom St James	597,197	144,882	65,636	291,448	1,099,163	1,016,332
Beaminster St Mary's	495,751	77,717	53,328	165,279	792,075	677,691
Dunbury	325,640	110,069	28,101	195,068	658,878	586,772
Whitesheet	206,947	33,389	14,780	98,163	353,279	346,896
St Bartholomew's	965,087	90,606	74,599	503,415	1,633,707	1,471,221
The Trinity	623,665	110,976	44,017	203,272	981,930	939,018
Marden Vale	1,217,667	268,059	41,464	424,962	1,952,152	1,771,167
St John's	747,928	196,516	62,346	294,216	1,301,006	1,207,216
St Andrew's	1,040,313	209,543	34,538	391,012	1,675,406	1,466,388
Beechcroft St Paul's	819,786	163,163	54,559	262,411	1,299,919	1,168,978
Shrewton	314,826	56,266	30,087	161,777	562,956	541,951
Milldown	750,756	95,079	31,235	250,044	1,127,114	73,740
Wilton	624,785	138,210	37,517	247,366	1,047,878	56,052
Trent Youngs	408,339	74,300	16,776	179,652	679,067	622,623
St Peter's	264,003	31,889	14,456	215,025	525,373	-
Central services	350,327	172,309	211	(253,880)	268,967	881,596
CIF funding	-	-	-	283,127	283,127	524,895
ACADEMY TRUST	9,753,017	1,972,973	603,650	3,912,357	16,241,997	13,352,536

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

18. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General funds	481,596	677,855	(447,196)	-	-	712,255
RESTRICTED GENERAL FUNDS						
GAG	292,710	9,225,067	(9,136,361)	(118,056)	-	263,360
CIF income	400,133	321,231	(524,895)	-	-	196,469
Pupil premium	-	797,695	(797,695)	-	-	-
Start up grant	121,995	95,000	(78,146)	-	-	138,849
DFC	-	73,841	(73,841)	-	-	-
UIFSM	-	212,819	(212,819)	-	-	-
Other ESFA/DfE income	-	448,103	(448,103)	-	-	-
High needs income	-	394,535	(394,535)	-	-	-
Other govt grants	-	88,986	(88,986)	-	-	-
Trip income	-	123,933	(123,933)	-	-	-
Donations	-	256,747	(256,747)	-	-	-
Other restricted income	-	90,521	(90,521)	-	-	-
Pension reserve	(4,568,000)	(721,000)	(683,000)	-	1,284,000	(4,688,000)
	<u>(3,753,162)</u>	<u>11,407,478</u>	<u>(12,909,582)</u>	<u>(118,056)</u>	<u>1,284,000</u>	<u>(4,089,322)</u>
RESTRICTED FIXED ASSET FUNDS						
Restricted Fixed Asset Funds	176,380	-	(28,385)	-	-	266,051
Local Authority capital grant	-	200,000	-	-	-	200,000
	<u>176,380</u>	<u>200,000</u>	<u>(28,385)</u>	<u>-</u>	<u>-</u>	<u>466,051</u>

DIOCESE OF SALISBURY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
TOTAL RESTRICTED FUNDS	(3,576,782)	11,607,478	(12,937,967)	(118,056)	1,284,000	(3,623,271)
TOTAL FUNDS	<u>(3,095,186)</u>	<u>12,285,333</u>	<u>(13,385,163)</u>	<u>(118,056)</u>	<u>1,284,000</u>	<u>(2,911,016)</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	4,118,267	4,118,267
Current assets	790,316	1,034,068	-	1,824,384
Creditors due within one year	-	(886,149)	-	(886,149)
Provisions for liabilities and charges	-	(7,066,000)	-	(7,066,000)
TOTAL	<u>800,316</u>	<u>(6,928,081)</u>	<u>4,118,267</u>	<u>(2,009,498)</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	466,051	466,051
Current assets	712,255	1,575,349	-	2,287,604
Creditors due within one year	-	(976,671)	-	(976,671)
Provisions for liabilities and charges	-	(4,688,000)	-	(4,688,000)
TOTAL	<u>712,255</u>	<u>(4,089,322)</u>	<u>466,051</u>	<u>(2,911,016)</u>

DIOCESE OF SALISBURY ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

20. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATIONS

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	2,395,518	(1,099,830)
ADJUSTMENTS FOR:		
Depreciation	171,042	28,394
Capital grants from DfE and other capital income	(3,904,533)	(200,000)
Interest receivable	(6,988)	(746)
Defined benefit pension scheme cost less contributions payable	756,000	564,000
Defined benefit pension scheme finance cost	128,000	119,000
Decrease in debtors	135,041	211,620
(Decrease)/increase in creditors	(90,522)	247,767
Net gain on assets and liabilities from local authority on conversion	-	721,000
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(416,442)	591,205

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Dividends, interest and rents from investments	6,988	746
Purchase of tangible fixed assets	(87,318)	(234,778)
Capital grants from DfE Group	168,593	200,000
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	88,263	(34,032)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash in hand	1,002,421	1,330,600
TOTAL CASH AND CASH EQUIVALENTS	1,002,421	1,330,600

23. PENSION COMMITMENTS

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

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

23. PENSION COMMITMENTS (CONTINUED)

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

TEACHERS' PENSION SCHEME

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

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

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £862,194 (2018 - £721,774).

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

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

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

23. 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 2019 was £934,000 (2018 - £699,000), of which employer's contributions totalled £739,000 (2018 - £554,000) and employees' contributions totalled £195,000 (2018 - £145,000). The agreed employer contribution rates for future years are 18.8% for Wiltshire and 24.2% for Dorset and for employees 5.5-12.5% for Wiltshire and Dorset.

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

	2019	2018
	%	%
Rate of increase in salaries	3.4	3.5
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.8	2.7

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

	2019	2018
	Years	Years
<i>RETIRING TODAY</i>		
Males	22.4	23.7
Females	24.5	25.8
<i>RETIRING IN 20 YEARS</i>		
Males	23.9	25.8
Females	26.1	27.9

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

	At 31	At 31 August
	August 2019	2018
	£	£
Equities	5,419,000	4,151,000
Corporate bonds	1,001,000	1,478,000
Property	1,085,000	764,000
Other	618,000	100,000
TOTAL MARKET VALUE OF ASSETS	8,123,000	6,493,000

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23. PENSION COMMITMENTS (CONTINUED)

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

	2019 £	2018 £
Current service cost	(1,356,000)	(1,118,000)
Past service cost	(139,000)	-
Interest income	190,000	131,000
Interest cost	(318,000)	(250,000)
TOTAL RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(1,623,000)	(1,237,000)

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

	2019 £	2018 £
AT 1 SEPTEMBER	11,181,000	9,405,000
Transferred in on existing academies joining the trust	-	1,380,000
Current service cost	1,356,000	1,118,000
Interest cost	318,000	250,000
Employee contributions	195,000	145,000
Actuarial losses/(gains)	1,844,000	(1,067,000)
Benefits paid	156,000	(50,000)
Past service costs	139,000	-
AT 31 AUGUST	15,189,000	11,181,000

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

	2019 £	2018 £
AT 1 SEPTEMBER	6,493,000	4,837,000
Transferred in on existing academies joining the trust	-	659,000
Interest income	190,000	131,000
Actuarial gains	350,000	217,000
Employer contributions	739,000	554,000
Employee contributions	195,000	145,000
Benefits paid	156,000	(50,000)
AT 31 AUGUST	8,123,000	6,493,000

**DIOCESE OF SALISBURY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. OPERATING LEASE COMMITMENTS

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

	2019 £	2018 £
Not later than 1 year	55,780	30,525
Later than 1 year and not later than 5 years	57,753	56,879
	<u>113,533</u>	<u>87,404</u>

25. 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 he/she ceases to be a member.

26. RELATED PARTY TRANSACTIONS

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

During the period the Academy Trust was charged £54,441 (2018 - £100,729) by Saled Limited, a subsidiary of the Salisbury Diocesan Board of Education, for staff costs and a range of other services including room hire and training. At the year end a balance of £3,655 (2018 - £Nil) was due to Saled Limited.