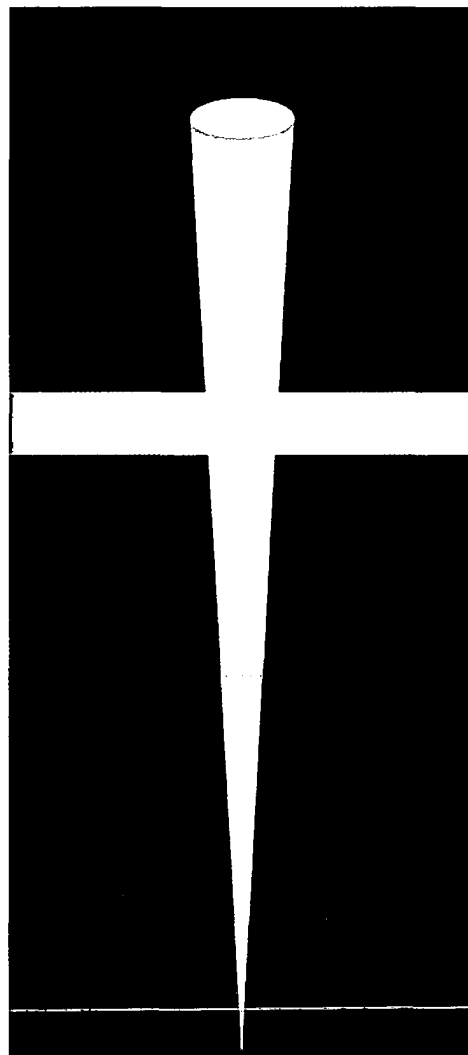


REGISTERED COMPANY NUMBER: 08745639 (England and Wales)

**The Diocese of Sheffield Academies Trust
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements
Year ended 31 August 2020**



The Diocese of Sheffield Academies Trust



The Diocese of Sheffield Academies Trust
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for the Year Ended 31 August 2020

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**The Diocese of Sheffield Academies Trust
Reference and Administrative Details
for the Year Ended 31 August 2020**

Members	William Huw Thomas, <i>representing the Diocese of Sheffield Education Trust</i> Rt Revd. Peter Burrows, <i>Chair of the Diocesan Board of Education</i> Derek Grover Revd Stephen Gardner
Trustees	Andrew Waldron William Huw Thomas James Dugmore Mark Wheeler Nicholas Keightley Lindsey-Jane Buxton Zoe Lintin Heidi Adcock
Key Management Personnel	Andrew Waldron - Chief Executive Officer Alison Adair – Head of School Improvement Sue Mellor – Head Teacher (Aston All Saints) Rebecca Allard – Executive Head Alison Navas – Head Teacher (Canon Popham) Deborah Ball – Head Teacher (Treeton) Victoria Sherwood – Head of School (Kilnhurst St Thomas) Sharon Patton – Head Teacher (St Oswalds) Maureen Andrews – Executive Head (Pye Bank, Emmanuel) Rachel Morley – Head Teacher (Laughton All Saints) Karole Sargent – Executive Head (Totley All Saints) Jenny Birks – Head of School (Emmanuel) Julie Armitage – Head Teacher (Flanderwell) Philippa Cousins – Head of School (Rossington St Michaels) Amy Gurner – Head of School (Wickersley St Albans) Rhea Kurcewicz - Head of School (Pye Bank) Karen Miller – Head of School (St Mary's) Caroline Brown – Head of School Maria Allen – Head of School (Trinity Croft) Hannah Lambert – Head of School (Thrybergh Fullerton) Nevine Towers – Business & Operations Executive Clare Sturman – Chief Finance Officer Wendy Lloyd – Buildings Manager
Company name:	The Diocese of Sheffield Academies Trust (DSAT)
Principal and Registered office:	Flanderwell Early Excellence Centre, Greenfield Court, Flanderwell, Rotherham S66 2JF
Company Registration Number:	08745639 (England and Wales)
Independent auditor:	Smith Craven, Sidings House, Sidings Court, Lakeside, Doncaster DN4 5NU
Bankers:	Royal Bank of Scotland, Attercliffe Road, Sheffield
Solicitors:	Wrigleys Solicitors LLP, 19 Cookridge Street, Leeds LS2 3AG

The Diocese of Sheffield Academies Trust

Trustees Report

for the Year Ended 31 August 2020

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2019 to 31st August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates academy schools for children within the area covered by the Diocese of Sheffield. It has fifteen academies, all primary schools, twelve of which are Church of England schools and one a community school.

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 Sheffield Academies Trust (DSAT) are also the directors of the charitable company for the purposes of company law. The charitable company is commonly known by the acronym DSAT.

Details of the trustees who served during the year are included in the Reference and Administrative Details.

Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease 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

A trustee may benefit from any indemnity insurance purchased at the academy trust's expense to cover the liability of the trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty or which was committed by the trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the academy trust.

The trust has opted into the government's Risk Protection Arrangement as the means whereby UK government covers risks rather than insurance. Included within the RPA scheme is unlimited coverage for all sums the academy may become legally liable to pay (including claimants' costs and expenses) following death, injury or disease sustained by employees and arising out of and in the course of their employment by the academy and sums the academy may become legally liable to pay (including claimants' costs and expenses) as damages in respect of accidental third-party injury or third-party property damage. The RPA covers Governors' Liability Expenses to the level of £10,000,000 any one loss and any one membership year.

Method of Recruitment and Appointment or Election of Trustees

Directors are recruited and appointed to meet identified needs or the required skills on the board. Recommendations can be made by Directors to the members who agree by majority voting to appoint to the board.

Policies and Procedures Adopted for the Induction and Training of Trustees

New trustees are inducted by the Board through the support of experienced directors.

Organisational Structure

The Diocese of Sheffield Academies Trust affirms the concept of the parish school that is for and from the parish church and community.

**The Diocese of Sheffield Academies Trust
Trustees Report
for the Year Ended 31 August 2020**

The Trustee Body is responsible for agreeing all policies covering Personnel, Health & Safety, Curriculum and Financial aspects of the work of all academies within The Diocese of Sheffield Academies Trust (DSAT). Policies set at individual academy level are reviewed and agreed by Directors.

The full Trustee Body currently meets at least once every half term. This is considered to be a full Board meeting at every occurrence. Termly meetings are held with Headteachers, Chairs and Vice Chairs of Governors. Regular meetings of Headteachers and Business Managers are also held.

The day to day management of the academies will be delegated by the Trustee Body to the respective Governing Body and Head Teacher of each school, as set down in the trusts scheme of delegation.

The Directors also comprise the Finance and Audit Committee:

Andrew Waldron - Accounting Officer & Chief Executive Officer

William Huw Thomas - Director

James Dugmore - Director

Mark Wheeler - Director

Nicholas Keightley – Director

Lindsey-Jane Buxton – Director

Heidi Adcock (Chartered member of CIPFA) – Director

Zoe Lintin - Director

The Finance committee bears the responsibilities to

- support the aims and ethos of the trust, focussing on the quality and extent of the provision of premises and equipment
- advise the governing body on strategic priorities for the maintenance and development of the school's premises and grounds, security and Health and Safety, for inclusion in the Developing Excellence/School Improvement Plan
- establish and implement a repairs and maintenance programme, within the budget established by the governing body, and in accordance with the priorities within the Developing Excellence/School Improvement Plan
- review on an annual basis the school's Health and Safety policy, and approve any amendments as necessary
- ensure that the school complies with Health and Safety regulations, in accordance with the Health and Safety policy
- review on an annual basis the school's lettings policy for use of school premises outside school hours and determine the level of charges for such lettings
- establish, and keep under review, an Accessibility Plan, which meets the requirements of the Disability Discrimination Act 1995 to oversee the preparation and implementation of appropriate contracts, including the cleaning, grounds maintenance and school meals and ensure Best Value principles are applied
- monitor the quality of service provided by the above in accordance with the agreed contracts
- ensure that premises insurance arrangements are adequate

Arrangements for setting pay and remuneration of key management personnel

The trust employs key management personnel to facilitate the work of the trust. The key management personnel have an annual performance management review carried out by their line manager. In the case of Headteachers and Executive Headteachers, this is the CEO who is supported by the Head of School improvement. The findings of these reviews are then used as a foundation for remuneration discussions within a prescribed pay banding. The remuneration proposals are then agreed by the Local Governing Body, the CEO of the trust and the Head of School improvement. The CEOs and Head of School improvement's remuneration packages were agreed in consultation with the Chair of the board and directors. The remuneration packages were benchmarked against other CEOs within Multi Academy Trusts of a similar size. The services of the Diocesan Director of Education have been rendered by the Diocese for a number of years.

**The Diocese of Sheffield Academies Trust
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for the Year Ended 31 August 2020**

Salaries of the Business and Operations Executive and Finance Executive were benchmarked against similar roles within schools with comparable pupil numbers. The final remuneration package was agreed by Directors. Performance management reviews of these roles are undertaken on an annual basis.

Related Parties and other Connected Charities and Organisations

There are no related parties which either control or which significantly influence the decisions and operations of The Diocese of Sheffield Academies Trust (DSAT).

Trade Union Facility Time

There were no union officials during the relevant period and therefore no further information is provided in this report.

OBJECTIVES AND ACTIVITIES

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things:

- that the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly-based curriculum) including English, mathematics and science;
- the school shall make provision for the teaching of religious education and provide a daily act of collective worship;
- that it provides education for pupils of different abilities;
- it also provides education for pupils who live within the area of the school

The aims of the trust during the period ended 31 August 2020 are summarised below.

Mission Statement

The work of the trust is inspired and informed by the Church of England's Vision for Education. Though deeply Christian in inspiration this vision is explicitly written for, and offered to, all schools as an inclusive framework for education that opens for our children 'life in all its fullness'.

DSAT prides itself on its high expectations both for its pupils and its schools this translates to four key aspirations

- To create and sustain challenging, stimulating, nurturing and exciting learning experiences where **all** children achieve well and are keen to learn.
- To deliver outstanding teaching and learning for all pupils every day.
- To offer an inclusive framework for education that opens for our children "life in all its fullness".
- To empower leadership at all levels to drive improvements so that each school is aspirational and moves to its next level of performance.

Our Mission is for DSAT to be the number one choice for schools who wish to embrace the Multi Academy structure, the number one choice for teaching staff who wish to extend their influence across a number of schools and the number one choice for parents who want their children to reach the best they can be, but always with a smile and joy for learning.

The DSAT Improvement Mission:

DSAT prides itself on its high expectations both for its pupils and its schools and this translates to four core aspirations:

- Good and outstanding teaching
- Leadership, with vision, that delivers
- Every child is able to reach their fullest potential
- Surpassing floor targets in all three measures

**The Diocese of Sheffield Academies Trust
Trustees Report
for the Year Ended 31 August 2020**

For our church academies we also seek a distinctive, Christian ethos.

High expectations are expected across the school day, with teaching and learning striving towards equal standards of subjects across the curriculum breadth. To support this, every child has targets in place for reading, writing and maths that are used to inform planning and support a dialogue with the child over their progress.

Although the information about children's current attainment provides a good understanding of children's next steps in learning, DSAT will ensure that, at all times, we have the highest expectations of what children can do. We will also ensure that tasks do not limit children in terms of outcomes, but enable them to acquire new learning beyond our expectations.

Teachers will discuss the children's challenging targets with them, and instil the self-belief that will help them achieve this. Children will be able to talk about their targets, to judge their own success and to gauge their own progress towards their goals. This will be used for teacher assessments and self-assessment.

Necessary interventions will be planned to ensure that all children will be able to do this. These will include booster lessons, language intervention and homework clubs, but may also include interventions to improve children's social and emotional readiness for learning.

Raising attainment is also about understanding the aspirations of the individual child, and as such, children are grouped by class teachers according to their individual needs and requirements. Groups are flexible and mobile to encourage higher attainment and provide social support for children at different times in their learning.

Objectives:

- At the heart of the Diocese of Sheffield Academies Trust is the goal of providing an excellent education for every child in every academy.
- DSAT will also expect at least "good" progress in KS1 and KS2, considering children's starting points from EYFS/ KS1. This will include comparing key areas from starting points with national data and comparing similar key areas at the end of KS1/ KS2. This will indicate good gains made across EYFS, KS1 and KS2 using this comparative data. The expectation is for children to make rapid progress that is sustained across their years in the primary school.
- The trust aims to maintain the distinctive Diocesan identity of church schools and to provide a collegial Diocesan family for schools wishing to convert to academy status. It also provides a means of sponsorship for any schools facing enforced academy conversion.
- It operates in accordance with the following principles:
- The Diocese of Sheffield Academies Trust affirms the concept of the parish school that is for and from the parish church and community;
- We seek to support the autonomy of our schools, under effective leadership, and to encourage them to flourish. In educational leadership terms, the trust is committed to the integrity of local governing bodies. The trust works in close partnership with governors and values their insights and input as local 'feet on the ground'. While the trust has ultimate accountability, it places importance on the support local governors provide.
- An effective combination of centrally driven improvement alongside effective monitoring to ensure that our schools demonstrate a high standard of provision ;
- The trust seeks to secure a positive, effective and communicative relationship with each of its schools;
- Through working with school leadership and business support, the Trust seeks to foster the wellbeing and development of schools from within. We also aim, with agreement with our schools, to enable and facilitate working across the Trust;
- The Trust positively encourages schools to continue to work with those local structures that are effective and worthwhile; this includes maintaining good links with local authority provision.

**The Diocese of Sheffield Academies Trust
Trustees Report
for the Year Ended 31 August 2020**

Public Benefit

Consideration has been given to Charity Commission guidance on public benefit when reviewing these objectives, aims and activities. The Trust will continue to provide education to children that:

- Is balanced and broadly based;
- Provides the spiritual, moral, cultural, mental and physical development of students at the Academy;
- Prepares students for the opportunities, responsibilities and experiences of later life;
- Promotes, sustains and increases individual and collective knowledge and understanding of study, skills and expertise.

STRATEGIC REPORT

Achievements and Performance

Whilst no SAT's data is available for the trust teachers assessed outcomes identified a positive picture. We are certain that whole trust data would have evidenced outcomes above national for both attainment and progress.

During the year 2019-20 the trust continued to grow from having 13 academies to 15, taking on Laughton C of E Primary in October 2019 and Totley All Saints in December 2019.

All but one of the schools within DSAT now have an Ofsted rating of Good or Outstanding, this is a significant improvement compared to when the Trust was initially formed.

Rossington St Michaels, our sponsored Academy, continues to perform very well. When DSAT took on St Michael's, they had achieved 17% Reading Writing Maths combined. The results for 2019 showed a significant improvement to 83% Reading Writing Maths combined. In 2019 all attainment and progress were significantly above national which makes it the third highest performing school in DSAT for attainment and is in the top ten schools in Doncaster. When St Michael's became part of DSAT the Local Authority rated the school as an extreme concern, however, after action taken by DSAT, the Local Authority has issued a letter to the school stating it has moved to a self-improving school who are likely to achieve a good or better in its next inspection.

Whilst no 2020 SAT's data is available St. Michael's, teacher assessed outcomes at KS2 continued to evidence an improving picture, with outcomes at the expected standard well above national and around a third of children at greater depth in all areas. A re-inspection was delayed because of lockdown, but the school was on track to receive a good judgement.

Whilst the impact of COVID impacted significantly on the wider strategic plan, DSAT still:

- Developed leadership teams over last year in all schools to ensure they are 'ofsted ready'. This has included 'preparedness' for the new Ofsted framework, developing subject leaders of the wider curriculum and continued coaching of senior leaders/ core subject leaders. LPD work was carried out to strengthen our system leadership workforce, galvanising a strong team of practitioners ready to support areas of provision across the trust.
- Continued to develop the practice of Heads of School, ensuring that they become sufficiently developed in their expertise to enable succession planning.
- Worked with staff across all schools to develop a clear knowledge, skills, vocabulary curriculum in line with the new Ofsted framework.
- Ensured that staff are trained to teach in a way that promotes the 'science of memory' and worked with subject leaders to ensure the content of their curriculums are spiral, thus ensuring that children know and remember more.

**The Diocese of Sheffield Academies Trust
Trustees Report
for the Year Ended 31 August 2020**

- Implemented significant changes to our IT infrastructure and architecture, with the resulting increase in the adoption of cloud based systems, providing a major operational advantage during the lockdown.
- Implemented a new payroll system and changed service provider to reduce cost and align practices across all schools.
- Centralised further a number of procurement streams to ensure best value for all schools.
- From March onwards we realigned the strategic plan to ensure that home working provision was fit for purpose and not passive, whilst at the same time ensuring in-school provision for key worker and vulnerable children was engaging in a safe environment for both pupils and staff.

FINANCIAL REVIEW

Investment Policy

The Academy Trust does not hold investments other than Cash at Bank. Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Governors do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Governors' management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FCSA Approved list included in the Financial Services Compensation Scheme (FSCS).

Going Concern

Before actuarial gains and losses on the pension scheme of £1.350m (2019: £2.955m), the trust incurred net outgoing expenditure of £126k (2019: £1.769m). However, this is inclusive of the pension deficit inherited in the year from the transfer of Laughton All Saints and Totley All Saints of £546k. Excluding movements in the pension deficit and fixed asset reserve, general funds available to each academy in the trust increased by £743k (2019: £192k), with the average funds available for spending per academy at £141k (2019: £99k). Further details regarding this can be found per note 17. Forecasts for the 2020/21 year indicates that it has sufficient funds to continue to operate for the foreseeable future. For this reason, the trustees continue 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 Accounting Policies note of the financial statements.

The majority of the multi academy's income is obtained from the Education Schools Funding Agency (ESFA) in the form of the recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended the 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The most substantial of these ESFA grants was the General Annual Grant (GAG) which amounted to £13.518m or 79% of the trust's total grant income (2019: £10.308m / 80.5%). The Academy Trust also received other central government grants, the use of which is restricted to particular purposes and other income from hire of facilities, income from visits and after-school club. Notes 3 and 4 disclose the academy trust's incoming resources in further detail. The trust received £800,799 in capital grants in the year which consisted of devolved formula capital, condition improvement funding, school conditional allocation funding and other capital grants which is recorded in the restricted fixed asset fund.

Total incoming resources in the year to 31 August 2020, extracted from the face of the Statement Of Financial Activities, totalled £18.534m (2019: 13.915m).

**The Diocese of Sheffield Academies Trust
Trustees Report
for the Year Ended 31 August 2020**

During the year-ended 31 August 2020, total expenditure in relation to the trust's education operations amounted to £18.590m. The majority of the trust's expenditure was incurred by staff costs, details of which can be found per note 9. An additional outgoing of resources of £68k was recognised upon conversion of Totley All Saints and Laughton All Saints, previously of LA establishment status, who converted into the trust in the year.

Total expenditure of £18.658m (2019: £15.739m) was in excess of the recurrent grant funding from the EFA together with other income resources, giving rise to an excess of expenditure over income of £124k (2019: £1.824m)

The total funds carried forward at 31 August 2020 were £1.591m (2019: £365k). Included within the £1.591m funds carried forward is a pension fund deficit of £11.728m and fixed asset reserves fund of £11.199m, of which £10.667m is tied up in tangible fixed assets. If the pension deficit and restricted fixed asset funds are excluded and we look at the general funds available for spending in isolation, the funds available to the trust are £2.120m (2019: £1.375m). Further details of individual school general fund carry forwards can be found per note 17, page 22.

An actuarial gain of £1.350m (2019: £2.955m loss) arose on the Academy Trust's share of the Local Government Pension Scheme (LGPS) during the year. A deficit of £546k inherited on the conversion of Laughton All Saints & Totley All Saints along with £925k of finance costs has resulted in a LGPS deficit of £11.728m (2019: £11.607m) at 31 August 2020. The pension fund reserve deficit of £11.728m is to be funded by additional contributions per annum in addition to normal funding levels. It is anticipated that the additional contributions will be paid over a period of 23 years and so an immediate liability does not crystallise.

The trust showed a net increase in funds in the year of £1.244m (2019: decrease £4.779m) which in return resulted in an increase to the balance sheet net asset position to £1,589m (2019: £365k). This increase comprises of the following key items: actuarial gain on pensions of £1.350m, net deficit on assets and liabilities inherited on conversion from outside of the trust in the year of £68k (inclusive of a £546k pension deficit inherited), pension costs as a result of the LGPS revaluation of 925k. The trust was holding CIF, SCA & DFC funding of £532k at 31 August 2020. See funds note 17 for further detail.

Each of the individual Academies in the Trust completes a five-year financial budget plan. Two schools are looking at staff structures in order to maintain a surplus budget. All schools were running at a budget surplus as at 31 August 2020. Directors to the Trust, include financial expertise, educational expertise, HR expertise, public relations expertise and expertise in safety and risk management. With these colleagues in place and the five-year plans submitted from each Academy 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.

The trust has set a budget projected over five years in which it is anticipated it will make a surplus. The principal sources of funding are the retained portions of delegate budgets (the 'top slice'). The trust aims to maintain this at the minimal level of 2.98% with variations made for schools in particular need wherein the trust may need to resource support.

The principal expenditures have been the support work of the Business and Operations Officer, the Chief Finance Officer, the leadership and direction costs associated with the CEO and the Head of School Improvement for its academies.

**The Diocese of Sheffield Academies Trust
Trustees Report
for the Year Ended 31 August 2020**

Reserves Policy

The Academy Trust Board reviews the level of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. It is the trustees' policy to maintain a minimum level of reserves of £500,000 and to build up free reserves which can be used for future education purposes in line with each academy's development plan. The trustees will ensure that the reserves policy continues to conform to the requirements laid down in the Academies' Financial Handbook produced by the DFE.

Having taken account of the risks to which the Trust is exposed, the trustees consider the current level of reserves to be appropriate. Free Reserves (total of unrestricted general funds and restricted general funds excluding the defined benefit pension liability) at the end of the period amounted to £2.118m.

As the academies are on census based pupil number funding, the Academy Trust is not subject to any limit on the amount of General Annual Grant that may be carried forward, thus allowing the trustees to ensure that adequate reserves may be built up.

The restricted Fixed Asset fund may only be realised by disposing of tangible fixed assets. The balance at 31 August 2020 was £11.199m.

In accordance with FRS 102, it is necessary to charge projected pension scheme deficits to the Restricted General Fund for those pension schemes where the assets and liabilities of the scheme can be separately identified. This has resulted in a reduction in restricted reserves of £11.728m. It should be noted that this is an accounting estimate of a long-term liability which has not crystallised and has no immediate impact on the Academy Trust's liquidity.

Principal Risks and Uncertainties

The trust maintains an up-to-date risk register and business continuity plan to help mitigate the main risks and uncertainties it faces. The principal risks and uncertainties facing the trust are as follows:

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

Strategic Risks

An academy in the trust receiving a negative Ofsted outcome – mitigated by shared development between academies and strong expectations and monitoring arrangements for the trust

The loss of key staff mitigated by a robust succession plan and staff development

Uncontrollable events e.g. fire, flood – mitigated by renewal of insurance with RPA

Change in Government Policy – mitigated by links with the National Society and use of Wrigleys Solicitors for advice and support

Financial Risks

The Academy Trust is operating in a period of political and financial uncertainty with regards to public funding. Financial planning is focused on offering the best possible provision in the context of diminished public funding. Governors and Trustees have assessed the trusts financial risks and addressed in the risk register. The risks are:

- Inaccurate or insufficient information – mitigated by regular financial reporting to the trust and central support to complete budget monitoring returns
- Poor cash flow or limited reserves – mitigated by monthly bank reconciliations, budget monitoring and production of cash flow forecasts and academy reserves
- Unsuitable financial systems – mitigated by expert advice and training to ensure systems meet trust requirements.

**The Diocese of Sheffield Academies Trust
Trustees Report
for the Year Ended 31 August 2020**

Reputational Risk

The continuing success of the academy depends upon offering the best possible education to all our pupils. The trust therefore deems it important that regular governors meetings are held to allow for a critical review and close monitoring of the achievements and success of the students.

Fundraising

Potential fundraising and external income generation opportunities are regularly discussed at the Finance and Operations meetings. The main sources of fundraising is from grant awarding bodies such as Awards for All and the Church Burgess Trust. Schools will share knowledge of available funding and share information of any new grants that are available to schools and that they have successfully applied for.

Plans for Future Periods

The trust now plans to grow by a further 5 schools over the next 3 to 5 years to give 20. At the time of writing this report the trust has received a request from a Doncaster school and a Sheffield to join The Diocese of Sheffield Academies Trust.

The trust retains openness towards approaches from all schools, not just church schools, wishing to join or being required to join, by the DFE.

The trust will continue to review major purchase contracts in order to achieve best value for money for all schools within DSAT. The savings made on these areas will be reinvested in the front-line education of pupils. Internal cost benchmarking will aim to create a hypothetical 'model' school in terms of cost management. This will be used to assess and validate practices that are outside of the 'model'. During the next twelve months it is anticipated that a new payroll provider will be appointed. The driver behind this change is to reduce cost but also to improve service provision. Where possible we will continue to develop our Executive Head model. As this model develops we will need to consider a revision to governance structures.

The growth of the Diocese of Sheffield Academies Trust will facilitate a greater infrastructure within the Central Services Team and enable optimum procurement activities enabling greater savings across the Trust.

Auditor

The trust's auditor is Andrew Cribb FCA of Smith Craven Chartered Accountants.

Insofar 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 trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 9 December 2020 and signed on the board's behalf by:



Huw Thomas
Trustee

The Diocese of Sheffield Academies Trust
Governance Statement
for the Year Ended 31 August 2020

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Diocese of Sheffield Academies Trust (DSAT) 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 Diocesan Director of Education for the Diocese of Sheffield, 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 Sheffield Academies Trust (DSAT) 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 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Director	Attendance	Out of a possible
Andrew Waldron	7	7
Heidi Adcock	6	7
William Huw Thomas	7	7
James Dugmore	6	7
Lindsey-Jane Buxton	5	7
Mark Wheeler	3	7
Nicholas Keightley	3	7
Zoe Lintin	6	7
Board Member		
Alison Adair	6	7
Nevine Towers	7	7
Clare Sturman	5	7

The CEO does not have voting rights.

The Director Board functions as the finance and general purposes committee board of trustees. Its purpose is to:

- Support the aims and ethos of the trust, focussing on the quality and extent of the provision of premises and equipment;
- Advise the governing body on strategic priorities for the maintenance and development of the school's premises and grounds, security and Health and Safety, for inclusion in the Developing Excellence/School Improvement Plan;
- Establish and implement a repairs and maintenance programme, within the budget established by the governing body, and in accordance with the priorities within the Developing Excellence/School Improvement Plan;
- Review on an annual basis the school's Health and Safety policy, and approve any amendments as necessary;

**The Diocese of Sheffield Academies Trust
Governance Statement
for the Year Ended 31 August 2020**

- Ensure that the school complies with Health and Safety regulations, in accordance with the Health and Safety policy;
- Review on an annual basis the school's Lettings policy for use of school premises outside school hours and determine the level of charges for such lettings;
- Establish, and keep under review, an Accessibility Plan, which meets the requirements of the Disability Discrimination Act 1995 to oversee the preparation and implementation of appropriate contracts, including the cleaning, grounds maintenance and school meals and ensure best value principles are applied;
- Monitor the quality of service provided by the above in accordance with the agreed contracts;
- Ensure that premises insurance arrangements are adequate.

Review of Value for Money

As Accounting Officer Andrew Waldron 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 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 available. Through the work of the trust and its Finance Directors the Accounting Officer for the academy trust has delivered improved value for money during the year by reviewing arrangements for financial management of the trust and utilising the capacity within the trust, consolidating arrangements for audit and reviewing bought-in services procured by individual academies.

The Board has secured value for money through actions such as:

- The commissioning of a building manager contracted to work across all schools, leading to a reduction in premises expenses;
- The appointment of Wrigley Solicitors as Legal support service to all schools within the trust ;
- The renewing of RPA insurance, leading to savings on items such as governor liability insurance;
- Appointment of a Business and Operations Executive and a School Improvement Executive to develop capacity, drive forward change and improve results within the trust;
- Fisher Family Trust subscription and Learners First subscription prices have been negotiated at trust level generating significant savings for all schools;
- Large procurement activities including catering, Pupil Database, Finance System and photocopier contracts;
- Responsible officer visits;
- Finance Visits to schools;
- HR;
- Payroll;
- Auditors;
- Training.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in The Diocese of Sheffield Academies Trust (DSAT) academy trust for the period 1 February 2015 to 31 August 2020 and up to the date of approval of the annual report and financial statements. The process of internal control has been monitored and reviewed by the appointment of two Responsible Officers. The Responsible Officers have conducted three visits at

**The Diocese of Sheffield Academies Trust
Governance Statement
for the Year Ended 31 August 2020**

each of the Academies within the trust in the year ending 31 August 2020. During these visits all major areas of financial control were investigated and tested. This included testing a sample of all income due to the Academies. Expenditure was also tested including a sample of payroll transactions. Reports and minutes of governor's meetings were also reviewed to ensure they were suitable and sufficient. Subsequent responsible officer visits are planned for next financial year.

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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees have considered the need for a specific internal audit function and has appointed an Internal Auditor, Hart Shaw Chartered Accountants and Business Advisors.

Hart Shaw have been instructed to carry out the internal audits of Diocese of Sheffield Academy Trust (DSAT). The purpose of their reviews is to assist the trustees in fulfilling the requirements of the Academies Financial Handbook (section 2.9) by carrying out a detailed review of the financial systems and controls within the academy trust.

Review of Effectiveness


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

- The work of the internal auditor ;
- The work of the external auditor ;
- The financial management and governance self-assessment process ;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework ;

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

**The Diocese of Sheffield Academies Trust
Governance Statement
for the Year Ended 31 August 2020**

Approved by order of the members of the board of trustees on **9 December 2020** and signed on its behalf
by:



Huw Thomas
Trustee



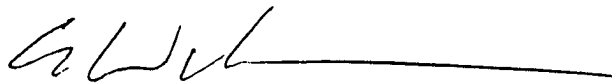
Andrew Waldron
Accounting Officer

**The Diocese of Sheffield Academies Trust
Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2020**

As accounting officer of The Diocese of Sheffield Academies Trust (DSAT) I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



Andrew Waldron
Accounting Officer
9 December 2020

**The Diocese of Sheffield Academies Trust
Statement of Trustees Responsibilities
for the Year Ended 31 August 2020**

The trustees who act as governors of The Diocese of Sheffield Academies Trust (DSAT) and 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 Annual Accounts Direction published by the Education 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 in the Charities SORP 2015 ;
- make judgments and accounting estimates that are reasonable and prudent ;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements ;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/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 9 December 2020 and signed on its behalf by:



Huw Thomas
Trustee

The Diocese of Sheffield Academies Trust

Report of the Independent Auditors to the Members of The Diocese of Sheffield Academies Trust

Opinion

We have audited the financial statements of The Diocese of Sheffield Academies Trust for the year ended 31 August 2020, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements including a summary of significant accounting policies. The Financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2019 to 2020.

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 UK, including the FRC's Ethical standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

The Diocese of Sheffield Academies Trust

Report of the Independent Auditors to the Members of The Diocese of Sheffield Academies Trust

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 report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of trustees

As explained more fully in the statement of Trustees Responsibilities set out on page fourteen, the trustees (who are also the directors of the charitable company for the purpose 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.

The Diocese of Sheffield Academies Trust

Report of the Independent Auditors to the Members of The Diocese of Sheffield Academies Trust

Our responsibilities for the audit of the financial statements

Our objectivities 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 a Report of the independent Auditors that includes our opinion. Reasonable assurance is 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 Councils website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.



.....
Andrew Cribb FCA (Senior Statutory Auditor)

For and on behalf of

Smith Craven
Chartered Accountants
Statutory Auditors

Sidings House
Sidings Court
Doncaster
South Yorkshire
DN4 5NU

Date: 9 December 2020

The Diocese of Sheffield Academies Trust

Independent Reporting Accountant's Report on Regularity to the Diocese of Sheffield Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 31 May 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Diocese of Sheffield Academies Trust during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Diocese of Sheffield Academies 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 Sheffield Academies Trust and the 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 the Diocese of Sheffield Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Diocese of Sheffield Academies Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Diocese of Sheffield Academies Trust's funding agreement with the Secretary of State for Education dated June 2014 and the Academies Financial Handbook extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency. 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.

The work undertaken to draw to our conclusion includes:

- Ensuring value for money is sought for all goods & services procured by the academy, including those procured from related parties of the academy.
- Consideration of the evidence supporting the accounting officer's statement of regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust.
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE.

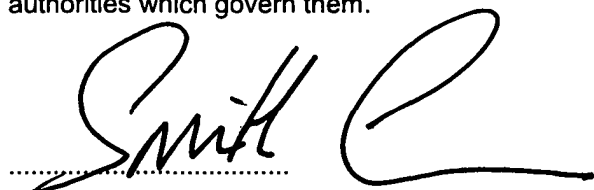
The Diocese of Sheffield Academies Trust

Independent Reporting Accountant's Report on Regularity to the Diocese of Sheffield Academies Trust and the Education and Skills Funding Agency

- Ensuring that expenditure incurred through the academy bank account and debit card is appropriate for the purposes of the academy and that there has been no personal expenditure from the academy's funds.
- Ensuring pension contributions are paid to the respective schemes in a timely manner.
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.
- Ensuring there is sufficient and appropriate risk management.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in black ink, appearing to read 'Smith Craven', written over a dotted line.

Smith Craven
Chartered Accountants
Reporting Accountants
Sidings House
Sidings Court
Doncaster
South Yorkshire
DN4 5NU

Date: 9 December 2020

The Diocese of Sheffield Academies Trust
Statement of Financial Activities
for the Year Ended 31 August 2020

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2020 £000	Total 2019 £000
Income and endowments from:						
Donations and capital grants	2	-	-	801	801	528
Charitable activities:						
Funding for the academy trust's educational operations	3	-	17,196	-	17,196	12,798
Other trading activities	4	167	366	-	533	584
Investment income	5	4	-	-	4	5
Total		<u>171</u>	<u>17,562</u>	<u>801</u>	<u>18,534</u>	<u>13,915</u>
Expenditure on:						
Transfer to LA on Conversion	28	(212)	546	(266)	68	178
Charitable activities:						
Academy trust educational operations	6, 8	-	18,049	541	18,590	15,561
Total resources expended		<u>(212)</u>	<u>18,595</u>	<u>275</u>	<u>18,658</u>	<u>15,739</u>
Net incoming / (outgoing) resources		383	(1,033)	526	(124)	(1,824)
Gross Transfer between funds	17	(39)	(37)	76	-	-
Other recognised gains and losses						
Actuarial gains (losses) on defined benefit pension schemes	17	-	1,350	-	1,350	(2,955)
Net movement in funds		<u>344</u>	<u>280</u>	<u>602</u>	<u>1,226</u>	<u>(4,779)</u>
Reconciliation of funds						
Total funds brought forward		<u>415</u>	<u>(10,647)</u>	<u>10,597</u>	<u>365</u>	<u>5,144</u>
Total funds carried forward		<u>759</u>	<u>(10,637)</u>	<u>11,199</u>	<u>1,591</u>	<u>365</u>

The notes form part of these financial statements

The Diocese of Sheffield Academies Trust
Balance Sheet
At 31 August 2020

	Notes	2020 £000	2020 £000	2019 £000	2019 £000
Fixed Assets					
Tangible assets	13		10,667		10,399
Current assets					
Debtors	14	536		743	
Cash at bank and in hand		<u>3,370</u>		<u>2,362</u>	
		3,906		3,105	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(1,254)</u>		<u>(1,530)</u>	
Net current assets			<u>2,652</u>		<u>1,575</u>
Total assets less current liabilities			13,319		11,974
Creditors: Amounts falling due after more than one year	16		<u>-</u>		<u>(2)</u>
Net assets excluding pensions liability			<u>13,319</u>		<u>11,972</u>
Pension scheme liability	26		<u>(11,728)</u>		<u>(11,607)</u>
Total net assets			<u>1,591</u>		<u>365</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	17	11,199		10,597	
General fund	17	1,361		960	
Pensions reserve	26	<u>(11,728)</u>		<u>(11,607)</u>	
Total restricted funds			832		(50)
Unrestricted income funds					
General fund	17	<u>759</u>		<u>415</u>	
Total unrestricted funds			<u>759</u>		<u>415</u>
Total funds			<u>1,591</u>		<u>365</u>

The financial statements on pages 21 to 54 were approved by the trustees and authorised for issue on 9 December 2020 and are signed on their behalf by:



Huw Thomas
Trustee

The notes form part of these financial statements

The Diocese of Sheffield Academies Trust (DSAT)
Cash Flow Statement
for the Year Ended 31 August 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	97	(1,063)
Cash flows from financing activities	22	(2)	(9)
Cash flows from investing activities	23	701	468
Cash transferred on Conversion to an academy trust	23	212	210
Change in cash and cash equivalents in the reporting period		1,008	(394)
Cash and cash equivalents at 1 September 2019		2,362	2,756
Cash and cash equivalents at 31 August 2020	24	3,370	2,362

The notes form part of these financial statement.

The Diocese of Sheffield Academies Trust (DSAT)
Notes to the Financial Statements
for the Year Ended 31 August 2020

1 Statement of Accounting Policies

Basis of Preparation of the Financial Statements

The financial statements of The Multi Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 FRS102), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Diocese of Sheffield Academies Trust meets the definition of a public benefit entity under FRS 102.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 period is deducted from income and recognised as a liability.

Pupil Premium is recognised in the period of entitlement. Where entitlement occurs before income is received the income is accrued.

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

- **Sponsorship Income**

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

- **Donations**

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.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1 Statement of Accounting Policies (continued)

- **Other Income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'

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 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.

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received

Expenditure

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

- **Expenditure on Raising Funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **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.

Tangible Fixed Assets

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

For church school premises that are not on the balance sheet the Accounts Direction requires that an annual donation for rent should be recognised equal to what the academy trust would have to pay to secure premises, if such a figure can be reliably measured. Since there is no open market for such transactions this

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1 Statement of Accounting Policies (continued)

amount cannot be reliably measured and so no donation has been recognised. Property expenditure on such premises are recognised as expenditure in the Statement of Financial Activity.

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.

Land occupied under long term leases of 125 years for nil rental are recognised in the academy trust accounts represented by the fair value of the "right to use" rather than the freehold.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	125 years over the lease term
Fixtures, fittings and equipment	5 years
ICT equipment	3 years

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

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

Liabilities

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1 Statement of Accounting Policies (continued)

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 basis 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 13. 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 notes 14 and 15. 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.

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.

Pensions Benefits

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 and the assets are held separately from those of the academy trust.

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. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 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.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

1 Statement of Accounting Policies (continued)

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.

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 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 includes grants from the Education & Skills Funding Agency/Department for Education.

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Trustees have reviewed the financial statements and the basis of their preparation and have concluded that there are no critical areas of judgement which may have a material impact on the amounts recognised in the financial statements.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

2 Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Capital Grants	-	801	801	507
Other Donations	-	-	-	21
	<u>-</u>	<u>801</u>	<u>801</u>	<u>528</u>

Included in capital grants is £101k Devolved Formula Capital, £137k Condition Improvement Fund, £537k School Condition Allocation and £26k of other capital grants.

3 Funding for the Academy Trusts Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
DfE / ESFA grants				
General Annual Grant (GAG)	-	13,518	13,518	10,308
Start Up Grants	-	-	-	47
Pupil Premium	-	1,040	1,040	769
UIFSM	-	390	390	341
Teachers Pay & Pension	-	639	639	83
PE & Sports	-	250	250	204
Other DfE Grants	-	130	130	99
	<u>-</u>	<u>15,967</u>	<u>15,967</u>	<u>11,851</u>
Other Government grants				
Local authority grants	-	1,089	1,089	843
Special educational projects	-	140	140	104
	<u>-</u>	<u>1,229</u>	<u>1,229</u>	<u>947</u>
	<u>-</u>	<u>17,196</u>	<u>17,196</u>	<u>12,798</u>

There are no unfulfilled conditions at the year end with regards to the amounts included in the above government grants.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

4 Other Trading Activities

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£000	£000	£000	£000
Hire of Facilities	49	-	49	62
Catering Income	-	60	60	65
Other Income	118	306	424	457
	167	366	533	584

Included in unrestricted and restricted other income was £78k (2019: £74k) of school fund income, £76k (2019: £107k) of income from visits, child and staff paid meals of £42k (2019: £45k) and after school clubs income of £37k (2019: £27k).

5 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£000	£000	£000	£000
Interest	4	-	4	5

6 Expenditure

Non Pay Expenditure

	Staff Costs	Premises	Expenditure Other	Total 2020	Total 2019
	£000	£000	£000	£000	£000
Expenditure on raising funds:					
- Direct Costs	-	-	-	-	-
- Allocated support costs	-	-	-	-	-
Academies educational operations:					
- Direct costs	11,799	-	824	12,623	9,877
- Allocated support costs	2,417	1,353	2,197	5,967	5,684
Total	14,216	1,353	3,021	18,590	15,561

continued

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

6. Expenditure (continued)

	Total 2020 £000	Total 2019 £000
Expenditure for the year includes		
Operating lease rentals	23	29
Depreciation	104	90
Fees payable to Auditor for:		
- audit	21	21
- other services	16	16
Total	164	156

Included within expenditure are the following transactions.

Individual Items

	Amount £
<u>Ex-gratia payments</u>	
Stress Related Sickness	£52,896
Lieu of Notice	4,850
	£57,746

Ex gratia payments were made to 4 employees due to stress related sickness. All 4 of these employees occupied senior leadership roles prior to ceasing employee status. A single payment was made in Lieu of notice due an unsuccessful restructuring. All payments were deemed to be in the interest of the academy trust and justified in light of a legal assessment.

The legal authority sought to make ex-gratia payments followed the Academies Financial Handbook 2019, being delegated authority or approval from the Education and Skills Funding Agency.

7 Analysis of Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2020 £000	Total 2019 £000
Improvements to diocesan property occupied by trust	-	470	470	1,026

The site improvements made to diocesan property occupied by the academy trust were recognised as expenditure in the SOFA under allocated support costs.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

8 Charitable Activities

	Total 2020 £000	Total 2019 £000
Direct costs – educational	12,623	9,877
Support costs – educational	5,967	5,684
	<u>18,590</u>	<u>15,561</u>

	Total 2020 £000	Total 2019 £000
Analysis of Direct Costs		
Teaching and education support staff	11,798	8,760
Education supplies	628	703
Other direct staff	11	40
Education consultancy	186	171
Total direct costs	<u>12,623</u>	<u>9,877</u>

	Total 2020 £000	Total 2019 £000
Analysis of Support Costs		
Support staff costs	2,431	1,806
Premises costs	1,393	2,082
Catering Costs	491	562
Depreciation	104	90
Technology Costs	205	113
Other support costs	1,048	1,024
Governance Cost	295	210
Total support costs	<u>5,967</u>	<u>5,684</u>

Included in governance costs are the costs associated with the strategic management of the trusts activities and the constitutional and statutory requirements included audit and preparation of statutory accounts.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

9 Staff

a. Staff costs

	Total 2020 £000	Total 2019 £000
Staff costs during the period were:		
Wages and salaries	10,421	8,113
Social security costs	918	704
Operating costs of defined benefit pension schemes	2,629	1,509
	13,968	10,326
Agency staff costs	144	182
Staff restructuring costs (breakdown below)	58	13
Other staff costs (training and development)	59	45
	14,229	10,566
Staff restructuring costs comprise:		
Severance payments	58	13

b. Non statutory/ non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £57,746 (2019: £13,000). Individually, the payments were: £4,850, £5,000, £11,063, £13,833, £23,000.

c. Staff numbers

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

	2020	2019
Teachers	149	126
Administration and support	383	324
Management	18	12
	550	462

d. Higher paid staff

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

	2020	2019
£60,001-£70,000	5	4
£70,001 -£80,000	2	-
£80,001-£90,000	1	-
£90,001-£100,000	-	-
£100,001-£110,000	1	1
	9	5

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,766,474 (2019: £957,162).

10 Related Party Transactions - Governors' Remuneration and Expenses

One trustee has been paid remuneration or has received other benefits from employment with the academy trust. The head teacher and other staff trustees only receive remuneration in respect of the services they provide undertaking the roles of principal and staff members under their contracts of employment.

Andrew Waldron (Staff Trustee):

Remuneration	£35,000 - £40,000	(2019: £35,000 - £40,000)
Employers pensions contributions	£0 - £5,000	(2019: £0 - £5,000)

During the period ended 31 August 2020, no travel and subsistence expenses were reimbursed or paid directly to trustees in their capacities as trustees, (2019: £NIL).

11 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.

12 Central Services

The academy trust has provided the following central services to its academies during the year:

Legal services
Human Resources
Staff Cover Scheme
Buildings Management
Risk Management
ICT Infrastructure

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

12 Central Services (continued)

The trust charges for these services on the following basis:

Each academy contributes 2.98% (2019: 2.58%) of its GAG Allocation. The actual amounts charged during the year were as follows:

	Total 2020 £000	Total 2019 £000
Aston All Saints Primary	23	20
Emmanuel Junior	26	20
Flanderwell Primary	35	29
St Mary's Primary	23	19
Thrybergh Fullerton Primary	18	14
Trinity Croft Junior Infant	19	15
Wickersley St Albans Primary	23	20
Rossington St Michaels Junior Infant	40	33
Treeton C of E Primary	32	27
Canon Popham C of E Primary	24	21
Kilnhurst St Thomas Primary	26	22
Finningley St Oswalds Academy	24	16
Pyebank C of E Primary	57	8
Totley All Saints	18	-
Laughton All Saints	13	-
	401	264

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

13 Tangible Fixed Assets

	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Total
	£000	£000	£000	£000
Cost				
At 1 September 2019	10,524	120	393	11,037
Transfer on conversion	255	9	4	268
Additions	-	45	59	104
At 31 August 2020	<u>10,779</u>	<u>174</u>	<u>456</u>	<u>11,409</u>
Depreciation				
At 1 September 2019	246	83	309	638
Transfer on conversion	-	-	-	-
Charged in year	25	26	53	104
At 31 August 2020	<u>271</u>	<u>109</u>	<u>362</u>	<u>742</u>
Net book values				
At 31 August 2020	<u>10,508</u>	<u>65</u>	<u>94</u>	<u>10,667</u>
At 31 August 2019	<u>10,278</u>	<u>37</u>	<u>84</u>	<u>10,399</u>

During the year to 31 August 2020, the Diocese of Sheffield Academies Trust acquired leasehold land conversion Laughton All Saints and Totley All Saints from the local authority to academy status at a value of £255k. Fixtures and fittings and computer equipment with a combined value of £13k was also transferred upon conversion.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

14 Debtors	Total 2020 £000	Total 2019 £000
Trade Debtors	60	56
VAT Recoverable	54	259
Prepayments and accrued income	422	428
	<u>536</u>	<u>743</u>

15 Creditors: Amounts falling due within one year	Total 2020 £000	Total 2019 £000
Trade creditors	122	660
Taxation and social security	484	370
Accruals and deferred income	648	445
Other Creditors	-	55
	<u>1,254</u>	<u>1,530</u>

Deferred Income included above :	Total 2020 £000	Total 2019 £000
Deferred Income at 1 September 2019	265	219
Resources deferred in year	309	265
Amounts released from previous years	(265)	(219)
Deferred Income at 31 August 2020	<u>309</u>	<u>265</u>

At the balance sheet date the academy trust was holding funds received in advance for the following:

- Universal infant free school meals funding for the academic year commencing September 2020.
- Early Years and SEN top up funding from the LA allocated to the end March 2021.
- Rates Relief from the ESFA covering NNDR bills to March 2021.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

16 Creditors: Amounts falling due after more than one year	Total 2020 £000	Total 2019 £000
Other creditors	<u>-</u>	<u>2</u>

Included within other creditors in 2019 is borrowing obligations transferred from the Local Authority on conversion in relation to two loans to renew lighting at Emmanuel Junior prior to conversion. The repayment of the loans will complete in January 2021.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

17 Total Funds

	Balance at 1 September 2019	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000
Restricted general funds					
General annual Grant (GAG)	963	13,518	(13,262)	54	1,273
Pupil Premium	-	1,040	(1,040)	-	-
Other DfE/ESFA Grants	-	1,409	(1,321)	-	88
Other Grants / Other Income	-	1,595	(1,501)	(94)	-
Borrowing Obligations	(3)	-	-	3	-
Pensions Reserve	(11,607)	(546)	(925)	1,350	(11,728)
	<u>(10,647)</u>	<u>17,016</u>	<u>(18,049)</u>	<u>1,313</u>	<u>(10,367)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	709	801	(468)	-	1,042
Capital expenditure from GAG	7	-	(29)	74	52
Assets Inherited from LA	9,881	266	(44)	2	10,105
	<u>10,597</u>	<u>1,067</u>	<u>(541)</u>	<u>76</u>	<u>11,199</u>
Total restricted funds	<u>(50)</u>	<u>18,083</u>	<u>(18,590)</u>	<u>1,389</u>	<u>832</u>
Unrestricted funds					
Unrestricted funds	415	383	-	(39)	759
Total unrestricted funds	<u>415</u>	<u>383</u>	<u>-</u>	<u>(39)</u>	<u>759</u>
Total funds	<u>365</u>	<u>18,466</u>	<u>(18,590)</u>	<u>1,350</u>	<u>1,591</u>

Restricted Funds

General Annual Grant (GAG): this is the academy's principal funding stream from the Education & Skills Funding Agency. The funding must be used for the running of the school and for the benefit of the pupils. The use of the grant is governed by the terms and conditions set out in the Funding Agreement. The trust received £13.518m (2019: £10.307m) of which £1.273m (2019: £963k) remains unspent including the brought forward. Carried forward on other grants and income relates to the schools cover scheme of £94k and £88k c/f relating to unspent PE & Sports grant.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA Grants: the trust received additional revenue grant funding from the ESFA including the following:

PE Sports Grant of £250k (2019: £204k) to help promote sports and physical activity in schools.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

17 Fund (continued)

Rates Relief of £58k (2019: £37k) as a contribution towards the academies national non-domestic rates bills. Teachers Pay Grant of £176k (2019: £83k) and Teachers Pensions Grant £497k (2019: £NIL) to support the teachers' pay awards that came into effect on 1 September 2019.

Conversion grant of £NIL (2019: 47k) held in the trust for the conversion of future schools into the trust.

Pupil Premium of £1.04m (2019: £769k) to help raise attainment amongst pupils considered socially deprived. This funding is allocated on the basis of eligibility for free school meals.

Universal Infant Free School Meals Grant £390k (2019: £341k) to support schools in delivering the offer of free school meals to all pupils in year groups reception, year 1 and year 2.

Other Restricted Income: the trust received income from the Local Authority including:

£853k (2019: £694k) of Early Years funding, £203k (2019: £134k) SEN funding and £16k (2019: £14k) Looked After Children Pupil Premium funding.

Capital Income

During the year ended 31st August 2020 the Diocese of Sheffield Academies Trust was awarded £169k (2019: 308k) in Capital Improvement Funding (CIF) from the ESFA and £537k (2019: £NIL) in School Condition Allowance to fund projects across 6 of the 15 schools within the trust. The individual projects are as follows:

- Rossington St Michaels Flat Roofing (Phase 1 of 3)
- Finningley St Oswald's Flat Roofing Project.
- Canon Popham Flat Roofing (Phase 1 of 3)
- Totley C of E Wet Rot Remedial Works
- Finningley St Oswald's Replacement of Damage Drains.
- St Mary's Kitchen Floor Replacement
- St Mary's Extraction to Steriliser Sink
- Emmanuel Waterthorpe Window Replacement (Phase 1)

Devolved formula capital of £101k (2019: £199k) was received in the year by the trust for the maintenance and improvement of the condition of school buildings and grounds of which £62k (2019: £28k) remains unspent.

Transfer Between Funds

Transfers were made between restricted, unrestricted and restricted fixed asset funds in the year to account for capital expenditure from GAG and shortfalls in restricted fund projects.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

17 Funds (continued)

Unrestricted Funds: the academy trust held £665k in unrestricted funding at 31 August 2020.

These funds may be used towards meeting any of the charitable objectives of the trust at the discretion of the trustees.

Analysis of academies by fund balance

Fund balances as at 31 August 2020 were allocated as follows:

	Total 2020 £000	Total 2019 £000
Aston All Saints Primary	46	20
Emmanuel Junior	59	(4)
Flanderwell Primary	162	146
St Mary's Primary	177	135
Thrybergh Fullerton Primary	76	81
Trinity Croft Junior and Infant	15	66
Wickersley St Albans Primary	100	125
Rossington St Michaels Junior and Infant	189	133
Treeton C of E Primary	224	169
Canon Popham	155	91
Kilnhurst St Thomas	87	81
Finningley St Oswalds	161	168
Pyebank C of E Primary	85	35
Central Services	359	129
Laughton All Saints	122	-
Totley All Saints	103	-
Total before fixed asset and pension reserve	2,120	1,375
 Restricted fixed asset fund	 11,199	 10,597
Pension reserve	(11,728)	(11,607)
 Total	 1,591	 365

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

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

	Balance at 1 September 2018	Incoming Resources	Resources Expended	Gains, Losses and Transfers	Balance at 31 August 2019
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	700	10,307	(9,979)	(65)	963
Pupil Premium	-	769	(769)	-	-
Other DfE/ESFA Grants	-	774	(774)	-	-
Other Grants	-	1,441	(1,441)	-	-
Capital Grants	-	-	-	-	-
Borrowing Obligations	(11)	-	-	8	(3)
Pensions Reserve	(5,706)	(2,071)	(875)	(2,955)	(11,607)
	<u>(5,017)</u>	<u>11,220</u>	<u>(13,838)</u>	<u>(3,012)</u>	<u>(10,647)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	1,432	507	(1,327)	97	709
Capital expenditure from GAG	6	-	(146)	147	7
Assets Inherited from LA	8,229	1,683	(18)	(13)	9,881
	<u>9,667</u>	<u>2,190</u>	<u>(1,491)</u>	<u>231</u>	<u>10,597</u>
Total restricted funds	<u>4,650</u>	<u>13,410</u>	<u>(15,329)</u>	<u>(2,781)</u>	<u>(50)</u>
Unrestricted funds					
Unrestricted funds	494	117	(22)	(174)	415
Total unrestricted funds	<u>494</u>	<u>117</u>	<u>(22)</u>	<u>(174)</u>	<u>415</u>
Total funds	<u>5,144</u>	<u>13,527</u>	<u>(15,351)</u>	<u>(2,955)</u>	<u>365</u>

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

18 Analysis of Net Assets between

	Unrestricted Funds £000	Other Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	10,667	10,667
Current assets	888	2,486	532	3,906
Current liabilities	-	(1,254)	-	(1,254)
Long term liabilities				
Pension scheme liability	-	(11,728)	-	(11,728)
Total net assets	888	(10,496)	11,199	1,591

Comparative information in respect of the preceding period is as follows,

	Unrestricted Funds £000	Other Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	10,399	10,399
Current assets	415	2,493	198	3,105
Current liabilities	-	(1,531)	-	(1,530)
Long term liabilities	-	(2)	-	(2)
Pension scheme liability	-	(11,607)	-	(11,607)
Total net assets	415	(10,647)	10,597	365

19 Capital Commitments

	2020 £000	2019 £000
Committed to from grant funding , but not provided in the financial statements	469	230

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

20 Financial Commitments

Operating Leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£000	£000
Amounts due within one year	29	49
Amounts due between one and five years	51	49
	<u>80</u>	<u>98</u>

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

21 Reconciliation of Net Income/Expenditure to Net Cash Flow from Operating Activities

	2020	2019
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(124)	(1,824)
Adjusted for:		
Depreciation	104	90
Capital grants from DfE and other Capital Income	(801)	(507)
Interest receivable	(4)	(5)
Net assets transferred on conversion to an academy trust	(480)	(1,893)
Defined benefit pension scheme obligation inherited	546	2,071
Defined benefit pension scheme cost less contributions payable	714	614
Defined benefit pension scheme finance cost	211	259
(Increase)/decrease in debtors	207	63
Increase/(decrease) in creditors	(276)	69
Net cash provided by / (used in) operating activities	97	(1,063)

22 Cash Flows from Financing Activities

Repayments of borrowing	(2)	(9)
Cash inflows from new borrowing	-	-
Net cash provided / (used in) financing activities	(2)	(9)

23 Cash Flows from Investing Activities

Dividends, interest and rents from investments	4	5
Purchase of tangible fixed assets	(104)	(44)
Capital grants from DfE / ESFA and other Capital Income	801	507
Net cash provided by / (used in) investing activities	701	468

Cash Transferred on Conversion to an academy trust

Cash transferred on conversion	212	210
Net cash inflow on conversion to an academy trust	212	210

Change in cash and cash equivalents in the reporting period

1,008	(394)
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24 Analysis of Cash and Cash Equivalents

	2020	2019
	£000	£000
Cash at Bank and in hand	3,370	2,362
	3,370	2,362

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

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 Pension and Similar Obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2020. Contributions amounting to £180,358 were payable to the schemes at 31 August 2020 (2019: £176,000) and are included within creditors.

Pension Reserve: on conversion each school within the trust inherited a share of the Local Government Pension Scheme (LGPS) liability. The liability for each school as at 31 August 2020 is valued as follows:

	2020	2019
	£000	£000
Aston All Saints Primary	688	742
Emmanuel Juniors	767	704
Flanderwell Primary	1,348	1,131
St Mary's Primary	980	780
Thrybergh Fullerton Primary	526	541
Trinity Croft Junior & Infants	402	464
Wickersley St Albans Primary	826	930
Rossington St Michaels	994	1,044
Kilnhurst St Thomas	561	711
Treeton Primary	901	980
Canon Popham Primary	927	786
Finningley St Oswalds Academy	533	515
Pyebank C of E Primary	1,275	2,114
Trust	226	165
Laughton All Saints	289	-
Totley All Saints	485	-
Total	11,728	11,607

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

26 Pension and Similar Obligations (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £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 period amounted to £1,318,000 (2019: £1,089,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
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26 Pension and Similar Obligations (Continued)

Under the definitions set out in Financial Reporting Standard (FRS 102), the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £1,153,000 (2019: £895,000), of which employer's contributions totalled £919,000 (2019: £719,000) and employees' contributions totalled £234,000 (2019: £176,000). The agreed contribution rates for future years are 14.1% for employers and 5.5% to 12.5% for employees.

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

On conversion, the academy trust inherited a pension deficit from the South Yorkshire Pensions Authority of £546k in the year. The trust has entered into an agreement with the trustees to make additional contributions per annum in addition to normal funding levels. It is anticipated that the additional contributions will be paid over 23 years.

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

26 Pension and Similar Obligations (continued)

Principal actuarial assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.55% - 3.65%	3.25%
Rate of increase for pensions in payment/inflation	2.40% - 2.50%	2.10%
Discount rate for scheme liabilities	1.80%	1.80%
Inflation assumption (CPI)	2.30% - 2.40%	2.00%

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

	At 31 August 2020 Years	At 31 August 2019 Years
<i>Retiring today</i>		
Males	22.4	23.1
Females	25.2	25.9
<i>Retiring in 20 years</i>		
Males	23.9	25.3
Females	27.1	28.3

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	At 31 August 2020 £000	At 31 August 2019 £000
Discount rate +0.1%	(459)	(423)
Discount rate -0.1%	469	423
Mortality assumption – 1 year increase	581	918
Mortality assumption – 1 year decrease	(566)	(918)
CP1 rate +0.1%	467	110
CP1 rate -0.1%	(407)	(110)

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
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26 Pension and similar obligations (continued)

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equities	4,105	3,268
Government Bonds	1,274	893
Other Bonds	762	456
Property	727	541
Cash/Liquidity	312	200
Other	1,033	887
Total market value of assets	7,270	6,245

The actual return on scheme assets was £1,356,000 (2019: £1,280,000).

Amounts recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost (net of employer contributions)	714	249
Past service cost	-	457
Net interest cost	211	169
Total operating charge	925	875

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

26 Pension and similar obligations (continued)

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

	2020	2019
	£000	£000
At 1 September 2019	17,852	9,870
Upon conversion	1,903	2,966
Current service cost	1,614	955
Past service cost	-	457
Interest cost	355	315
Employee contributions	234	176
Actuarial (gain)/loss	(1,476)	3,207
Benefits paid	(93)	(94)
At 31 August 2020	20,389	17,852

Changes in the fair value of academy trust's share of scheme assets

	2020	2019
	£000	£000
At 1 September 2019	6,245	4,164
Upon conversion	1,357	895
Expected return on assets	144	146
Actuarial gain/(loss)	(126)	252
Employer contributions	919	719
Employee contributions	234	176
Benefits paid	(93)	(94)
Administration expenses	(19)	(13)
At 31 August 2020	8,661	6,245
Net Pension Scheme Liabilities	11,728	11,607

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

27 Related Party Transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Expenditure Related Party Transaction

Gurner Electrical Solutions – a company managed by the husband of Amy Gurner (Head of School at Wickersley St Albans). The academy trust purchased goods and services relating to various electrical repairs from Gurner Electrical Solutions totalling £1,285 in the year (2019: £2,308). There were no amounts outstanding at 31 August 2020 (2019: £nil). The transactions have been conducted under normal market conditions and have followed the academy trust's procurement policies.

C D Gurner Electrical Ltd - a company managed by the father in law of Amy Gurner (Head of School at Wickersley St Albans). The academy trust purchased goods and services relating to various electrical repairs from C D Gurner Electrical Ltd totalling £482 in the year (2019: £132). There were no amounts outstanding at 31 August 2020 (2019: £nil). The transactions have been conducted under normal market conditions and have followed the academy trust's procurement policies.

Sheffield Diocese Board of Finance - academy sponsor of DSAT

A registered charity in which Reverend Peter Burrows (member) and William Huw Thomas (member) had key management roles in during the year.

Thirteen of the fifteen academies in the trust occupied school buildings under church supplementary agreements owned by the Sheffield Diocesan Board of Finance (SDBF). As per note 1 Accounting Policies, church school premises that are not on the balance sheet the Accounts Direction requires that an annual donation for rent should be recognised equal to what the academy trust would have to pay to secure premises, if such a figure can be reliably measured. Since there is no open market for such transactions this amount cannot be reliably measured and so no donation has been recognised. (2019: No donation recognised).

Diocese of Sheffield Academies Trust
Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

28 Transfer of LA Voluntary Aided School into Trust

	Value reported by transferring entity £'000	Fair value adjustments £'000	Transfer in recognised £'000
Tangible fixed assets			
Leasehold land and buildings	255	-	255
Furniture and equipment	-	-	-
Computer equipment	11	-	11
Current Assets			
Cash in bank and in hand	212	-	212
Liabilities			
Creditors due in less than one year	-	-	-
Pensions			
Pensions – pension scheme liabilities	(546)	-	(546)
Net assets / (liabilities)	<u>(68)</u>	<u>-</u>	<u>(68)</u>