

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



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

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**SHERBORNE AREA SCHOOLS' TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	N Rees M Christopher E Gregory (on behalf of Bath & Wells Diocese Board of Education) J Dwyer J Tregale (on behalf of Salisbury Diocese Board of Education) P McGuigan
Trustees	S Hillier, Chief Executive (resigned 31 August 2021) ^{1,2,3} P Tebbatt (resigned 18 February 2021) ^{1,3} N Rees, Chair ¹ A Cooke ^{1,3} J Tregale, Vice Chair (resigned 17 June 2021) ^{2,3} T Bartley ^{1,3} J Hill (resigned 9 March 2021) ² R Davey ² C Plewes ^{2,3} P Tait ² J Ponsonby ¹ H Dawes (resigned 31 December 2020) ² R Sullivan (appointed 23 March 2021) ² ¹ Finance & Resources Committee ² Teaching, Learning & Improvement Committee ³ Pay & Remuneration Committee
Company registered number	08130468
Company name	Sherborne Area Schools' Trust
Principal and registered office	The Gryphon School Bristol Road Sherborne Dorset United Kingdom DT9 4EQ
Company secretary	C Vigar
Accounting officer	S Hillier (resigned 31 August 2021) Colin Sinclair (appointed 1 September 2021)
Trust management team	S Hillier, CEO S Smith, Deputy CEO/Head of School Improvement C Watson, Head of Human Resources N Burroughs, Head of ICT Infrastructure M Clark, Head of Estates and Health, Safety Compliance (resigned 23 April 2021) K Heap, Head of Operations (appointed 01 July 2020) C Vigar, Head of Finance

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

**SHERBORNE AREA SCHOOLS' TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2021. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 13 primary and 4 secondary academies in the North Dorset and South Somerset area. The Trust has a pupil capacity of 6,169 and had a roll of 5,078 in the school census on 1st October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of Sherborne Area Schools' Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Sherborne Area Schools' Trust.

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

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a Trustee.

Trustees' Indemnities

Trustees benefit from 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

In accordance with normal commercial practice the Trust has opted in to the Department for Education's Risk Protection Arrangement to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides unlimited cover on any one claim.

Method of recruitment and appointment or election of Trustees

There are 9 Trustees including 6 Foundation Trustees as at 31st August 2021. The Articles of Association (45-80) of the Trust detail the arrangements for Trustees:

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

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Diocese of Salisbury, and the Diocese of Bath & Wells, as corporate members, may appoint Trustees under article 50 to ensure Foundation Trustees represent 50% of the total number of Trustees.

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

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

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

Policies and Procedures adopted for the Induction and Training of Trustees

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

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

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

Organisational Structure

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

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

There are three levels of governance:

1. **Members:-** Members appoint the Trustees to run the Trust, and are the only people able to amend the Articles of Association of the SAST. There are 6 members of which 1 will be the Diocese of Salisbury in a corporate capacity, 1 will be the Diocese of Bath & Wells in a corporate capacity, and 2 other

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**TRUSTEES' REPORT (CONTINUED)
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have foundation status. Members have a strategic vision, with a range of skills such as academic/education, financial, legal, corporate business and creative/cultural.

2. **Board of Trustees:-** Trustees determine policy, and make decisions for the Trust. They are the statutory Governing Body of each School. There were 9 Trustees as at 31st August 2021, including 6 with foundation status. The Trustees are appointed on the basis of the skills balance required for the Trust including finance, legal, HR, project/business management, education, estates etc.

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

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

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

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

The Finance and Resources Committee terms of reference focus on finance.

The Audit & Risk Committee terms of reference focus on audit, risk, premises and compliance.

In addition there are two other Committees, being a Pay and Remuneration Committee, and a School Condition Allocation Committee as well as Trust panels for Staff Discipline, Student Discipline and the CEO Appraisal.

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

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the Senior Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year in respect of their role as a Trustee.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the financial statements.

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

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

The annual appraisal of the CEO is conducted by a minimum of three Trustees with an independent external advisor. The annual appraisals of the School Headteachers are conducted by the CEO and 2 members of the LGB. The Trustees benchmark against pay levels in other Academies of a similar size.

Trade union facility time

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
1	0.87 FTE

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£3,003
Provide the total pay bill	£26,812,025
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.01%

Paid trade union activities

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

North Dorset Teaching School Alliance (NDTSA)

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

The Teaching School leads the North Dorset Teaching School Alliance including South Somerset and Wiltshire to build upon local partnerships and collaboration by linking into national networks and resources. The School and Trust have taken a lead role supporting Schools in challenging circumstances. The type of support provided is flexible and tailored to meet the needs of each individual School. National Leaders of Education also have responsibility for developing the next generation of NLEs and National Support Schools. The Alliance is training new teachers, providing high quality school-led initial teacher training and professional development opportunities for teachers at all stages of their career. In 2019-20 there were 30 initial trainee teachers – 15 primary and 15 secondary.

The Government consolidated the Teaching School structure on a national level at the end of the 2020-21 academic year. Consequently, the North Dorset Teaching School Alliance ceased to exist beyond 31st August 2021.

SASTCO Limited and the Gryphon Sports Centre

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

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

Community access to the leisure facilities has been significantly reduced due to the restrictions relating to the global pandemic.

Other Networks

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

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

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

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

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

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

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

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

Engagement with employees

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

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

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

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

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

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

Our mission and values

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

What we value – our ethos

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

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

In summary the SAST key values are:

Partnership and Collaboration

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

Pursuit of Excellence

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

Holistic Lifelong Learning

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

Equality and Distinctiveness

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

Objectives, Strategies and Activities

The key priorities for 2020/21 were:

- Quality of the curriculum.
- Catch up – assessment, catch up support funding, and national tutoring.
- Support and progress for disadvantaged pupils.
- Sharing and collaboration for teachers and support staff.
- Ensuring financial sustainability and increased incomes.

The priorities and actions for the year are based upon:

- Review of Trust and school performance data including catch up needs.
- Trust school reviews.
- Integrated curriculum and financial planning / SRMA review.
- Evaluation from the Executive Leadership Group.
- MAT improvement capacity framework review.
- National Teaching School KPIs.

Public Benefit

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

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

The Trust received funding for 5,077 children for the 2020-21 academic year. An average of 777 staff were employed throughout the year. There are:

- Three large town Primary Schools each with over 300 children; and one with 225 children.
- Nine village Primary Schools with between 21 and 186 children.

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**TRUSTEES' REPORT (CONTINUED)
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- Two 11-18 Secondary Schools with Sixth Forms; one small 11-16 secondary school; one 11-16 Alternative Provision School.
- Two nursery schools.

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

Each School offers considerable public benefit through its role as a provider of education and the links it has developed with the local community. This includes pre-school and after-school provision as well as holiday childcare provision. Community groups hire School facilities.

The Trust and the North Dorset Teaching School Alliance provide primary and secondary initial teacher training, leadership and governance support for other schools in the Southwest. It is now supporting four schools with a previous inadequate OFSTED judgement and two schools with a previous requires improvement judgement.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

All national tests and examinations were cancelled due to the Covid-19 pandemic. At KS4 and post-16 the Teacher Assessed Grades (TAGs) submitted were rigorous, positive and fair. Students were very successful in securing their desired university, college and training places.

There is no national or local comparative data for primary or secondary schools published for 2021 performance.

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

Covid 19 continued to present challenges during 2020-2021. School leaders and staff were resilient in their response to the various challenges of providing high-quality remote education, as well as keeping schools open to vulnerable pupils during lockdowns. Colleagues were proactive and committed to supporting the local communities. The provision of free school meals and/or vouchers continued to take place. This included staff delivering food to families. Schools were open for vulnerable children and those of key workers throughout all lockdown periods. School leaders exhibited a high level of mutual support and care. Communication between the CEO and school leaders continued to take place at regular intervals, ensuring that headteachers had the latest information from Government and were aware of key developments across the trust. This communication also embraced schools beyond the trust in the Sherborne/Shafesbury/Sturminster area.

The Trust had the following grants in 2020/21:

- Teaching School Grant - £38,500
- School Condition Allocation (SCA) - £585,188

Key Performance Indicators

OFSTED Inspection grades for 2020-21:

- Two of the schools hold an outstanding judgement.
- Nine of the schools hold an overall good judgement.

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- Two schools were assessed as requires improvement.
- Four joiner schools had previously had an inadequate judgement – 3 were sponsored by the trust; one had been sponsored by Southern Academy Trust.
- No schools were inspected during this period.

There were no Ofsted inspections during the academic year leading up to 31 August 2021 due to the COVID pandemic. Since the beginning of the 2021/22 academic year, four SAST schools have had Ofsted inspections, with the details provided in the following table.

School	Previous inspection date	Previous inspection judgement	Inspection date	Current inspection judgement
St Andrew's CE Primary, Yetminster	2016 (joined SAST in 2017)	Requires Improvement	September 2021	Good
Sherborne CE Primary School	2012 (joined SAST in 2017)	Good	October 2021	Good
Buckland Newton CE Primary School	2017 (joined SAST in 2017)	Good	November 2021	Good
Sherborne Abbey CE Primary School	2015 (joined SAST in 2017)	Good	November 2021	Good

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

In terms of admissions and places five of the ten primary schools are full. Sherborne Abbey is a designated growth school for Sherborne. The largest secondary school has 240 places in each year with 98% occupancy. It was significantly oversubscribed for 2020 entry. The sixth form has a capacity of 450.

Going Concern

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

Promoting the success of the Trust

The Trustees act in good faith to continually balance the success of the Trust against many other factors, including ensuring that:

- Business is conducted morally and ethically, in line with the Trusts' Code of Conduct
- Short-term objectives do not have an adverse consequence on the Trusts long-term strategy and success
- Employee welfare, training and interests are reviewed and taken care of with support for professional development and mental health
- Pupil, parent, staff and supplier relationships are strong, mutually beneficial
- Any community and environmental impacts as a result of the Trusts' operations are considered before reaching any decision.

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**TRUSTEES' REPORT (CONTINUED)
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FINANCIAL REVIEW

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2021 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2021, the Trust received total income of £32,319,632 and incurred total expenditure of £34,691,441. The excess of expenditure over income for the year was £2,371,809. Expenditure in the year included depreciation & amortisation of £1,210,879 and pension financing costs of £329,000.

At 31 August 2021 the net book value of fixed assets was £44,568,243 and movements in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The land, buildings and other assets were transferred to the Trust upon conversion. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 29 to the financial statements.

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

Reserves Policy

The Trust aims to maintain its reserves for a number of purposes, including funding current and future spending on fixed assets, financing schools' working capital and providing a contingency against the risks and uncertainties in running a Trust. The Trustee's policy is to hold sufficient reserves to cover these requirements and to use any surpluses generated by each school on improving education and school facilities. The Trust currently intends to maintain financial reserves at a value equivalent to 1.5% to 5% of annual GAG funding (£354k to £1,181k). At the year end, the Trust held £157,047 of free reserves (when excluding reserves representing advanced donations for the occupancy of Church owned land). Additionally, the Trust held other restricted reserves of £318,774 giving a total reserves balance of £475,821. This level of reserves is in line with the Trusts policy.

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

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Investment Policy

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

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

Purposes:

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 89% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

There have been particular financial costs associated with the Covid 19 pandemic and full school closure. Schools operating their own catering, transport and nursery/child care provision saw a significant loss of income. Some costs were reduced including through furloughing staff or have been reclaimed through the national Covid reclaim scheme. The reclaim scheme does not allow claims for loss of income. Schools were expected to continue to pay suppliers to support businesses as per the procurement policy note. Some of these costs and loss of income will continue into 2021-22.

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

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

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

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

**SHERBORNE AREA SCHOOLS' TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Fraud and mismanagement of funds - The Trust has appointed separate external independent auditors to conduct both in-year internal audit processes and the annual accounts audit. These carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. A separate Trust Audit Committee has operated from September 2020 taking on the audit functions which were previously reviewed by the Finance and Resources Committee.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis. The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

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

Whilst the Trust is well-subscribed so that risks to revenue funding from a falling roll are small. Funding levels remain challenging although the new national funding formula has increased rates. The funding of High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The long term impact of COVID 19 is reviewed on an on-going basis. The most significant risk to falling pupil numbers is associated with Barton Hill Boarding House which has historically attracted a high proportion of overseas students. The number of boarding students has already declined, resulting in lower levels of income received by the Trust.

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

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 29 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

FUNDRAISING

The Trust undertakes student fundraising activities for nominated charities on a regular basis. Charities supported during the 2020/21 academic year included Children in Need, Comic Relief, Save the Children, and Macmillan Cancer Support.

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

**SHERBORNE AREA SCHOOLS' TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Trust does not undertake major fundraising activities unless they are associated with specific projects. No major fundraising activities were undertaken during the 2020/21 reporting period.

STREAMLINED ENERGY AND CARBON REPORTING

**UK Greenhouse gas emissions and energy use data
for the period 1 September 2020 to 31 August 2021**

	Current reporting year 2020/21	Comparison reporting year 2019/20
Energy Consumption used to calculate emissions		
- Electricity	2,267,746	1,107,253
- Gas	2,067,481	1,669,288
- transport fuel	3,754	5,823
Scope 1 emissions in metric tonnes CO2e		
Gas Consumption	378.68	305.75
Scope 2 emissions in metric tonnes CO2e		
Purchased Electricity	481.51	235.10
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	4.36	6.76
Total Gross emissions in metric tonnes CO2e	864.55	547.61
Intensity ratio Tonnes CO2e per pupil	0.87	1.05

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting. In July 2020 four schools and a boarding house joined the trust, 2020/21 therefore includes the total annual emissions for these extra sites which were not included in 2019/20

**SHERBORNE AREA SCHOOLS' TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

PLANS FOR FUTURE PERIODS

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

The number of schools within the Trust has grown by 42% within the last 3 years. The growth provided an opportunity to put in place various improvements to systems and structures during a period of consolidation coinciding with the COVID pandemic which produced its own challenges. Following the retirement of the previous CEO, a new CEO took up his post from September 2021. Significant progress is being made to embed a central services new infra-structure whilst preparing for future growth through a revised due diligence process.

Positive conversations are taking place with a number of schools and relationships are strong within the Salisbury Diocese, Bath & Wells Diocese, and RSC regarding appropriate growth. It is the Trustees' intention to consider growth opportunities based on a strong community focus where new schools can be supported and developed by existing SAST schools. The SAST 2021 School Improvement Framework provides three tiers of support and challenge, and the introduction of School-to-School Improvement Projects from January 2022 will further enhance the School Improvement Framework.

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

The trust remains keen to expand further because of:

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

Schools that will join the trust in the future will need to be considered through the due diligence process. The organisation has additional central capacity for finance, HR, estates support, IT infrastructure and an expanded school improvement function. A phased growth is anticipated but will need to be agile to take into account schools suddenly requiring support or sponsorship. All these have been discussed with the DfE and RSC.

**SHERBORNE AREA SCHOOLS' TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

The most significant change in financial practice is the transition to GAG pooling from September 2021. The appointment of a new CEO, from September 2021, saw the introduction of an integrated curriculum led financial plan (CLFP). The introduction of the CLFP, over a three-year period, will ensure there is greater fairness, clarity and transparency across all financial expenditure with a move to 75% of GAG being allocated to school by the beginning of the 2023/24 academic year. This change in approach will result in a greater level of centralised control with financial leadership and management of HR, Estates, IT infrastructure, Marketing & Public Relations and School Improvement enabling schools to focus on continually improving the quality of education at a local community level.

The Trustees are focused on the long term financial sustainability of the Trust. Robust financial forecasting and scenario planning both contribute to multi-year budget projections. Pupil numbers are forecast to grow by 2.5% across the Trust by 2023-24. The full implementation of the National Funding Formula in conjunction with the appointment of a Head of Business Development (with a focus on Procurement) will increase the financial income avenues thus providing additional stability and growth in a challenging environment.

The priorities in 2021-22 are as follows;

1. Establish a SAST School Improvement Framework.
2. Improve the SAST Central Service Team effectiveness.
3. Develop a SAST digital Teaching & Learning programme.
4. Review and improve Governance.
5. Establish a SAST People Development strategy.
6. Ensure SAST is financially sustainable and fit for purpose.
7. Review and improve our Estates management.
8. Marketing & Communications.
9. Prepare for future growth.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its Trustees do not act as the custodian trustee of any other charity.

THANKS

The Members and Trustees wish to express grateful thanks and appreciation to Steve Hillier for his many years of service to education and in particular The Gryphon School, The Gryphon School Academy Trust, and latterly, Sherborne Area Schools Trust. Steve retired as CEO of SAST on 31st August, and Colin Sinclair commenced his duties as CEO for the Trust on 1st September 2021. We wish Steve a long and happy retirement.

AUDITOR

In so far as the Trustees are aware:

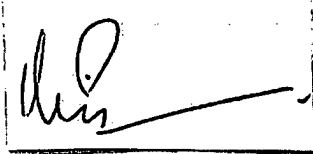
- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**SHERBORNE AREA SCHOOLS' TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 20/12/2021 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'Nigel Rees', is written over a horizontal line. The signature is enclosed within a rectangular box.

Nigel Rees

Chair of Trustees

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

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 11 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
N Rees, Chair	10	11
S Hillier, Chief Executive Officer	11	11
P Tebbatt	6	7
P Tait	6	11
J Hill	4	9
T Bartley	11	11
R Davey	11	11
J Tregale, Vice Chair	9	10
A Cooke	8	11
C Plewes	10	11
J Ponsonby	9	11
H Dawes	1	2
R Sullivan	2	2

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

H Dawes (resigned 31/12/2020)
P Tebbatt (resigned 18/02/2021)
J Hill (resigned 09/03/2021)
J Tregale (resigned 17/06/2021)
S Hillier (resigned 31/08/2021)
R Sullivan (appointed 23/03/2021)

The main responsibilities of the Trust Board include;

- Strategy: mission, vision, and values.
- Governance: monitor performance and provide support.
- Finance: planning, budgeting, statutory accounts, and cash flow.
- Audit: financial controls and risk management.
- Premises: asset management planning.
- Health & Safety: monitoring compliance and effectiveness.

**SHERBORNE AREA SCHOOLS' TRUST
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

- ICT: develop and implement an integrated ICT strategy.
- Staffing: HR policies, workforce structure, and pay & remuneration.
- Appraisal: recruitment and appraisal of Headteachers.
- Wellbeing: reporting and action.
- Teaching & Learning: policies, schemes of work and development.
- SEND & PP: compliance, policies, and practice.
- Behaviour: exclusions, awards, and sanctions.
- Admissions: policy and appeals.
- Collective worship: frameworks for monitoring development in faith schools.
- Parents & Community: develop strategies for the Trust.
- Safeguarding: policies, training, and legal compliance.
- School Development: initiative for school improvement.
- External review: reporting and action plans.
- School organisation: school day, terms dates, and INSET.

Governance Review

An External Review of Governance was commissioned in November 2020. Findings of the report published in February 2021 resulted in the development of nine strategic priorities, which will be implemented during 2021/22:

1. Establish a SAST School Improvement Framework
 - Create a SAST School Improvement Framework with a differentiated degree of support and challenge.
 - Demonstrate improvement in every school.
 - Establish and utilise internal capacity to enact effective school improvement.
 - Establish and deliver a SAST CPD programme.
2. Improve the SAST Central Service Team effectiveness
 - Conduct a Finance / HR / Administrative restructure.
 - Establish what success looks like for each central service.
 - Deliver, monitor & evaluate the effectiveness of each central service function.
 - Establish a process of on-going audit, review and improvement.
3. Continue to improve IT Support Services
 - Achieve NCSC Cyber Essentials and Cyber Essentials plus for all trust schools and central infrastructure.
 - Fully cost and action plan IT Strategy.
 - Provide each school with a capital budget and implementation plan to meet the DFE connect the classroom 2021-22 specification.
 - Implement the IT Service Management framework part of ITIL for the IT Support Team.
4. Review and improve Governance
 - Review Scheme of Delegation.
 - Establish a revised Trustee Committee model.
 - Consider LGB models that are more effective and support growth.
 - Ensure Governance at every level is complaint and fit-for-purpose.
5. Establish a SAST People Development Strategy
 - Review and improve the PM/Appraisal policy.
 - Introduce a SAST Talent Management culture.
6. Ensure SAST is financially sustainable and fit for purpose
 - Ensure financial management meets the legal framework.

**SHERBORNE AREA SCHOOLS' TRUST
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

-
- Create a financial team that effectively serves the needs of the schools.
 - Implement a SAST Curriculum Led Financial Plan (CLFP) process to ensure greater fairness in financial management across schools.
 - Create an annual budget which effectively supports the development of the SAST School Improvement Framework.
7. Review and improve our Estates management
- Ensure estates management meets the legal framework.
 - Create an estates team that effectively serves the needs of the schools and delivers an outstanding service.
 - Develop the "ticketing system" to ensure improved service.
8. Marketing & Communications
- Establish and implement SAST marketing and communication strategy.
 - Cultivate a culture of celebrating the SAST visions and values.
9. Prepare for future growth
- Establish teams, systems and structures that are fit-for-purpose for a growing trust.
 - Create a due diligence process which reflects the vision, values and growth opportunities.

The Finance and Resources Committee is a committee of the main Board of Trustees. Its purpose is to focus on the effectiveness with which the Trust deploys resources to achieve value for money, the budget, finance, site development, and commercial activity. Also, to challenge and support leaders and managers, holding them to account for tackling weaknesses and further improving outcomes for all students.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P Tebbatt	3	4
S Hillier, Chief Executive Officer	7	7
N Rees	7	7
T Bartley	7	7
A Cooke	7	7
J Ponsonby	7	7

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

- Performance and Improvement
- HR/Staffing
- ICT.
- Safeguarding and other compliance
- Christian Distinctiveness

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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P Tait	4	4
S Hillier, Chief Executive Officer	4	4
J Hill	1	3
R Davey	4	4
J Tregale	3	3
C Plewes	4	4
H Dawes	3	3

The Audit and Risk Committee is also a committee of the main Board of Trustees. Its purpose is to be responsible for the management and identification of risk, and the sound management and control of the Trust's finances and other resources.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
N Rees	4	4
S Hillier, Chief Executive Officer	4	4
P Tebbatt	1	3
P Tait	2	4
R Davey	2	2
C Plewes	3	4

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management.
- Using DfE approved procurement tools, including the School's Buying Hub, and other approved purchasing frameworks.
- Alignment of common contracts / subscriptions across the Trust.
- Deploying staff effectively.
- Innovative use of staffing resources to ensure effective delivery of COVID catch up sessions.

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 ongoing process designed to

**SHERBORNE AREA SCHOOLS' TRUST
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

identify and prioritise the risks the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sherborne Area Schools' Trust for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that have been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

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

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

- Governance.
- Financial accounting system and control accounts.
- Reporting process:
- Payroll.
- Purchases, procurement and best value.
- Budgeting.
- Policies.

On a termly basis the auditor reports to the Board of Trustees, through the Audit & Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The schedule of works were delivered as planned, predominantly via remote testing during periods of partial or full school closures as a result of the global pandemic.

**SHERBORNE AREA SCHOOLS' TRUST
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor.
- the work of the external auditors.
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- the Audit & Risk Committee's conclusions on the internal audit reports which it has considered during the year.

Plans are in place to address weaknesses, and ensure continuous improvement of the system.

Approved by order of the member of the Board of Trustees on 20/12/2021 and signed on its behalf by:


N Rees

Chair of Trustees


C Sinclair (appointed 01/09/2021)

Accounting Officer

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

As accounting officer of Sherborne Area Schools' Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020 and also the work of my predecessor who was in post until 31 August 2021.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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



Colin Sinclair

Accounting Officer

Date: 20/12/2021

**SHERBORNE AREA SCHOOLS' TRUST
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



N Rees
Chair of Trustees

Date: 20/12/2021

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

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

Opinion

We have audited the financial statements of Sherborne Area Schools' Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities (incorporating income and expenditure account), the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

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

Other information

The other information comprises the information included in the Annual report and financial statements other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

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

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Academy Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Academy Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Academy Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Academy Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Academy Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Academy Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- the matters discussed among the audit engagement team and involving relevant internal Academy specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Academy Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act, Chariters SORP 2019, FRS102 and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Academy Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

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

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

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

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

Use of our report

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


Tim Borton FCA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP

Chartered Accountants
Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date:

23 December 2021

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

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

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sherborne Area Schools' Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Sherborne Area Schools' Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

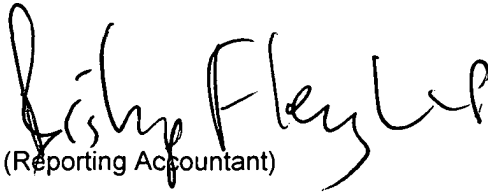
Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to access the internal controls throughout the year.

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

Date:

23 December 2021

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	3					
Transfer of Existing academies into the Academy Trust		-	-	-	-	25,626,285
Other donations and capital grants		188,153	539,299	1,174,908	1,902,360	1,886,554
Other trading activities	6	659,434	-	-	659,434	438,622
Investments	7	414	-	-	414	908
Charitable activities	4	481,079	29,175,265	-	29,656,344	20,587,050
Teaching schools	36	62,580	38,500	-	101,080	104,692
Total income		1,391,660	29,753,064	1,174,908	32,319,632	48,644,111
Expenditure on:						
Raising funds		231,528	9,081	-	240,609	99,594
Charitable activities	9	1,238,214	31,909,846	1,210,879	34,358,939	23,794,636
Teaching schools		-	91,893	-	91,893	85,031
Transfer from Local Authority on Conversion		-	-	-	-	217,000
Total expenditure		1,469,742	32,010,820	1,210,879	34,691,441	24,196,261
Net (expenditure)/income		(78,082)	(2,257,756)	(35,971)	(2,371,809)	24,447,850
Transfers between funds	21	120,885	(536,042)	415,157	-	-
Net movement in funds before other recognised gains/(losses)		42,803	(2,793,798)	379,186	(2,371,809)	24,447,850
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	29	-	(2,239,000)	-	(2,239,000)	(1,233,000)
Net movement in funds		42,803	(5,032,798)	379,186	(4,610,809)	23,214,850

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

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Reconciliation of funds:					
Total funds brought forward	638,187	(20,085,371)	45,264,285	25,817,101	2,602,251
Net movement in funds	42,803	(5,032,798)	379,186	(4,610,809)	23,214,850
Total funds carried forward	<u>680,990</u>	<u>(25,118,169)</u>	<u>45,643,471</u>	<u>21,206,292</u>	<u>25,817,101</u>

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

The notes on pages 40 to 77 form part of these financial statements.

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

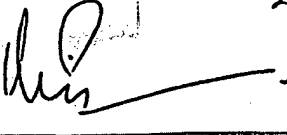
BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	16	23,002	35,704
Tangible assets	17	44,568,243	44,283,982
		<u>44,591,245</u>	<u>44,319,686</u>
Current assets			
Stocks		4,209	7,691
Debtors	18	1,353,676	2,341,941
Cash at bank and in hand		3,011,254	2,467,329
		<u>4,369,139</u>	<u>4,816,961</u>
Creditors: amounts falling due within one year	19	(2,771,493)	(2,798,546)
Net current assets		<u>1,597,646</u>	<u>2,018,415</u>
Total assets less current liabilities		<u>46,188,891</u>	<u>46,338,101</u>
Creditors: amounts falling due after more than one year	20	(69,599)	-
Net assets excluding pension liability		<u>46,119,292</u>	<u>46,338,101</u>
Defined benefit pension scheme liability	29	(24,913,000)	(20,521,000)
Total net assets		<u><u>21,206,292</u></u>	<u><u>25,817,101</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	21	45,643,471	45,264,285
Restricted income funds	21	(205,169)	435,629
		<u>45,438,302</u>	<u>45,699,914</u>
Restricted funds excluding pension asset	21	45,438,302	45,699,914
Pension reserve	21	(24,913,000)	(20,521,000)
Total restricted funds	21	<u>20,525,302</u>	<u>25,178,914</u>
Unrestricted income funds	21	<u>680,990</u>	<u>638,187</u>
Total funds		<u><u>21,206,292</u></u>	<u><u>25,817,101</u></u>

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

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021**

The financial statements on pages 35 to 77 were approved by the Trustees, and authorised for issue on
and are signed on their behalf, by:

20/12/2021


N Rees
Chair of Trustees

The notes on pages 40 to 77 form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	23	892,316	710,794
Cash flows from investing activities	25	(426,690)	680,248
Cash flows from financing activities	24	78,299	-
Change in cash and cash equivalents in the year		543,925	1,391,042
Cash and cash equivalents at the beginning of the year		2,467,329	1,076,287
Cash and cash equivalents at the end of the year	26, 27	<u>3,011,254</u>	<u>2,467,329</u>

The notes on pages 40 to 77 form part of these financial statements

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

A wholly owned subsidiary company, SASTCO Limited, was incorporated on the 7th September 2017 with the intention of providing sports facilities for the Academy Trust. However, having regard to the level and the nature of activity and balances in SASTCO Limited up to 31 August 2021, it is considered that not consolidating SASTCO Limited does not materially impact the transactions and balances reported in the financial statements of the Academy Trust. Accordingly consolidated financial statements have not been prepared.

1.2 GOING CONCERN

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

In making the above assessment, the trustees have considered the depletion in reserves during the year ended 31 August 2021. However, with the budgets set for the year to 31 August 2022, which predict a small surplus and which are being closely monitored, the trustees expect the Trust will be able to manage with the limited reserves it has brought forward. One particular challenge that the Trust is facing at the present time is in respect of the boarding provision at Shaftesbury School. With the impact of Brexit and COVID, pupil numbers are not at the level originally budgeted. The Trust is in consultation with the ESFA. Although there is no specific support currently identified as being required by the Trust, the ESFA has indicated that it will continue to work with the Trust to explore how best the ESFA can provide support to the trust regarding the issues raised. With this positive message, the Trustees do not envisage that the further boarding deficits predicted will have an impact on their assessment surrounding the adoption of the going concern basis.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.3 INCOME

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.3 INCOME (CONTINUED)

with the Academy Trust's accounting policies.

1.4 EXPENDITURE

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

- **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.

1.5 INTEREST RECEIVABLE

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

1.6 TAXATION

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

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

1.7 INTANGIBLE ASSETS

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

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

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.7 INTANGIBLE ASSETS (CONTINUED)

Amortisation is provided on the following basis:

Website	-	% 4 years straight line
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1.8 TANGIBLE FIXED ASSETS

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

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

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

Depreciation is not provided for on freehold land as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life and because the expected residual value is not materially less than the carrying amount.

Depreciation is provided on the following bases:

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.9 INVESTMENTS

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

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

1.10 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 DEBTORS

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

1.12 CASH AT BANK AND IN HAND

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

1.13 LIABILITIES

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

1.14 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments.

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 19 and 20. 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.

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.15 OPERATING LEASES

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

1.16 PENSIONS

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

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

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

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

1.17 AGENCY ARRANGEMENTS

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

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.18 FUND ACCOUNTING

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

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FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
DONATIONS					
Assets on academies joining	-	-	-	-	25,626,285
Other donations	188,153	539,299	184,500	911,952	491,506
Capital grants	-	-	990,408	990,408	1,395,048
	<u>188,153</u>	<u>539,299</u>	<u>1,174,908</u>	<u>1,902,360</u>	<u>27,512,839</u>
TOTAL 2020	<u><u>618,615</u></u>	<u><u>(6,028,460)</u></u>	<u><u>32,922,684</u></u>	<u><u>27,512,839</u></u>	

4. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education	481,079	28,364,937	28,846,016	20,555,499
Boarding	-	810,328	810,328	31,551
	<u>481,079</u>	<u>29,175,265</u>	<u>29,656,344</u>	<u>20,587,050</u>
TOTAL 2020	<u><u>986,863</u></u>	<u><u>19,600,187</u></u>	<u><u>20,587,050</u></u>	

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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5. Funding for the Academy Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DFE/ESFA GRANTS				
General Annual Grant	-	23,623,262	23,623,262	16,347,132
OTHER DFE/ESFA GRANTS				
Start up Grants	-	24,010	24,010	74,000
Teachers' pay and pension grants	-	1,236,005	1,236,005	1,058,036
Pupil Premium	-	1,070,317	1,070,317	746,183
Other government grants: capital	-	195,960	195,960	115,273
	-	26,149,554	26,149,554	18,340,624
OTHER GOVERNMENT GRANTS				
High Needs	-	426,804	426,804	239,061
Other government grants	-	1,293,113	1,293,113	570,732
	-	1,719,917	1,719,917	809,793
OTHER INCOME FROM THE ACADEMY TRUST'S EDUCATION	481,079	22,078	503,157	1,113,114
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Catch-up Premium	-	419,696	419,696	153,673
	-	419,696	419,696	153,673
COVID-19 ADDITIONAL FUNDING (NON-DFE/ESFA)				
Coronavirus Job Retention Scheme grant	-	53,692	53,692	138,295
	-	53,692	53,692	138,295
	481,079	28,364,937	28,846,016	20,555,499
TOTAL 2020	986,863	19,568,636	20,555,499	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

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

The funding received for coronavirus exceptional support covers £417,405 of costs. These costs are included in notes 8,9, and 10.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

The Academy Trust furloughed some of its staff under the government coronavirus job retention scheme. The funding received of £72,189 (£18,497 in relation to boarding), relates to staff costs which are included within note 12 below.

6. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings, leisure and other income	317,589	317,589	135,468
School transport income	341,845	341,845	303,154
	<u>659,434</u>	<u>659,434</u>	<u>438,622</u>
 TOTAL 2020	 <u>438,622</u>	 <u>438,622</u>	

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	414	414	908
	<u>908</u>	<u>908</u>	
 TOTAL 2020	 <u>908</u>	 <u>908</u>	

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
Expenditure on fundraising trading activities:					
Direct costs	220,181	-	20,428	240,609	99,594
Education:					
Direct costs	22,699,292	714,026	2,100,797	25,514,115	17,672,783
Allocated support costs	3,515,732	2,386,832	2,109,177	8,011,741	6,018,757
Boarding:					
Direct costs	22,540	-	13,452	35,992	4,440
Allocated support costs	440,499	115,703	240,889	797,091	98,656
Teaching school	33,047	-	58,846	91,893	85,031
Other expenditure	-	-	-	-	217,000
	<u>26,931,291</u>	<u>3,216,561</u>	<u>4,543,589</u>	<u>34,691,441</u>	<u>24,196,261</u>
TOTAL 2020	<u>18,671,604</u>	<u>1,639,022</u>	<u>3,885,635</u>	<u>24,196,261</u>	

Following clarification in the AAD, nursery activities which were previously separately identified as their own charitable activity have now been included with the Educational activities reported throughout the accounts.

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education	1,238,214	32,287,642	33,525,856	23,691,540
Boarding	-	833,083	833,083	103,096
	<u>1,238,214</u>	<u>33,120,725</u>	<u>34,358,939</u>	<u>23,794,636</u>
TOTAL 2020	<u>1,787,439</u>	<u>22,007,197</u>	<u>23,794,636</u>	

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10. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	25,514,115	8,011,741	33,525,856	23,691,540
Boarding	35,992	797,091	833,083	103,096
	<u>25,550,107</u>	<u>8,808,832</u>	<u>34,358,939</u>	<u>23,794,636</u>
TOTAL 2020	<u>17,677,223</u>	<u>6,117,413</u>	<u>23,794,636</u>	

Analysis of direct costs

	Education 2021 £	Boarding 2021 £	Total funds 2021 £	Total funds 2020 £
Pension finance costs	329,000	-	329,000	225,000
Staff costs	22,580,026	22,540	22,602,566	15,796,925
Depreciation	1,018,759	-	1,018,759	375,913
Educational supplies	572,020	86	572,106	360,894
Examination fees	203,582	-	203,582	137,292
Staff development	68,118	1,033	69,151	52,124
Other costs	322,197	12,333	334,530	323,821
Supply teachers	119,266	-	119,266	78,334
Technology costs	7,608	-	7,608	13,525
Amortisation	13,802	-	13,802	16,398
Educational services	279,737	-	279,737	296,997
TOTAL 2021	<u>25,514,115</u>	<u>35,992</u>	<u>25,550,107</u>	<u>17,677,223</u>
TOTAL 2020	<u>17,672,783</u>	<u>4,440</u>	<u>17,677,223</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2021 £	Boarding 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	3,515,732	440,499	3,956,231	2,676,349
Depreciation	178,318	-	178,318	66,627
Other costs	23,739	-	23,739	21,706
Recruitment and support	63,974	227	64,201	45,897
Maintenance of premises and equipment	581,366	43,234	624,600	342,840
Cleaning	336,139	9,408	345,547	150,130
Rent and rates	835,374	22,232	857,606	591,949
Energy costs	454,296	35,659	489,955	279,795
Insurance	148,571	1,982	150,553	109,863
Security and transport	258,863	5,170	264,033	273,567
Catering	607,518	190,290	797,808	580,775
Technology costs	521,445	4,351	525,796	406,102
Office overheads	219,672	23,811	243,483	144,293
Legal and professional	212,651	19,968	232,619	377,638
Bank interest and charges	10,016	260	10,276	10,587
Governance	44,067	-	44,067	39,295
TOTAL 2021	8,011,741	797,091	8,808,832	6,117,413
TOTAL 2020	6,018,757	98,656	6,117,413	

11. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021 £	2020 £
Operating lease rentals	84,855	31,365
Depreciation of tangible fixed assets	1,197,077	442,540
Amortisation of intangible assets	13,802	16,398
Auditors' remuneration		
- audit	23,050	21,650
- other services	13,040	5,880

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	19,132,743	13,438,016
Social security costs	1,720,702	1,182,626
Pension costs	5,958,580	3,973,253
	<u>26,812,025</u>	<u>18,593,895</u>
Agency staff costs	119,266	77,709
Staff restructuring costs	-	38,980
	<u><u>26,931,291</u></u>	<u><u>18,710,584</u></u>

Staff restructuring costs comprise:

	2021 £	2020 £
Severance payments	-	38,980
	<u>-</u>	<u>38,980</u>

b. Staff numbers

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

	2021 No.	2020 No.
Teachers	308	223
Administration and support	425	427
Management	44	29
	<u><u>777</u></u>	<u><u>679</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Teachers	265	187
Administration and support	261	211
Management	42	28
	<u>568</u>	<u>426</u>

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	10	7
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

d. 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 and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £619,876 (2020 - £540,525). The increase is due to one member of key management personnel who joined late in the prior year and therefore this is the first year where a full year's salary has been included.

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13. Central services

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

- Executive leadership
- Human resources and payroll
- Financial Services
- Legal and governance services
- Health and Safety
- IT Support
- Estates Support
- School improvement
- School admissions and appeals
- General Data Protection Regulation (GDPR) services
- Other corporate support services

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

4.7-6.0% of GAG funding.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Buckland Newton C of E VC Primary School	21,481	18,534
Sherborne Abbey C of E VC Primary School	56,400	52,738
Sherborne Primary School	58,977	54,476
St Andrew's C of E VC Primary School	26,736	26,266
St Mary's C of E VC Primary School	22,445	21,841
The Gryphon School	361,821	337,600
Thornford CE VA School	20,969	20,566
Charlton Horethorne Primary School	14,336	12,984
King Arthur's School	91,221	91,698
Okeford Fitzpaine Primary School	12,219	10,900
St Mary the Virgin Primary School	36,178	34,452
Shillingstone Primary School	22,152	20,557
Shaftesbury School	341,806	57,002
Motcombe C of E Primary School	41,792	6,814
Shaftesbury C of E Primary School	88,905	14,366
St Andrew's C of E Primary School, Fontmell Magna	26,234	4,054
Harbour Vale School	33,451	23,619
TOTAL	1,277,123	808,467

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14. Trustees' remuneration and expenses

During the year ended 31 August 2021, expenses totalling £Nil were reimbursed or paid directly to no Trustees (2020: £952 to 1 Trustee).

The Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows: S Hillier Trustee: Remuneration £130,000 - £135,000 (2020: £125,000 - £130,000), Employer's pension contributions £30,000 - £35,000 (2020: £25,000 - £30,000).

Other related party transactions involving the trustees are set out in note 32.

15. Trustees' and Officers' insurance

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

16. Intangible assets

	Website £
COST	
At 1 September 2020	94,865
Additions	1,100
At 31 August 2021	<u>95,965</u>
AMORTISATION	
At 1 September 2020	59,161
Charge for the year	13,802
At 31 August 2021	<u>72,963</u>
NET BOOK VALUE	
At 31 August 2021	<u><u>23,002</u></u>
At 31 August 2020	<u><u>35,704</u></u>

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17. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2020	44,628,391	1,679,332	31,054	14,767	46,353,544
Additions	775,442	653,899	51,997	-	1,481,338
At 31 August 2021	45,403,833	2,333,231	83,051	14,767	47,834,882
DEPRECIATION					
At 1 September 2020	881,270	1,160,419	13,106	14,767	2,069,562
Charge for the year	840,030	346,807	10,240	-	1,197,077
At 31 August 2021	1,721,300	1,507,226	23,346	14,767	3,266,639
NET BOOK VALUE					
At 31 August 2021	43,682,533	826,005	59,705	-	44,568,243
At 31 August 2020	43,747,121	518,913	17,948	-	44,283,982

The Academy Trust's transactions in relation to land and buildings include building work at Harbour Vale, and roof and fencing work. All works are in relating to land and buildings already leased by the Trust.

18. Debtors

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	258,131	292,619
Amounts owed by group undertakings	3,663	-
Other debtors	4,855	4,063
Prepayments and accrued income	966,773	1,584,319
VAT recoverable	120,254	460,940
	1,353,676	2,341,941

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19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans	8,700	-
Trade creditors	728,752	483,978
Other taxation and social security	422,529	393,054
Other creditors	641,139	701,227
Accruals and deferred income	970,373	1,220,287
	<u>2,771,493</u>	<u>2,798,546</u>

Loans of £78,299 from Salix Energy Efficiency Fund are provided on the following terms: repayment in equal installments every six months until March 2026.

	2021 £	2020 £
Deferred income		
Deferred income at 1 September 2020	801,879	341,613
Resources deferred during the year	649,192	801,879
Amounts released from previous periods	(801,879)	(341,613)
	<u>649,192</u>	<u>801,879</u>

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

20. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other loans	<u>69,599</u>	<u>-</u>

Loans of £78,299 from Salix Energy Efficiency Fund which are provided on the following terms: repayment in equal installments every six months until March 2026.

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds	638,187	1,391,660	(1,469,742)	120,885	-	680,990
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	(48,520)	23,648,893	(23,724,190)	(400,126)	-	(523,943)
Pupil Premium	-	1,070,317	(1,052,992)	-	-	17,325
Start Up Grant	-	24,010	(24,010)	-	-	-
Other DfE grants	-	195,960	(195,960)	-	-	-
Other grants	-	425,408	(380,429)	-	-	44,979
High Needs	-	426,804	(426,804)	-	-	-
Teachers' pension grant	-	883,991	(883,991)	-	-	-
Teachers' pay grant	-	339,983	(339,983)	-	-	-
Universal free school meals	-	324,919	(324,919)	-	-	-
PE grant	-	300,642	(223,896)	-	-	76,746
Other income	126,459	21,607	(148,066)	-	-	-
Donated facilities	-	526,399	(526,399)	-	-	-
Teaching School	120,885	38,500	(38,500)	(120,885)	-	-
COVID exceptional funding	-	473,388	(417,405)	-	-	55,983
GAG transferred in	-	219,075	(219,075)	-	-	-
Other restricted funds transferred in	39,519	-	(39,519)	-	-	-
Boarding	197,286	833,168	(891,682)	(15,031)	-	123,741
Pension reserve	(20,521,000)	-	(2,153,000)	-	(2,239,000)	(24,913,000)
	(20,085,371)	29,753,064	(32,010,820)	(536,042)	(2,239,000)	(25,118,169)

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

**RESTRICTED
FIXED ASSET
FUNDS**

Fixed assets transferred on conversion	5,939,360	-	(265,026)	-	-	5,674,334
DfE/ESFA capital grants	2,478,625	990,408	(19,467)	-	-	3,449,566
Capital expenditure from GAG	643,195	-	(181,400)	415,157	-	876,952
Donated fixed assets	4,278,501	184,500	(156,469)	-	-	4,306,532
Other	418,251	-	(9,201)	-	-	409,050
Fixed assets transferred in	31,506,353	-	(579,316)	-	-	30,927,037
	<u>45,264,285</u>	<u>1,174,908</u>	<u>(1,210,879)</u>	<u>415,157</u>	<u>-</u>	<u>45,643,471</u>
TOTAL RESTRICTED FUNDS	<u>25,178,914</u>	<u>30,927,972</u>	<u>(33,221,699)</u>	<u>(120,885)</u>	<u>(2,239,000)</u>	<u>20,525,302</u>
TOTAL FUNDS	<u>25,817,101</u>	<u>32,319,632</u>	<u>(34,691,441)</u>	<u>-</u>	<u>(2,239,000)</u>	<u>21,206,292</u>

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

RESTRICTED FUNDS

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

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

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

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

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

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

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

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

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Statement of funds (continued)

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

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

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

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

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

Teaching School - This represents funding received in relation to the Academy's teaching school.

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

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

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

Boarding - This represents amounts paid by parents to enable a child to board at the Academy.

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

RESTRICTED FIXED ASSET FUNDS

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

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

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

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

TRANSFERS BETWEEN FUNDS

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

The transfer from teaching school relates to reallocation of funds that has arisen from self generated income.

SHERBORNE AREA SCHOOLS' TRUST
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21. Statement of funds (continued)

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

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

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

**RESTRICTED
FIXED ASSET
FUNDS**

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

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Buckland Newton C of E VC Primary School	98,191	57,469
Sherborne Abbey C of E VC Primary School	20,906	100,036
Sherborne Primary School	111,346	96,033
St Andrew's C of E VC Primary School, Yetminster	61,575	91,602
St Mary's C of E VC Primary School	64,508	77,142
The Gryphon School	(186,440)	(491,913)
Thornford CE VA School	16,488	30,695
Charlton Horethorne Primary School	11,156	(16,048)
King Arthur's School	(57,401)	58,664
Okeford Fitzpaine Primary School	53,505	93,839
St Mary the Virgin Primary School	6,532	(14,298)
Shillingstone Primary School	24,704	62,536
Shaftesbury School	580,436	812,215
Motcombe C of E Primary School	47,542	56,457
Shaftesbury C of E Primary School	202,438	184,705
St Andrew's C of E Primary School, Fontmell Magna	(41,107)	(9,601)
Harbour Vale School	(100,282)	(16,788)
Central	(438,276)	(98,929)
Total before fixed asset funds and pension reserve	475,821	1,073,816
Restricted fixed asset fund	45,643,471	45,264,285
Pension reserve	(24,913,000)	(20,521,000)
TOTAL	21,206,292	25,817,101

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

	Deficit £
The Gryphon School	(186,440)
King Arthur's School	(57,401)
St Andrew's C of E Primary School, Fontmell Magna	(41,107)
Harbour Vale School	(100,282)
Central	(438,276)

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

St Andrew's Primary School (Fontmell Magna)

The school has an 'inadequate' Ofsted rating. Pupil numbers have reduced by 5% in the past 2 years. The Trust is supporting the school with additional resources to ensure school improvements can be realised at the earliest opportunity. The school is actively being marketed & promoted in the community to ensure pupil numbers are maximised.

The Gryphon School

Full and partial school closures as a result of COVID-19 has been the principle factor behind significant reductions in self-generated income, including Catering (£106k), Nursery (£79k), and transport (£35k). All benefits and liabilities associated with the Nursery were transferred to an independent third party provider in January 2021. Catering and transports provisions are expected to return to pre-pandemic activities as soon as it is safe to do so.

King Arthur's School

The Trust has made significant investment in updating the fabric of the school (windows, toilets, etc). Start up grants of £75k (2018/19), £24k (2019/20) and £24k (2020/21) have now ceased. Pupil numbers are steadily increasing from 326 in 2019/20, to 400 in 2021/22. Consequently, the Trust has successfully negotiated with the ESFA to ensure the GAG allocation is based on actual numbers of pupils rather than the traditional lagged funding method. This funding is expected in March 2022 (£200k) followed by the balance in March 2023. It is subject to certain terms & conditions being met by the Trust including continued growth of at least 5%.

Harbour Vale School

Since joining the Trust, the school has received insufficient funding to cover the actual cost of provision. The Local Authority has introduced a new funding model from April 2022 which will recognise the actual costs associated with the activities of a Pupil Referral unit.

Central

Staff recruitment funded by one-off prior year TCaF growth funding has contributed to an in year deficit. The financial contribution from schools has been increased from 2021/22 to ensure central costs are fully funded.

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

From 2021/22, the Trust has utilised tools such as Integrated Curriculum Financial Planning (ICFP) to ensure schools are funded appropriately for the delivery of the curriculum offer. The use of ICFP will be further developed and embedded to ensure long term sustainability.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Statement of funds (continued)

Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Buckland Newton C of E VC Primary School	352,304	78,919	14,115	115,495	560,833	488,978
Sherborne Abbey C of E VC Primary School	1,241,024	177,832	30,487	248,759	1,698,102	1,568,950
Sherborne Primary School	1,131,160	240,384	37,550	169,981	1,579,075	1,498,246
St Andrew's C of E VC Primary School, Yetminster	521,060	56,576	14,836	122,584	715,056	632,264
St Mary's C of E VC Primary School	422,967	38,289	12,249	97,588	571,093	543,206
The Gryphon School	6,146,830	1,008,826	160,973	1,645,364	8,961,993	9,146,982
Thornford CE VA School	401,205	79,789	14,490	104,825	600,309	573,897
King Arthur's School	1,587,010	260,402	49,143	402,546	2,299,101	2,120,291
Charlton Horethorne Primary School	220,787	44,747	22,912	55,930	344,376	320,568
St Mary the Virgin Primary School	716,118	190,879	24,315	143,509	1,074,821	1,032,723
Okeford Fitzpaine Primary School	202,384	49,138	14,270	131,350	397,142	340,571
Shillingstone Primary School	457,037	56,178	15,048	142,053	670,316	571,566
Shaftesbury School	3,977,042	814,347	85,024	1,251,611	6,128,024	828,995
Motcombe C of E Primary School	663,524	45,742	9,862	133,152	852,280	130,151

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21. Statement of funds (continued)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Shaftesbury C of E Primary School	1,330,495	171,458	29,543	347,262	1,878,758	290,663
St Andrew's C of E Primary School, Fontmell Magna	366,791	35,054	17,188	123,542	542,575	82,042
Harbour Vale School	573,343	97,087	1,987	93,929	766,346	577,642
Central	2,597,945	786,352	18,114	437,951	3,840,362	1,422,568
ACADEMY TRUST	22,909,026	4,231,999	572,106	5,767,431	33,480,562	22,170,303

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	44,568,243	44,568,243
Intangible fixed assets	-	-	23,002	23,002
Current assets	606,161	2,710,752	1,052,226	4,369,139
Creditors due within one year	74,829	(2,846,322)	-	(2,771,493)
Creditors due in more than one year	-	(69,599)	-	(69,599)
Pension scheme liability	-	(24,913,000)	-	(24,913,000)
TOTAL	680,990	(25,118,169)	45,643,471	21,206,292

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

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

	2021 £	2020 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(2,371,809)	24,447,850
ADJUSTMENTS FOR:		
Amortisation	13,802	16,398
Depreciation	1,197,077	442,540
Capital grants from DfE and other capital income	(943,553)	(1,313,902)
Interest receivable	(414)	(908)
Defined benefit pension scheme obligation inherited	-	7,092,000
Defined benefit pension scheme cost less contributions payable	1,824,000	1,125,000
Defined benefit pension scheme finance cost	329,000	225,000
Decrease in stocks	3,482	8,224
Decrease/(increase) in debtors	988,265	(1,110,530)
(Decrease)/increase in creditors	(147,534)	1,233,143
Tangible fixed assets transferred in on academies joining Trust	-	(31,454,021)
NET CASH PROVIDED BY OPERATING ACTIVITIES	892,316	710,794

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

24. Cash flows from financing activities

	2021 £	2020 £
Cash inflows from new borrowing	78,299	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	78,299	-

25. Cash flows from investing activities

	2021 £	2020 £
Interest receivable	414	908
Purchase of intangible assets	(1,100)	(1,795)
Purchase of tangible fixed assets	(1,369,557)	(632,767)
Capital grants from DfE and other capital income	943,553	1,313,902
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(426,690)	680,248

26. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank	3,011,254	2,467,329
TOTAL CASH AND CASH EQUIVALENTS	3,011,254	2,467,329

27. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	2,467,329	543,925	3,011,254
Debt due within 1 year	-	(8,700)	(8,700)
Debt due after 1 year	-	(69,599)	(69,599)
	2,467,329	465,626	2,932,955

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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28. Capital commitments

	2021 £	2020 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	<u>25,369</u>	<u>-</u>

29. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £467,769 were payable to the schemes at 31 August 2021 (2020 - £444,161) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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

Valuation of the Teachers' Pension Scheme

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

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

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

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29. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,703,359 (2020 - £1,999,254).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,612,000 (2020 - £1,109,000), of which employer's contributions totalled £1,265,000 (2020 - £859,000) and employees' contributions totalled £ 347,000 (2020 - £250,000). The agreed contribution rates for future years are 21.0 to 23.7 per cent for employers and 5.5 - 7.5 per cent for employees.

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

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

Principal actuarial assumptions

	2021 %	2020 %
Rate of increase in salaries	3.90-4.34	3.25-3.75
Rate of increase for pensions in payment/inflation	2.85-2.90	2.25
Discount rate for scheme liabilities	1.65-1.70	1.60-1.65
Inflation assumption (CPI)	2.85-2.90	2.25

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

	2021 Years	2020 Years
Retiring today		
Males	23.1	23.3
Females	24.6	24.8
Retiring in 20 years		
Males	24.4	24.7
Females	26.1	26.2

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

29. Pension commitments (continued)

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	(1,075)	(854)
Discount rate -0.1%	1,046	831
Mortality assumption - 1 year increase	1,578	1,160
Mortality assumption - 1 year decrease	(1,653)	(1,203)
CPI rate +0.1%	940	745
CPI rate -0.1%	(965)	(675)

Share of scheme assets

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

	2021 £	2020 £
Equities	8,686,000	6,096,000
Gilts	1,770,000	1,359,000
Corporate bonds	908,000	941,000
Property	1,344,000	1,130,000
Cash and other liquid assets	271,000	150,000
Investment funds	965,000	682,000
Asset backed securities	1,581,000	1,230,000
TOTAL MARKET VALUE OF ASSETS	15,525,000	11,588,000

The actual return on scheme assets was £2,606,000 (2020 - £(1,140,000)).

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

	2021 £	2020 £
Current service cost	(3,045,000)	(1,984,000)
Past service cost	(44,000)	-
Interest income	187,000	164,000
Interest cost	(516,000)	(389,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(3,418,000)	(2,209,000)

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29. Pension commitments (continued)

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

	2021 £	2020 £
At 1 September	32,109,000	18,575,000
Conversion of academy trusts	-	379,000
Transferred in on existing academies joining the trust	-	11,073,000
Current service cost	3,045,000	1,984,000
Interest cost	516,000	389,000
Employee contributions	347,000	250,000
Actuarial losses/(gains)	4,648,000	(76,000)
Benefits paid	(271,000)	(465,000)
Past service costs	44,000	-
AT 31 AUGUST	40,438,000	32,109,000

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

	2021 £	2020 £
At 1 September	11,588,000	7,729,000
Conversion of academy trusts	-	162,000
Transferred in on existing academies joining the trust	-	4,198,000
Interest income	197,000	169,000
Actuarial gains/(losses)	2,409,000	(1,309,000)
Employer contributions	1,265,000	859,000
Employee contributions	347,000	250,000
Benefits paid	(271,000)	(465,000)
Administration expenses	(10,000)	(5,000)
AT 31 AUGUST	15,525,000	11,588,000

30. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	35,461	13,058
Later than 1 year and not later than 5 years	49,394	16,484
	84,855	29,542

**SHERBORNE AREA SCHOOLS' TRUST
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31. Members' liability

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

32. Related party transactions

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

The following related party transactions took place in the year:

During the year an amount of £5,750 (2020: 5,750) was paid to SALED Limited, a subsidiary of the Salisbury Diocesan Board of Education. SDBE is represented as a corporate member of the Academy Trust. The supply of services to the CofE schools in the Academy were deemed fundamental to the schools' ability to deliver their religious ethos. The transaction was conducted 'at cost'.

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

33. Agency arrangements

The Academy Trust distributes 16-19 Bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2021 the Academy Trust received £49,640 (2020: £29,809) and disbursed £44,193 (2020: £22,811) from the fund. An amount of £30,037 (2020: 24,590) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

34. Principal subsidiaries

The following was a subsidiary undertaking of the Academy Trust:

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

The subsidiary had £nil net assets at 31 August 2021 and £nil profit/loss for the year. Other financial results of the subsidiary for the year were:

Name	Expenditure £
SASTCO Limited	(1,627)

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

35. Boarding school trading account

	2021 £	2021 £	2020 £	2020 £
INCOME				
DIRECT INCOME				
Other boarding income	791,831		17,937	
Exceptional government funding	18,497		13,614	
TOTAL DIRECT INCOME	810,328		31,551	
OTHER INCOME				
Sales of other goods and services	446		-	
Bank Interest	25		-	
TOTAL OTHER INCOME	471		-	
TOTAL INCOME		810,799		31,551
EXPENDITURE				
DIRECT EXPENDITURE				
Other costs	13,452		70	
Staff costs	22,540		4,370	
TOTAL DIRECT EXPENDITURE	35,992		4,440	
OTHER EXPENDITURE				
Other costs	227		321	
Maintenance of premises and equipment	43,234		3,359	
Cleaning	9,408		3,104	
Rent and rates	22,232		841	
Energy costs	35,659		3,088	
Insurance	1,982		338	
Security and transport	5,170		396	
Catering	190,290		4,591	
Technology costs	4,351		1,845	
Office overheads	23,811		1,842	
Bank charges	260		-	
Legal and professional	19,968		4,809	
Staff costs	449,580		74,122	
TOTAL OTHER EXPENDITURE	806,172		98,656	
TOTAL EXPENDITURE		842,164		103,096
Transfers between funds excluding depreciation		7,342		-
Deficit from all sources		(24,023)		(71,545)

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

35. Boarding school trading account (continued)

Boarding school balances at 1 September 2020	197,282	-
Surplus on transfer of academy into Trust	-	279,437
	<hr/>	<hr/>
Central recharges	(49,518)	(10,610)
	<hr/>	<hr/>
BOARDING SCHOOL BALANCES AT 31 AUGUST 2021	<hr/> 123,741 <hr/>	<hr/> 197,282 <hr/>

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

The Academy Trust furloughed some of its boarding staff under the government's coronavirus job retention scheme. The funding received of £18,497 relates to staff costs which are included within note 12 above.

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

36. Teaching school trading account

	2021 £	2021 £	2020 £	2020 £
Income				
DIRECT INCOME				
Grant Funding	38,500		23,333	
Self-generated income	62,580		81,359	
	<u>101,080</u>		<u>104,692</u>	
TOTAL DIRECT INCOME	101,080		104,692	
TOTAL INCOME		101,080		104,692
Expenditure				
DIRECT EXPENDITURE				
Professional fees	44,644		46,671	
OTHER EXPENDITURE				
Other staff costs	33,047		30,638	
Travel costs	191		408	
Catering	-		789	
Admin and office costs	11,383		325	
Course fees	2,628		6,200	
	<u>47,249</u>		<u>38,360</u>	
TOTAL OTHER EXPENDITURE	47,249		38,360	
TOTAL EXPENDITURE		91,893		85,031
		<u>91,893</u>		<u>85,031</u>
Surplus from all sources		9,187		19,661
Teaching school balances at 1 September 2020		120,885		101,224
		<u>120,885</u>		<u>101,224</u>
TEACHING SCHOOL BALANCES AT 31 AUGUST 2021		130,072		120,885
		<u><u>130,072</u></u>		<u><u>120,885</u></u>

The above trading account includes transactions relating to both unrestricted and restricted general funds.