

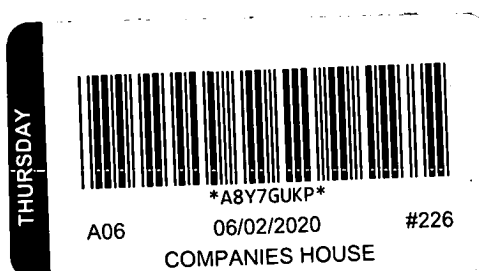
South Dartmoor Academy

(A company limited by guarantee)

Amended Annual Report and Financial Statements

Year Ended 31 August 2019

Company Registration number: 07561204 (England and Wales)



South Dartmoor Academy

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South Dartmoor Academy

Reference and Administrative Details

Members

G Cock
P McCormick
J Morgan, Chair
J Searson (representing EDEN)

Trustees (Directors)

A Barry, interim CEO (appointed 1 September 2019)
P Brown
G Cock, Chair
D Course
C Elliott (resigned 20 June 2019)
A Faulkner (resigned 17 September 2019)
B Garland (resigned 18 December 2018)
N Gore (resigned 18 December 2018)
S Khan, Vice Chair
R Shaw, CEO (resigned 31 August 2019)

Senior Management Team

A Barry, interim CEO and Executive Principal (from 1 September 2019)
R Shaw, CEO and Executive Principal (to 31 August 2019)
P Collins (South Dartmoor Community College), Head of School
S Morcumb (The Atrium Studio), Principal
T Docking (Ashburton Primary School), Primary Head Teacher
J Hillman (Buckfastleigh Primary School), Primary Head Teacher (to 31 August 2019)
D Stokes (Ilsington C of E Primary School), Primary Head of School
W Bentall (Moretonhampstead Primary School), Primary Head Teacher
D Stokes (Widcombe-in-the-Moor Primary School), Primary Head of School

Principal and Registered Office

South Dartmoor Community College
Balland Lane
Ashburton
Devon
TQ13 7EW

South Dartmoor Academy

Reference and Administrative Details (continued)

Bankers

Lloyds Bank plc
31 Fore Street
Totnes
TQ9 5HH

Solicitors

Michelmores LLP
Woodwater House
Pynes Hill
Exeter
EX2 5WR

Company Registration Number

07561204

Independent Auditors

PKF Francis Clark
Chartered Accountants and Statutory Auditor
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2019

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

The multi-academy trust comprises of two secondary schools; South Dartmoor Community College and The Atrium Studio, and five primary schools: Ashburton Primary School, Buckfastleigh Primary School, Ilington Church of England Primary School, Moretonhampstead Primary School and Widecombe-in-the-Moor Primary School.

Structure, Governance and Management

Constitution

The multi-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 multi-academy trust. The Trustees of South Dartmoor Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as South Dartmoor Academy.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' indemnities

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy Trust also purchased and maintained liability insurance for its Trustees. The limit of this indemnity is £5,000,000.

Arrangements for setting pay and remuneration of key management personnel

Key Management Personnel comprise the Senior Management Team, as disclosed on page 1 and are defined as those with authority and responsibility for planning, directing and controlling the activities of the academy, either directly or indirectly. Pay and remuneration is performance related, set together with Trustees (who are not also employees) and independent improvement partners.

Trade union facility time

As required to be disclosed by Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2017, no employees were relevant union officials during the relevant period.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2019 (continued)

Method of recruitment and appointment or election of Trustees

The Members may appoint a minimum of three and maximum of 13 Trustees. This may include up to four Staff Trustees, a minimum of two Parent Trustees and the CEO. The Staff Trustees may be appointed through such processes which the Members determine, provided that the total number of Trustees (including the CEO) who are employees of the multi-academy trust does not exceed one third of the total number of Trustees.

Parent Trustees are elected by parents of registered pupils at the academy; a Parent Trustee must be a parent of a pupil at the academy at the time when he is elected. Any election of Parent Trustees which is contested is held by secret ballot. The number of Parent Trustees required is made up by Parent Governors appointed by the Local Governing Body.

In relation to Ilington Church of England Primary School, there are also three Foundation Trustees appointed by the Foundation Member, John Searson (representing EDEN).

Trustees may appoint up to three Co-opted Trustees. A "co-opted Trustee" means a person who is appointed to be a Trustee by being co-opted by Trustees who have not been so appointed.

Election of the Chair and Vice Chair of Trustees is held annually. Trustees nominate before or at the election meeting, and election is conducted by a show of hands where there is one candidate. In the event of a tie, each candidate is given the opportunity to speak to the Trustees about their nomination and a further vote will be taken.

Policies and procedures adopted for the induction and training of Trustees

All new Trustees are assigned an experienced Trustee mentor to assist them in taking on new responsibilities, and are required to attend new Trustee training courses as appropriate.

Organisational Structure

The structure consists of three levels: the Members, the Board of Trustees and the Senior Management Team.

The Members of the multi-academy trust comprise the signatories of the Memorandum. The Members oversee the governance arrangements of the multi-academy trust and have the power to appoint or remove Trustees, and amend the articles as may be required.

The Board of Trustees meet at least three times a year and will hold an AGM annually. The Board of Trustees has responsibility for policy development and the strategic direction of the multi-academy trust, ensuring sound management and administration, including monitoring the performance and the achievement of the multi-academy trust's strategic objectives and activities.

There is currently one sub-committee of the Board of Trustees. This is the HR & Finance Committee. The Senior Management team comprises the CEO, two Principals, two Primary Head of Schools, and three Primary Head Teachers. The Leadership team includes a further fifteen Assistant Principals across the multi-academy trust. The SMT and the LT meet on a weekly basis and have responsibility for the following key areas: Quality Assurance; Teaching and Learning; Initial Teacher Training and CPD; Pastoral Care and Student Achievement; Curriculum; Director of Specialism; SEN Co-ordinator; Data and Tracking; Health and Safety; Safeguarding and Head of Sixth Form.

In accordance with the Academies Financial Handbook the Trustees have appointed the CEO as the Accounting Officer. The Chief Finance Officer role is being covered by an interim external company whilst the current CFO is on maternity leave. This role has the responsibility for the Financial Management across the multi-academy trust, alongside a team of staff who oversee Premises Management, Catering Provision, Personnel Services and Legal Services.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2019 (continued)

Related Parties and other Connected Charities and Organisations

South Dartmoor Academy works with connected Friends' charities in order to assist the Primary Schools with various fundraising and improvement projects.

Objectives and Activities

Objects and Aims

The prime purpose of the South Dartmoor Multi-Academy Trust is to provide education for each of the 2 - 19 year olds in its charge. Currently there are approx. 2,200 pupils across the seven schools who are supported by over 300 professional and support staff.

The South Dartmoor Academy "Company" exists specifically, according to its Articles of Association:

a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum;

b) in relation to Ilstington to advance for the public benefit education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on and developing a school with a designated Church of England religious character offering a broad and balanced curriculum to 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 and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education; and

c) in relation to the Academy at South Dartmoor Community College, to provide facilities for recreation or other leisure time occupation for the public at large in the interests of social welfare and with the object of improving their conditions of life.

Objectives, Strategies and Activities

The main aims of the trust in 2018-19 were to:

- Continue to raise the standards of educational achievement and attainment further
- Increase capacity for school improvement across the Trust
- Ensure that Buckfastleigh Primary and South Dartmoor Community College continue to make rapid improvement from their Ofsted inspections
- Ensure there is strong leadership in every school within the Trust
- Ensure that the governance structure is fit for purpose with clear lines of accountability
- Reduce the Trust deficit and ensure there is financial stability within all schools for the next 3 years
- Improve the effectiveness and value for money of back office functions
- Consider the future direction of the Trust and look to work in partnership with other schools and trusts in order to increase capacity and safeguard the education of the children.

Public Benefit

The Multi-Academy Trust provides excellent educational services to all children in the local area and beyond. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission. This includes sharing Teaching and Learning practices across its individual schools.

In addition, South Dartmoor Academy operates the Ashmoor Sports and Leisure complex, providing health and fitness expertise, as well as the South Brent gym, which are both available for community use on a paid for basis.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Achievements and performance

Ashburton Primary School

Ashburton continues to be a popular choice for parents and pupil numbers within the school have remained stable. Following a national recruitment process the Head of School from Ilsington C of E Primary was appointed to take on the Headteacher role and she has already established herself well into the school. Arts week, science week and supporting various charity events remain a strong part of the school's identity. The staff team are dedicated and experienced and work well together in bringing about school improvement and the school is providing breakfast and afterschool clubs. The school has seen a significant improvement in the outcomes for reading, writing and maths combined at the end of KS2 and we are confident that outcomes will continue to improve.

Buckfastleigh Primary School

Following the Ofsted judgement in December 2017 of requires improvement, Buckfastleigh has had a lot of change. The substantive headteacher was appointed in April 2018 and during the last year there has been a significant change of staffing. The headteacher has worked hard to create a strong bond with the local community and develop a cohesive new staff team who are extremely motivated and focussed on improvement. The impact of these actions is yet to be fully appreciated in the end of KS2 results, although there have been improvements on the previous year. The headteacher is relocating over the Summer and a new appointment was made during the Summer Term replace her. The incoming Headteacher has already been heavily involved in leadership activities across the Trust and we feel confident that he will continue to build on the improvements already in place at the school. The school has a good relationship with the local community and parents and pupils comment favourably on the improvements that have been made.

Ilsington C of E Primary School

Ilsington C of E Primary also saw a change in leadership this year as the Head of School moved over to Ashburton Primary. The local Governors and Directors decided to create an executive leadership role across Ilsington and Widecombe Primary Schools which enabled the school to bring in an additional teacher with a specialism in science and there has been strong developments in this curriculum area. The school continues to have very strong outcomes and their Christian distinctiveness remains outstanding and part of the very heart of the school. The preschool is well established and this has helped to increase pupil numbers for next year, significantly increasing the number of pupils on roll and helping to secure the 3 class structure. The school has a very well-developed forest school site and this is a core part of their curriculum offer. The staff team are extremely cohesive and experienced and this has supported the change in leadership structure.

Moretonhampstead Primary School

Moretonhampstead Primary School has a number of staffing changes in the last couple of years but now has a strong, effective and cohesive staff team. The school has continued to improve outcomes each year and in particular has been focussed on ensuring progress scores and greater depth scores improve to reflect their cohorts. The school has established excellent bonds with the community and runs events such as the community feast where produce grown on site is cooked by the children to provide a feast for the local people. The preschool is extremely well established and the early years provision has continued to improve across the school. They provide a full and broad curriculum that is well presented on their facebook page.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Widcombe-in-the-Moor Primary School

Widcombe-in-the-Moor Primary School has had a change in approach to leadership this year as the Head of School took on the executive role of Ilsington C of E Primary School too. Both schools are similar in nature, size and curriculum offer and staff have had the opportunity to share their practice across the schools. Widcombe has continued to provide their pupils with an excellent education and they are very well supported by their local community and parental group, particularly in maintaining their swimming pool. The school has an experienced and dedicated staff team who are happy to do whatever it takes to ensure a small school in a fairly isolated rural area can thrive. The children achieve well and enjoy their education.

Primary School Results

Results at the primary schools have continue to improve with 4 out of 5 schools achieving above the national average in combined scores for reading, writing and maths at KS2. Buckfastleigh also saw an improvement on the previous year's result but more needs to be done to ensure their pupils at KS2 achieve in line with other pupils nationally. Year 1 phonics scores continue to be very strong once again as are the results for children in the early years demonstrating the good start the schools give the children.

KS2 Results 2019	Reading	Writing	Grammar	Maths	R,W & M	Reading Average scaled score	Maths Average scaled score
National	73%	78%	78%	79%	65%	103.95	103.95
Ashburton ARE (GD)	71% (29%)	73% (7%)	93% (21%)	67% (0%)	67%	103.5	100.1
Buckfastleigh ARE (GD)	57% (14%)	76% (3%)	66% (24%)	62% (14%)	48%	102.3	100.6
Ilsington C of E ARE (GD)	100% (33%)	100% (67%)	100% (33%)	100% (33%)	100%	107	105.4
Moretonhampstead ARE (GD)	80% (50%)	91% (29%)	90% (20%)	85% (20%)	70%	107.8	104.9
Widcombe-in-the-Moor ARE (GD)	100% (71%)	100% (43%)	100% (57%)	86% (57%)	86%	111	106

KS1 Results 2019	Reading	Writing	Maths
National	75%	70%	76%
Ashburton ARE (GD)	82% (29%)	79% (7%)	75% (14%)
Buckfastleigh ARE (GD)	71% (10%)	65% (7%)	77% (13%)
Ilsington C of E ARE (GD)	100% (16%)	100% (0%)	83% (0%)
Moretonhampstead ARE (GD)	89% (33%)	83% (28%)	83% (28%)
Widcombe-in-the-Moor ARE (GD)	80% (0%)	80% (0%)	100% (20%)

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

	Yr 1 Phonics 2019	EYFS GLD 2019
National	82%	71.5%
Ashburton	86%	72%
Buckfastleigh	87%	75%
Islington C of E	100%	78%
Moretonhampstead	100%	77%
Widcombe-in-the-Moor	83%	82%

Secondary Performance

Atrium School

Atrium School has had an acting Principal in place who secured the substantive post in the Summer Term. The school has continued to flourish with a high level of pupil and parent satisfaction being shown in surveys. Academic achievement continues to be strong with 100% of students achieving an A*-B in the DEC (Design, Engineering and Construction) qualification which is at the heart of Atrium's curriculum. The school once again entered the Shell Bright Ideas competition and were crowned the national winners for their innovative idea to capture hydro power stored in household taps to create additional power sources. The school has approximately 120 students and they cover years 9-13 with a core curriculum that focuses on the built environment. There are very strong links with industry and many opportunities for work experience which, on occasion, has secured the student a future career. Motivation is high amongst the students and their teachers confidently teach across a range of subjects and engage in project-based learning.

South Dartmoor Community College

South Dartmoor has had a turbulent year as they faced significant restructuring in leadership, support staff and some teaching departments. The Principal was also absent during the Spring Term until the end of the academic year and his absence was covered by the CEO and the rest of the leadership team. The parent community have been incredibly supportive, and the staff have valued their input during this time. Although there have been challenges, the College has continued to provide excellent pastoral care and support for which it has a strong reputation and work in the performing arts and sports have also continued to flourish. The College also had strong improvements in particular subjects at GCSE with 77% of students achieving a grade 4 and above in GCSE and some exceptional performances in Ancient History/History, particularly at the higher levels of grade 8 and 9.

Our KS5 students have continued to achieve well with many securing places at the universities of their choice. This includes students with special educational needs and a child in care who have been nurtured and well supported through their secondary education.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

The school has an interim principal in place for September 2019 and has also been successful in securing a school improvement funding bid with Ivybridge Teaching School which will work on improving the quality of teaching and learning across the College. However, the gap between disadvantaged students and non-disadvantaged students remains a huge priority for the College, along with developing a curriculum that enables more boys to reach their potential. The school will need to work rapidly with the support and intervention in place to ensure they can demonstrate improvement since the last Ofsted inspection.

Secondary School results

Unvalidated data 2019	Atrium	SDCC
KS4		
Progress 8	-0.44 (NB Studio Schools are exempt from floor standards as students join in year 9)	-0.31
Attainment 8	48.52	44.29
GCSE 4+ English and Maths	70%	61%
GCSE 5+ English and Maths	23%	36%
GCSE 4+ English	80%	78%
GCSE 5+ English	40%	61%
GCSE 4+ Maths	87%	65%
GCSE 5+ Maths	43%	38%
KS5		
Value added		0.04
Average grade		C+
3 A*-B		28%
3 A*-C		50%
3 A*-E		82%

Other activities across the Trust

The role of local Governors was more strongly aligned to school improvement and local governors across the Trust have been regular visitors to the schools to evaluate the impact of the school improvement plans.

The Trust also continued to work in a management partnership with Broadhempston Primary School until April 2019 where the school had benefitted from the opportunity to work alongside other experienced school leaders. The Trust also continued with their work to progress the opening of Glendinning House, a special school for children with communication and interaction difficulties and were able to secure strong community support and engagement as well as the building timeline and predicted opening of September 2020. The Trust were delighted that WAVE MAT were chosen to take Glendinning House forward into the final phase of development before preopening. Specialist education provision is low in Devon and South Dartmoor Academy are proud of their involvement in helping this school to become a reality.

The schools have continued to engage well with their local communities. They have thriving and supportive PTA groups which are run by extremely dedicated and generous parents and help to fund school trips, additional extras for the classroom or school libraries as well as providing lovely additional events for our children and young people such as fetes, discos and easter egg hunts.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Key Performance Indicators

The key performance indicators for the multi-academy trust are student performance and attainment levels which are monitored by the Senior Management Team, as well as Ofsted inspections and attendance. Financial performance is primarily monitored by adherence to the annual budget.

Going Concern

The expectation is that the schools will be transferred to Westcountry Schools Trust and Link Academy Trust following approval in principle by the Regional Schools Commissioner. Further details are given in Note 28. The Board is confident that if this does not happen the ESFA will rebroker the schools within 12 months, following which the existing Trust will be dissolved. As it is foreseeable the Academy Trust's activities will cease the accounts have been prepared on the basis that it is no longer a going concern.

Financial Review

The multi-academy trust held fund balances at 31st August 2019 of £17,252,000 comprising £17,221,000 of restricted funds and £31,000 of unrestricted funds. A defined benefit pension reserve deficit of £8,055,000 is included in the restricted funds balance.

In accordance with the Master Funding Agreement, the principal source of funding is the General Annual Grant received from the Education Funding Agency. Other sources include Pupil Premium funding, again from the Education Funding Agency. Funding for our CAIRB facility and Special Educational Needs and Disabilities are both received from Devon Local Authority.

Other sources of income received in the year includes catering income, the Ashmoor Sports Centre hire and membership as well as other invoiced services such as School Sports Partnership.

Gaining financial security across the trust has been an ongoing focus for the board and reducing the Trust deficit had to be addressed this year due to falling pupil numbers and the need to align staff salaries with national salaries. The Trustees needed to ensure that the Trust would remain a going concern for the next 3 years and in order for this to happen, all schools had to be able to set balanced budgets and therefore a restructuring process took place.

The Trustees have also worked closely with the Regional Schools' Commissioners (RSC) Office and the Education, Skills and Funding Agency (ESFA) throughout the year as they have worked on securing a stronger long-term future for the Trust. The trustees entered into a business partnership with another local trust to provide back office support and expertise but this unexpectedly ended and therefore an interim support package was put in place providing additional leadership and operations capacity. The Trustees also consulted on a full merger with the same local Trust but this was not considered a viable option and they have instead asked the RSC to support them in finding a new partner and this is planned for 2019-2020.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Reserves policy

The level of reserves held across the multi-academy trust are as follows:

Restricted funds £17,357,000

Unrestricted funds £31,000

Investment Policy

No investments are held at the year-end and no investments have been entered into during the year.

Principal Risks and Uncertainties

The principal risks and uncertainties to which the multi-academy trust is exposed include changes to government policies affecting funding allocations and related cash flow concerns, variations in numbers on roll as well as reputational risks surrounding the perception of the quality of education affecting parental selection.

Financial instruments across the Academy are largely bank balances, cash and trade creditors with limited trade and other debtors, therefore minimal risks exist. South Dartmoor Academy operates a defined benefit pension scheme of which the deficit is disclosed within note 25.

Fundraising

South Dartmoor Academy predominantly works with "Friends of (The Primary Schools)" relating to fundraising. No fundraising is done in association with commercial participants or professional fundraisers.

Plans for Future Periods

South Dartmoor Academy is aiming to have all its schools transferred out by 1st February 2020. It will then commence a period of winding up with an aim to be closed by 31st August 2020.

Funds Held as Custodian Trustee on Behalf of Others

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

Employment of disabled persons

In accordance with the academy's Equal opportunities policy, the academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Description of employee consultation

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings, and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2019 (continued)

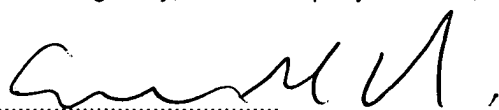
Strategic Report

Auditor

In so far as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body, as the company directors, on ...18...12...19... and signed on its behalf by:



.....
G Cock
Trustee

South Dartmoor Academy

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that South Dartmoor Academy 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 South Dartmoor Academy 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 Governing Body has formally met 8 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
G Cock	7	8
P Brown	7	8
D Course	8	8
C Elliott	7	7
A Faulkner	5	8
B Garland	0	3
N Gore	3	3
S Khan	7	8
R Shaw	8	8

Governance reviews

South Dartmoor Academy has appointed a new but experienced interim CEO to join the board of Trustees to provide support over the coming months until the Trust is wound up.

South Dartmoor Academy

Governance Statement (continued)

Finance and HR Committee

The Finance & HR Committee is a sub-committee of the main Board of Trustees. Its primary purpose is to:

- develop strategic plans and direction on financial issues;
- consider annual indicative funding and assess implications of this in advance of the financial year to which it relates;
- to agree and make recommendations to the Board on the annual budget and planned areas of expenditure;
- to review financial reports (at least quarterly); and
- to review and ensure financial policies and procedures are suitable and are complied with.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
P Brown	2	2
G Cock	3	5
D Course	5	5
C Elliott	4	4
N Gore	2	2
S Khan	5	5
R Shaw	5	5
A Faulkner	1	2

Review of Value for Money

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

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by working alongside an experienced interim finance director to support meeting the requirement outlined in the financial notice to improve.

South Dartmoor Academy

Governance Statement (continued)

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there had been a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that was thought to have been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. However, during the year it became apparent that the Trust had not managed its finances as well as it could have. This was compounded by the involvement of another, neighbouring trust which was initially brought in to support South Dartmoor Academy Trust in the management of its finances and a restructuring process. However, due to unforeseen circumstances, the prospective shared business model did not take place and South Dartmoor Academy Trust incurred significant additional costs which, at the time of writing, is subject to legal action on both sides. An interim COO and an Interim Head of Finance have been drafted in to support the Trust for the final term of the academic year. Their work, and the processes centred on meeting the obligations of the Financial Notice to Improve (FNTI) is regularly reviewed by the board of directors.

The Risk and Control Framework

The multi-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;
- improvement being made during the latter part of the year in relation to regular reviews by the board of directors to indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- the newly appointed Interim COO has been able to set targets to measure financial performance and regularly reports to the ESFA in line with meeting the obligations of the FNTI.
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks which are noted on the updated Risk Register.

South Dartmoor Academy

Governance Statement (continued)

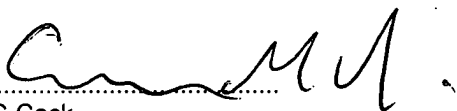
Review of Effectiveness

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

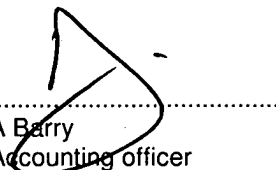
- the work of the trust's chief finance officer prior to a period of leave;
- short term support from a neighbouring trust through a restructuring process;
- the work of the external auditor;
- The work of the interim executive leaders appointed to work with the academy trust who have recently adopted responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the results of the review of the system of internal control by the Finance & HR Committee and a plan to ensure improvement of the system is in place.

Approved by order of the members of the Governing Body on18.12.19..... and signed on its behalf by:



G Cock
Trustee



A Barry
Accounting officer
Trustee

South Dartmoor Academy

Statement on Regularity, Propriety and Compliance

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

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


I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of directors and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of directors and ESFA:

Financial issues:

- The trust was unable to remove itself from a deficit position in 2017/18.
- The ESFA expressed concern about the level of cash flow support that the trust required while it makes the savings required in order to set a balanced budget for 2018/19 and 2019/20.
- Setting a balanced budget is a formal requirement of the trust's Funding Agreement (FA) as set out in the Academies Financial Handbook (AFH). Paragraph 2.3.1 of the Academies Financial Handbook (AFH).
- The Trust received a FNTI on the 12th June 2019 which reflected the weak financial position of the trust and the need to strengthen the governance arrangements and oversight of financial management by the Board.

Non-financial issues:

- Lack of appropriate consideration of some roles being made redundant which then resulted in significantly weakening the maintenance of the schools' sites, as well as late recruitment of some roles to fill gaps in provision and also in the significant lowering of staff morale in some of the schools, but especially within the South Dartmoor Community College.


A Barry CEO
Accounting Officer
Trustee

South Dartmoor Academy

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 the 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 Governing Body on18.12.19..... and signed on its behalf by:



G Cock
Trustee

South Dartmoor Academy

Independent Auditor's Report on the Financial Statements to the Members of South Dartmoor Academy

Opinion

We have audited the financial statements of South Dartmoor Academy (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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'.

In our opinion the financial statements:

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

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of preparation

We draw attention to Note 1 to the financial statements which explains that the Academy Trust's activities are expected to be transferred to other Trusts and therefore the Trustees do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in this respect of this matter.

Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

South Dartmoor Academy

Independent Auditor's Report on the Financial Statements to the Members of South Dartmoor Academy (continued)

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 20], the Trustees 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'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 or to cease operations, or have no realistic alternative but to do so.

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


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

South Dartmoor Academy

Independent Auditor's Report on the Financial Statements to the Members of South Dartmoor Academy (continued)

Use of our report

This report is made solely to the Academy'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's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy's Members, as a body, for our audit work, for this report, or for the opinions we have formed.


.....
Sharon Austen FCCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Date: 19 December 2019

South Dartmoor Academy

Independent Reporting Accountant's Assurance Report on Regularity to South Dartmoor Academy and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 June 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Dartmoor Academy during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's Accounting Officer and the reporting Accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

South Dartmoor Academy

Independent Reporting Accountant's Assurance Report on Regularity to South Dartmoor Academy and the Education & Skills Funding Agency (continued)

Conclusion

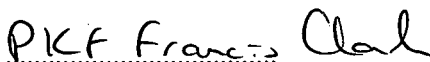
In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not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

Financial Issues:


- The trust was unable to remove itself from a deficit position in 2017/18.
- The ESFA expressed concern about the level of cash flow support that the trust required while it makes the savings required in order to set a balanced budget for 2018/19 and 2019/20.
- Setting a balanced budget is a formal requirement of the trust's Funding Agreement (FA) as set out in the Academies Financial Handbook (AFH). Paragraph 2.3.1 of the Academies Financial Handbook (AFH).
- The Trust received a FNTI on the 12th June 2019 which reflected the weak financial position of the trust and the need to strengthen the governance arrangements and oversight of financial management by the Board. The FNTI was lifted in November 2019.

Non-financial issues:

- Lack of appropriate consideration of some roles being made redundant which then resulted in significantly weakening the maintenance of the schools' sites, as well as late recruitment of some roles to fill gaps in provision and also in the significant lowering of staff morale in some of the schools, but especially within the South Dartmoor Community College.


Sharon Austen FCCA
PKF Francis Clark, Chartered Accountants

Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF


19 December 2019

South Dartmoor Academy

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2018/19 Total £ 000
Income and endowments from:					
Donations and capital grants	2	2	8	350	360
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	5	327	10,991	-	11,318
Other trading activities	3	279	111	-	390
Investments	4	1	-	-	1
Total		609	11,110	350	12,069
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	209	12,347	577	13,133
Net income/(expenditure)		400	(1,237)	(227)	(1,064)
Transfers between funds		(411)	406	5	-
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes	25	-	(1,403)	-	(1,403)
Net movement in funds/(deficit)		(11)	(2,234)	(222)	(2,467)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		42	(6,328)	26,141	19,855
Total funds/(deficit) carried forward at 31 August 2019		31	(8,562)	25,919	17,388

South Dartmoor Academy

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2017/18 Total £ 000
Income and endowments from:					
Donations and capital grants	2	5	92	111	208
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	5	389	11,539	-	11,928
Other trading activities	3	306	220	-	526
Investments	4	1	-	-	1
Total		701	11,851	111	12,663
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	682	12,515	819	14,016
Net income/(expenditure)		19	(664)	(708)	(1,353)
Transfers between funds		-	(20)	20	-
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes	25	-	1,634	-	1,634
Net movement in funds/(deficit)		19	950	(688)	281
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		23	(7,278)	26,829	19,574
Total funds/(deficit) carried forward at 31 August 2018		42	(6,328)	26,141	19,855

These comparative figures have been restated to show a transfer between funds of £20,000 not £13,000. There is no overall effect on the total funds.

South Dartmoor Academy

(Registration number: 07561204)
Balance Sheet as at 31 August 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Tangible assets	12	25,732	26,080
Current assets			
Stocks	13	-	6
Debtors	14	575	432
Cash at bank and in hand		647	223
		<u>1,222</u>	<u>661</u>
Creditors: Amounts falling due within one year	15	<u>(1,511)</u>	<u>(849)</u>
Net current liabilities		<u>(289)</u>	<u>(188)</u>
Total assets less current liabilities		<u>25,443</u>	<u>25,892</u>
Net assets excluding pension liability		25,443	25,892
Defined benefit pension scheme liability	25	<u>(8,055)</u>	<u>(6,037)</u>
Net assets		<u>17,388</u>	<u>19,855</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(507)	(291)
Restricted fixed asset fund		25,919	26,141
Restricted pension fund		<u>(8,055)</u>	<u>(6,037)</u>
		<u>17,357</u>	<u>19,813</u>
Unrestricted funds			
Unrestricted general fund		<u>31</u>	<u>42</u>
Total funds		<u>17,388</u>	<u>19,855</u>

The financial statements on pages 26 to 57 were approved by the Trustees, and authorised for issue on 18.12.19 and signed on their behalf by:



G Cock
Trustee

South Dartmoor Academy

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £ 000	2018 £ 000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	(59)	34
Cash flows from financing activities	20	350	-
Cash flows from investing activities	21	133	(63)
Change in cash and cash equivalents in the year		424	(29)
Cash and cash equivalents at 1 September		223	252
Cash and cash equivalents at 31 August	22	647	223

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

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

Basis of preparation

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

South Dartmoor Academy meets the definition of a public benefit entity under FRS 102.

Going concern

The expectation is that the schools will be transferred to Westcountry Schools Trust and Link Academy Trust following approval in principle by the Regional Schools Commissioner. Further details are given in Note 28. The Board is confident that if this does not happen the ESFA will rebroker the schools within 12 months, following which the existing Trust will be dissolved. As it is foreseeable the Academy Trust's activities will cease the accounts have been prepared on the basis that it is no longer a going concern. The schools will be transferred at their carrying values by way of gift, so no adjustments are required to assets and liabilities.

Income

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

Grants

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

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

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 spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Sponsorship Income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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 is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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.

All resources expended are inclusive of irrecoverable VAT.

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.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

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.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Freehold buildings	50 years
Long term leasehold property	50 years
Motor vehicles	20% straight line
Furniture and equipment	20% straight line
Computer equipment	33% straight line

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.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Provisions

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

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

Leased assets

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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 Chapter 3 Part 11 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.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Pension benefits

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

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.

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 Education Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Agency accounting

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA 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 and paid and any balances held are disclosed in note 27.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Capital grants	-	-	350	350	84
Other donations	2	8	-	10	112
Donated fixed assets	-	-	-	-	12
	<u>2</u>	<u>8</u>	<u>350</u>	<u>360</u>	<u>208</u>

3 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Hire of facilities	95	-	95	144
School shop sales	22	-	22	25
Recharges and reimbursements	22	-	22	133
Other income	140	111	251	224
	<u>279</u>	<u>111</u>	<u>390</u>	<u>526</u>

4 Investment income

	Unrestricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
Bank interest income	<u>1</u>	<u>1</u>	<u>1</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2019 £ 000	Total 2018 £ 000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	9,436	9,436	9,966
Pupil Premium	-	400	400	426
Start-Up Grants	-	-	-	30
Universal Infant Free School Meals Grant	-	97	97	92
PE and Sports Grant	-	86	86	88
Year 7 Catch Up Grant	-	11	11	10
Teachers' Pay Grant	-	85	85	-
Contribution to restructuring costs	-	136	136	-
Other DfE Group Grants	-	125	125	-
	-	10,376	10,376	10,612
Other government grants				
SEN/High Needs Income	-	176	176	192
Autism Grant	-	104	104	185
Local Area Partnership	-	10	10	-
Other Government Grants	-	113	113	80
Sports Academy Funding	-	-	-	4
	-	403	403	461
Non-government grants and other income				
Educational Trips	-	188	188	217
Catering Income	-	-	-	389
School Sports Partnership	327	-	327	249
Support Grant	-	24	24	-
	327	212	539	855
Total grants	327	10,991	11,318	11,928

The comparative figures have been restated to transfer the School Sports Partnership fund from DfE/ESFA revenue grants to Non-government grants and other income. There is no overall effect on total income.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

6 Expenditure

	Non Pay Expenditure			Total 2019 £ 000	Total 2018 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Academy's educational operations					
Direct costs	5,865	-	474	6,339	8,537
Allocated support costs	4,094	1,162	1,538	6,794	5,479
	<u>9,959</u>	<u>1,162</u>	<u>2,012</u>	<u>13,133</u>	<u>14,016</u>

Net income/(expenditure) for the year includes:

	2019 £ 000	2018 £ 000
Operating leases - other leases	(185)	(185)
Fees payable to auditor - audit	(8)	(8)
Fees payable to auditor - other audit services	<u>(9)</u>	<u>(8)</u>

7 Charitable activities

	Total 2019 £ 000	Total 2018 £ 000
Direct costs - educational operations	6,339	8,537
Support costs - educational operations	<u>6,794</u>	<u>5,479</u>
	<u>13,133</u>	<u>14,016</u>

	Educational operations £ 000	Total 2019 £ 000	Total 2018 £ 000
Analysis of support costs			
Support staff costs	4,094	4,094	2,572
Depreciation	566	566	683
Premises costs	596	596	808
Other support costs	1,518	1,518	1,401
Governance costs	20	20	15
Total support costs	<u>6,794</u>	<u>6,794</u>	<u>5,479</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff

Staff costs

	2019 £ 000	2018 £ 000
Staff costs during the year were:		
Wages and salaries	7,041	7,783
Social security costs	618	717
Operating costs of defined benefit pension schemes	1,718	1,986
	<hr/> 9,377	<hr/> 10,486
Supply teacher costs	93	139
Staff restructuring costs	489	45
	<hr/> 9,959	<hr/> 10,670

	2019 £ 000	2018 £ 000
Staff restructuring costs comprise:		
Redundancy payments	489	22
Severance payments	-	23
	<hr/> 489	<hr/> 45

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2018: £23,000).

Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2019 No	2018 No
Charitable Activities		
Teachers	179	219
Administration and support	128	129
Management	14	24
	<hr/> 321	<hr/> 372

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff (continued)

Higher paid staff

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

	2019 No	2018 No
£70,001 - £80,000	1	2
£80,001 - £90,000	1	1

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 £515,970 (2018: £596,833).

9 Central services

No central services were provided by the Academy Trust to its academies during the period and no central charges arose.

10 Related party transactions - Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

H Bellamy resigned from his position in December 2017 when R Shaw took over:

H Bellamy (Principal until 06/12/17):

Remuneration: £Nil (2018 - £35,000 - £40,000)

Employer's pension contributions: £Nil (2018 - £5,000 - £10,000)

R Shaw (Principal (from 06/12/2017)):

Remuneration: £85,000 - £90,000 (2018 - £75,000 - £80,000)

Employer's pension contributions: £10,000 - £15,000 (2018 - £10,000 - £15,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £Nil (2018 - £2,117) were reimbursed or paid directly to Trustees (2018 - 2).

Other related party transactions involving the Trustees are set out in note 25.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

11 Trustees' and officers' insurance

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

12 Tangible fixed assets

	Freehold land and buildings £ 000	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost						
At 1 September 2018	21,332	7,700	3,110	22	1,148	33,312
Additions	13	2	199	-	4	218
At 31 August 2019	21,345	7,702	3,309	22	1,152	33,530
Depreciation						
At 1 September 2018	2,450	647	3,027	22	1,086	7,232
Charge for the year	380	127	28	-	31	566
At 31 August 2019	2,830	774	3,055	22	1,117	7,798
Net book value						
At 31 August 2019	18,515	6,928	254	-	35	25,732
At 31 August 2018	18,882	7,053	83		62	26,080

13 Stocks

	2019 £ 000	2018 £ 000
Books and stationery	-	4
Clothing	-	2
	-	6

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Debtors

	2019 £ 000	2018 £ 000
Trade debtors	22	41
Prepayments	177	182
Accrued grant and other income	245	144
VAT recoverable	126	65
Other debtors	5	-
	<u>575</u>	<u>432</u>

15 Creditors: amounts falling due within one year

	2019 £ 000	2018 £ 000
Loans	350	-
Trade creditors	323	193
Other taxation and social security	157	177
Pension scheme creditor	127	151
Accruals	366	141
Deferred income	188	187
	<u>1,511</u>	<u>849</u>

	2019 £ 000	2018 £ 000
Deferred income		
Deferred income at 1 September 2018	187	160
Resources deferred in the period	188	187
Amounts released from previous periods	(187)	(160)
Deferred income at 31 August 2019	<u>188</u>	<u>187</u>

At the balance sheet date the Academy Trust was holding funds for universal infant free school meals and funds for educational school trips, received in advance for the 2019/20 academic year.

The loan of £350,000 is an advance from the ESFA which is provided on the following terms: The loan is an interest free loan which is repayable within one year.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Funds

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
GAG	(374)	9,436	(10,141)	370	(709)
Pupil premium	-	400	(417)	17	-
ESFA contribution to restructuring costs	-	136	(136)	-	-
LEA and other grants	7	401	(366)	-	42
Other DfE/ESFA grants	-	393	(361)	-	32
Voluntary income	-	188	(207)	19	-
Other restricted general funds	76	156	(104)	-	128
	<u>(291)</u>	<u>11,110</u>	<u>(11,732)</u>	<u>406</u>	<u>(507)</u>
Restricted fixed asset funds					
Fixed assets transferred on conversion	17,882	-	(338)	-	17,544
DfE/ESFA Capital grants	4,732	350	(143)	5	4,944
Capital funds on conversion	3,374	-	(67)	-	3,307
Capital Expenditure from GAG	80	-	(9)	-	71
Widecombe Capital Funds	10	-	(3)	-	7
Golf course donation	30	-	(1)	-	29
Proceeds on sale of property	11	-	(11)	-	-
Other capital grants	22	-	(5)	-	17
	<u>26,141</u>	<u>350</u>	<u>(577)</u>	<u>5</u>	<u>25,919</u>
Restricted pension funds					
Pension reserve	<u>(6,037)</u>	<u>-</u>	<u>(615)</u>	<u>(1,403)</u>	<u>(8,055)</u>
Total restricted funds	19,813	11,460	(12,924)	(992)	17,357
Unrestricted funds					
Unrestricted general funds	<u>42</u>	<u>609</u>	<u>(209)</u>	<u>(411)</u>	<u>31</u>
Total funds	<u>19,855</u>	<u>12,069</u>	<u>(13,133)</u>	<u>(1,403)</u>	<u>17,388</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Funds (continued)

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

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
Restricted general funds					
GAG	(378)	9,966	(9,942)	(20)	(374)
Pupil premium	-	426	(426)	-	-
LEA and other grants	-	438	(431)	-	7
Other DfE/ESFA grants	-	180	(180)	-	-
Voluntary income	2	217	(219)	-	-
Other restricted general funds	15	624	(563)	-	76
	(361)	11,851	(11,761)	(20)	(291)
Restricted fixed asset funds					
Fixed assets transferred on conversion	18,220	-	(338)	-	17,882
DfE/ESFA Capital grants	4,916	83	(280)	13	4,732
Capital funds on conversion	3,449	-	(75)	-	3,374
Capital Expenditure from GAG	81	-	(8)	7	80
Minibus Fund	5	-	(5)	-	-
Widecombe Capital Funds	1	13	(4)	-	10
Golf course donation	31	-	(1)	-	30
Proceeds on sale of property	117	-	(106)	-	11
Other capital grants	9	15	(2)	-	22
	26,829	111	(819)	20	26,141
Restricted pension funds					
Pension reserve	(6,917)	-	(754)	1,634	(6,037)
Total restricted funds	19,551	11,962	(13,334)	1,634	19,813
Unrestricted funds					
Unrestricted general funds	23	701	(682)	-	42
Total funds	19,574	12,663	(14,016)	1,634	19,855

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Funds (continued)

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

Restricted General Funds include the following income streams which must be used in accordance with the terms and conditions under which the income has been awarded:

General Annual Grant (GAG) - This funding is received from the ESFA and is used in accordance with the Master Funding Agreement for the purpose of funding the continuing activities of the Academy. Under this agreement with the Secretary of State there are no limits as to the amount of GAG funding that can be carried forward to future years.

Pupil Premium - Funding of £400,000 has been used for the benefit of disadvantaged students to help improve their academic results and enrich their school experience.

Other DfE / ESFA Grants - This primarily includes Universal Infant Free School Meals funding of £97,000, Sports Grant funding of £86,000 which has been used for the purpose of further developing Physical Education for the benefit of our students and Teachers Pay Grant of £85,000 which has been used to bring teachers' pay up to current scale.

LA Grants - Special Educational Needs and Disabilities funding of £176,000 has been received from the Local Authority and spent for the purpose of further supporting our young students where required. Funding of £104,000 has been received and used to support our CAIRB (Communication and Interaction Resource Base) facility tailored to supporting young children with Autism.

Voluntary Income - This has been received and used during the year for Enrichment Week activities and other out of school educational visits.

Other General Funds - This comprises contributions towards the Sports Academy, and a Construction Industry Training Board (CITB) grant of benefit to our students at the Atrium Studio undertaking studies in the built environment.

Restricted Fixed Asset Funds

DfE / ESFA capital grants include funding to complete the Atrium Studio school building, as well as to fund the provision of a new catering block at South Dartmoor Community College.

Restricted Pension Funds

The deficit in pension fund reserves represents the Local Government Pension Scheme.

Unrestricted Funds

Unrestricted funds primarily comprise canteen income, School Sports Partnership income, income from the Ashmoor Sports Centre and South Brent Gym.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£ 000	£ 000
South Dartmoor Community College	(1,156)	(908)
Ashburton Primary School	139	164
Atrium Studio School	24	(11)
Buckfastleigh Primary School	185	202
Ilshington C of E Primary School	81	118
Moretonhampstead Primary School	239	149
Widecombe-in-the-Moor Primary School	12	37
Total before fixed assets and pension reserve	(476)	(249)
Fixed asset funds	25,919	26,141
Pension reserve	(8,055)	(6,037)
Total	17,388	19,855

The Trust has increased the deficit brought forward by £227,000, which includes (and is largely due to) an increase to the deficit of South Dartmoor Community College from £908,000 to £1,156,000.

As noted in note 8, £489,000 (2018: £45,000) of staff redundancies were made during the year as part of the deficit recovery plan, and for which £136,000 in contributions from the ESFA have been accrued. Therefore the net cost to the Academy Trust is £353,000. If it were not for these costs the cumulative deficit would have decreased in year.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
South Dartmoor Community College	3,805	2,262	43	1,283	7,393
Ashburton Primary School	506	324	3	186	1,019
Atrium Studio School	326	369	14	204	913
Buckfastleigh Primary School	418	399	3	189	1,009
Ilminster C of E Primary School	206	122	4	151	483
Moretonhampstead Primary School	391	152	10	146	699
Widecombe-in-the- Moor Primary School	213	101	1	121	436
Academy Trust	5,865	3,729	78	2,280	11,952

17 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	25,732	25,732
Current assets	31	1,004	187	1,222
Current liabilities	-	(1,511)	-	(1,511)
Pension scheme liability	-	(8,055)	-	(8,055)
Total net assets	31	(8,562)	25,919	17,388

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Analysis of net assets between funds (continued)

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	26,080	26,080
Current assets	42	558	61	661
Current liabilities	-	(849)	-	(849)
Pension scheme liability	-	(6,037)	-	(6,037)
Total net assets	42	(6,328)	26,141	19,855

18 Financial commitments

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £ 000	2018 £ 000
Amounts due within one year	185	185
Amounts due between one and five years	272	427
Amounts due after five years	38	68
	495	680

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

19 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2019 £ 000	2018 £ 000
Net expenditure	(1,064)	(1,353)
Depreciation	566	683
Capital grants from DfE and other capital income	(350)	(111)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	457	576
Defined benefit pension scheme finance cost	158	178
Decrease in stocks	6	22
(Increase)/decrease in debtors	(143)	83
Increase/(decrease) in creditors	312	(43)
Net cash (used in)/provided by Operating Activities	(59)	34

20 Cash flows from financing activities

	2019 £ 000	2018 £ 000
Cash inflow from new borrowings	350	-
Net cash provided by financing activities	350	-

21 Cash flows from investing activities

	2019 £ 000	2018 £ 000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(218)	(175)
Capital grants from DfE/ESFA	350	83
Capital funding received from sponsors and others	-	28
Net cash provided/(used in) by investing activities	133	(63)

22 Cash and cash equivalents

	2019 £ 000	2018 £ 000
Cash at bank and in hand	647	223
Total cash and cash equivalents	647	223

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Contingent Assets and Liabilities

Contingent Liabilities

The Academy Trust received a grant from the Football Federation in 2002 to fund their 3G sports pitch. Several conditions were attached to this grant which if breached could make the grant repayable. One of which is that the pitch should be maintained by the Trust and ensure that it is fit for purpose. If they do not replace the astroturf on the pitch by 31 July 2020 it is thought that the pitch will not be fit for purpose. The estimated cost of resurfacing the pitch is estimated to be in the region of £350,000. Failure to implement these repairs could result in the original grant funds of £535,000 being recalled by the Football Federation.

24 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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

25 Pension and similar obligations

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 Devon County Council. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £127,000 (2018 - £151,000) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £792,000 (2018: £964,000).

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

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £555,000 (2018 - £574,000), of which employer's contributions totalled £446,000 (2018 - £441,000) and employees' contributions totalled £109,000 (2018 - £133,000). The agreed contribution rates for future years are 15.4% plus a fixed annual contribution of £92,027 for employers and 5.5% to 12.5% for employees.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

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

On 27 June 2019 the Supreme Court upheld the Court of Appeal's ruling that government reform's made in 2015 to the pensions of judges and firefighters were unlawful on the grounds of age discrimination. This case has become known as the 'McCloud judgement' and the ruling will have wider implications for all public service schemes affected by the reforms. Accordingly, the valuation provided by the actuary at 31 August 2019 includes the expected impact of compensation payments arising from this judgement.

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.90	2.70

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

	2019	2018
Retiring today		
Males retiring today	22.50	23.50
Females retiring today	24.40	25.60
Retiring in 20 years		
Males retiring in 20 years	24.20	25.80
Females retiring in 20 years	26.20	28.00

Sensitivity analysis

	At 31 August 2019 £000	At 31 August 2018 £000
Discount rate +0.1%	14,661	12,127
Discount rate -0.1%	15,355	12,697
Mortality assumption – 1 year increase	15,576	12,835
Mortality assumption – 1 year decrease	14,453	11,997

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme were:

	2019 £ 000	2018 £ 000
Equities	4,275	3,910
Gilts	246	200
Alternative assets	364	326
Infrastructure	263	229
Other bonds	131	124
Property	606	576
Cash and other liquid assets	93	98
Other	971	909
Total market value of assets	6,949	6,372

The actual return on scheme assets was £290,000 (2018 - £363,000).

Amounts recognised in the statement of financial activities

	2019 £ 000	2018 £ 000
Current service cost	(903)	(1,017)
Interest income	173	151
Interest cost	(327)	(325)
Admin expenses	(4)	4
Total amount recognised in the SOFA	(1,061)	(1,187)

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

	2018/19 £ 000	2017/18 £ 000
At start of period	12,409	12,487
Current service cost	738	1,017
Interest cost	327	325
Employee contributions	109	133
Actuarial (gain)/loss	1,520	(1,422)
Benefits paid	(264)	(131)
Past service costs	165	-
At 31 August	15,004	12,409

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

25 Pension and similar obligations (continued)

Movements in the fair value of academy's share of scheme assets

	2018/19 £ 000	2018/17 £ 000
At start of period	6,372	5,570
Interest income	173	151
Actuarial gain/(loss)	117	212
Employer contributions	446	441
Employee contributions	109	133
Benefits paid	(264)	(131)
Effect of non-routine settlements	(4)	(4)
At 31 August	6,949	6,372
Net deficit	(8,055)	(6,037)

26 Related party transactions

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

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 10.

27 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the trust received £38,000 and disbursed £21,000 from the fund. An amount of £30,000 is included in other creditors relating to undistributed funds that is repayable to ESFA.

The Academy Trust also uses Chartwells who provide catering services to the Trusts' schools under an agency arrangement. In the accounting period ending 31 August 2019 the trust received £324,000 and disbursed £310,000 from the fund. An amount of £14,000 is included in deferred income relating to money owed to Chartwells.

28 Events after the end of the reporting period

The expectation is that the schools will be transferred to Westcountry Schools Trust and Link Academy Trust on 1 February 2020 following approval in principle by the Regional Schools Commissioner. No transfer agreements have yet been signed. Following a satisfactory outcome of the due diligence work being undertaken at present South Dartmoor Community College, The Atrium School, Ashburton Primary School and Buckfastleigh Primary School will transfer to Westcountry Schools Trust and Ilsington Church of England Primary School, Moretonhamstead Primary School and Widecombe-in-the-Moor Primary School will transfer to Link Academy Trust.