

South Dartmoor Academy

(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2020

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 (resigned 31 January 2020)
N Dunford (appointed 01 February 2020)
P Brown
G Cock, Chair
D Course
S Khan, Vice Chair
A Faulkner (resigned 17 September 2019)

Senior Management Team

A Barry, Chief Executive Officer (from 1 September 2019, resigned 31 January 2020)
K Dyke (South Dartmoor Community College), Interim Principal (from 1 September 2019)
S Morcumb (The Atrium Studio), Principal
T Docking (Ashburton Primary School), Primary Head Teacher
E Brown (Buckfastleigh Primary School), Primary Head Teacher (from 1 September 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
R Haring, Chief Executive Officer (from 1 February 2020)

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 Year ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law. The multi-academy trust comprised two secondary schools (South Dartmoor Community College and The Atrium Studio) and five primary schools (Ashburton Primary School, Buckfastleigh Primary School, Ilsington Church of England Primary School, Moretonhampstead Primary School and Widecombe-in-the-Moor Primary School). On 1 February 2020 South Dartmoor Community College, The Atrium Studio, Ashburton Primary School and Buckfastleigh Primary School were transferred to Westcountry Schools Trust and Ilsington Church of England Primary School, Moretonhampstead Primary School and Widecombe-in-the-Moor Primary School were transferred to Link Academy Trust.

The detailed information that follows relates to the trading period 1 September 2019 to 31 January 2020.

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.

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.

South Dartmoor Academy

Trustees' Report for the Year ended 31 August 2020 (continued)

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/she 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 Ilsington 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 the 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 (SMT).

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 SMT comprises the Chief Executive Officer (CEO), two Principals, a Primary Head of School (who sits across two schools), and three Primary Head Teachers. The SMT is supported by a Leadership Team (LT) at each of its academies. 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 (CFO) role was being covered by an interim external company during the maternity leave and subsequent departure in December 2019 of the appointed CFO. This role has the responsibility for the financial management across the Trust, alongside a team of staff who oversee premises management, catering provision, and personnel and legal services.

Interim CEO, Mrs A Barry, stayed in post until the schools in the Trust were re-brokered whereupon she resigned and was replaced by Mr R Haring, the CEO and Accounting Officer of Westcountry Schools Trust. At the same time Mrs N Dunford, CEO and Accounting Officer of the Link Academy Trust, was appointed a trustee.

South Dartmoor Academy

Trustees' Report for the Year ended 31 August 2020 (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. At the Autumn 2019 census there were 1,795 (2019: 2,200) pupils across the seven schools who are supported by over 230 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 the reporting period were to:

- Continue to raise the standards of educational achievement and attainment further.
- Ensure that Buckfastleigh Primary and South Dartmoor Community College specifically continue to make rapid improvement from their Ofsted inspections, and that all Trust schools in general increase their capacity for school improvement.
- Ensure there is strong leadership in every school within the Trust in particular supporting the new Primary Head at Buckfastleigh Primary and interim Principal at South Dartmoor.
- Reduce the Trust deficit prior to re-brokerage and to meet the requirements of the ESFA's Financial Notice To Improve (FNTI).
- Re-broker the seven schools into one or more Trusts to enable sustained school improvement under-pinned by financial security.

Public Benefit

The 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 2020 (continued)

Strategic Report

Achievements and performance

As a result of the financial difficulties incurred last year culminating in a FNTI from the ESFA and the disappointing previous Ofsted inspections at Buckfastleigh Primary and South Dartmoor Community College, the Trustees worked with the Regional Schools Commissioner to re-broker its seven schools to one or more Trusts who could offer greater and more rapid school improvement at the same time as providing financial and management support. Trusts wishing to partake in this re-brokerage exercise were invited to apply at the beginning of term. In November 2019, following discussions with Trustees and Local Governing Boards, the Regional Schools Commissioner chose to re-broker the two secondary schools and Ashburton and Buckfastleigh Primary Schools to Westcountry Schools Trust, with the other three primary schools joining the Link Academy Trust. This re-brokerage was effective from 1 February 2020.

During the five months prior to this re-brokerage the schools worked hard to continue operations as normal and drive school improvement lead by interim CEO, Mrs A Barry. A new Headteacher, Mr E Brown, started at Buckfastleigh on 1 September 2019 and an interim Principal, Mr K Dyke, was seconded from Westcountry Schools Trust to South Dartmoor Community College. No external examinations took place during the five month period against which the performance of the pupils could be benchmarked nationally. However, as soon as the re-brokerage partners were announced, the LT of each academy was able to begin their new school improvement journey with their respective incoming Trusts to ensure a seamless transition for students and staff on 1 February 2020.

Key Performance Indicators

The key performance indicators for the Trust are student performance and attainment levels which are monitored by the SMT, as well as Ofsted inspections and attendance. Financial performance is primarily monitored by adherence to the annual budget.

Going Concern

On 1 February 2020, South Dartmoor Academy transferred all outstanding contracts, assets and liabilities to Westcountry Schools Trust and Link Academy Trust following approval by the Regional Schools Commissioner. Further details are given in Note 26. Accordingly the Academy Trust's activities will cease as at 31 January 2020 and 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 January 2020 of £17,875,000 comprising £17,815,000 of restricted funds and £60,000 of unrestricted funds. A defined benefit pension reserve deficit of £7,537,000 is included in the restricted funds balance. All funds were transferred on 1 February 2020.

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 and Teachers' Pay and Pension grants, again from the Education Funding Agency. Funding for the CAIRB facility at South Dartmoor and Special Educational Needs across the schools 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.

South Dartmoor Academy

Trustees' Report for the Year ended 31 August 2020 (continued)

Strategic Report

Gaining financial security across the Trust has been an ongoing focus for the Board and reducing the Trust deficit also had to be addressed this accounting period due to falling pupil numbers. The Trustees were keen to ensure that the Trust minimised the deficit transferred to Westcountry Schools Trust on re-brokerage. Decisive action had already been taken last year with a significant restructuring process. It was therefore pleasing that the overall revenue deficit (i.e. excluding the restricted fixed asset funds and the restricted pension funds) reduced by £203,000 from £476,000 to £273,000 in the 5 months reporting period, reflecting the impact of this restructuring process with average headcount falling from 321 to 236. The Trust was able to repay a short term financial loan of £350,000 from the ESFA during the period and had cash at bank of £807,000 at 31 January 2020. This included some £180,000 of unspent capital funds transferable to the in-coming Trusts to contribute towards the costs of essential capital maintenance projects such as the boilers and the relaying of the 3G pitch at South Dartmoor Community College.

Capital expenditure was kept to a minimum during the period with £31,000 spent including £16,000 on computer equipment at the Atrium. With ESFA approval a small parcel of land was sold at South Dartmoor generating £15,000 of capital income. Depreciation for the 5 months totalled £249,000, meaning the net book of fixed assets transferred to Westcountry Schools Trust and the Link Academy Trust was £25,499,000.

Reserves policy

As stated above, the Trustees' reserves policy during the period was to minimise the reserves deficit transferable at re-brokerage. Following the transfer on 1 February, closing reserves were nil.

Investment Policy

No investments are held at 31 August 2020 and no investments have been entered into during the period.

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. The transfer of the schools to Westcountry Schools Trust and the Link Academy Trust should help mitigate some of this risk enabling a quicker school improvement recovery journey.

Financial instruments across the Trust 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 23.

Fundraising

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

South Dartmoor Academy

Trustees' Report for the Year ended 31 August 2020 (continued)

Strategic Report

Plans for Future Periods

On 1 February 2020 South Dartmoor Academy had no assets, liabilities or employees following their transfer to Westcountry Schools Trust and the Link Academy Trust. It will now commence a period of winding up with an aim to be closed as quickly as reasonably practical following the signature of these accounts.

Funds Held as Custodian Trustee on Behalf of Others

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

Engagement with employees (including disabled persons)

The Trust is committed to involve all employees in the performance and development of the Trust. Employees are encouraged to discuss with management matters of interest to the employee and subjects affecting the day to day operations of the Trust and its academies. The Trust also encourages staff involvement on the Local Governing Boards. Each 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.

Throughout the re-brokerage, 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.

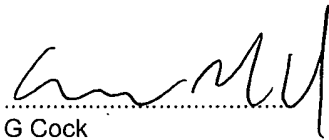
In accordance with its Equal Opportunities policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

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 Board of Trustees, as the company directors, on ~~9 November 2021~~ 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. She is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the period. Attendance at these meetings during the period was as follows:

Trustee	Meetings attended	Out of a possible
A Barry	5	5
P Brown	5	5
G Cock	5	5
D Course	5	5
S Khan	5	5

Governance reviews

South Dartmoor Academy appointed an experienced interim CEO, Mrs A Barry, who joined the Board of Trustees during the Summer 2019. She continued to provide support until the Trust was re-brokered whereupon she resigned. She was replaced from 1 February 2020 by Mr R Haring, the CEO and Accounting Officer of Westcountry Schools Trust.

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 period was as follows:

Trustee	Meetings attended	Out of a possible
A Barry	1	1
P Brown	1	1
G Cock	0	1
D Course	1	1
S Khan	1	1

Review of Value for Money

As Accounting Officer the CEO has responsibility for ensuring that the 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 continued to deliver improved value for money during the period by working alongside an experienced interim CFO to support meeting the requirements outlined in the ESFA's FNTI. This in turn has been reflected in the improved financial performance achieved by the Trust as outlined in the Financial Review section of the Strategic Report.

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 period ended 31 January 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. Following improvements made at the end of last academic year, the Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 January 2020 and up to the date of approval of the annual report and financial statements. This process including meeting the obligations of the FNTI is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- improvements made during the latter part of the 2018/19 academic year in relation to regular reviews by the Board of Trustees to indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial performance and regular reports to the ESFA in line with meeting the obligations of the FNTI;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- the delegation of authority and segregation of duties; and
- the identification and management of risks which are noted on the Trust's 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 period in question the review has been informed by:

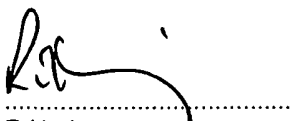
- the work of the Trust's interim CFO;
- the financial management and governance self-assessment process overseen by the Finance & HR Committee;
- the work of the external auditor; and
- the work of the executive management within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer at the point of approval of these financial statements was appointed to the role on 1 February 2020 and was not in post for the period of operation covered by this report. He has been advised of the results of the work set out above and matters arising are reflected in the Statement on Regularity, Propriety and Compliance.

Approved by order of the members of the Board of Trustees on 9 November 2021 and signed on its behalf by:



G Cock
Trustee



R Haring
Accounting Officer

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:

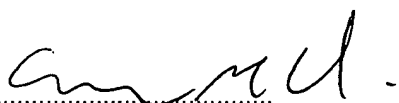
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [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 Trust Board on 9 November 2021 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 2020, 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2019, 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 were transferred to other Trusts on 1 February 2020 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 13], 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.

PKF Francis Clark

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

Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Date: 16 November 2021

South Dartmoor Academy

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Year ended 31/8/20 Total £000
Income and endowments from:					
Donations and capital grants	2	30	-	15	45
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	5	261	4,494	-	4,755
Other trading activities	3	78	11	-	89
Investments	4	-	-	-	-
Total		369	4,505	15	4,889
Expenditure on:					
<i>Charitable activities:</i>					
Transfer out	26	60	(7,870)	25,685	17,875
Academy trust educational operations	7	340	4,471	249	5,060
Net income/(expenditure)		(31)	7,904	(25,919)	(18,046)
Transfers between funds		-	-	-	-
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes	23	-	658	-	658
Net movement in funds/(deficit)		(31)	8,562	(25,919)	(17,388)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		31	(8,562)	25,919	17,388
Total funds/(deficit) carried forward at 31 August 2020		-	-	-	-

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	23	-	(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

(Registration number: 07561204)
Balance Sheet as at 31 August 2020

	Note	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Fixed assets			
Tangible assets	12	-	25,732
Current assets			
Debtors	13	-	575
Cash at bank and in hand		-	647
		-	1,222
Creditors: Amounts falling due within one year	14	-	(1,511)
Net current liabilities		-	(289)
Total assets less current liabilities		-	25,443
Net assets excluding pension liability		-	25,443
Defined benefit pension scheme liability	23	-	(8,055)
Net assets		-	17,388
Funds of the Academy:			
Restricted funds			
Restricted general fund	15	-	(507)
Restricted fixed asset fund	15	-	25,919
Restricted pension fund	15	-	(8,055)
		-	17,357
Unrestricted funds			
Unrestricted general fund	15	-	31
Total funds		-	17,388

The financial statements on pages 17 to 47 were approved by the Trustees, and authorised for issue

on 9th November 2021 and signed on their behalf by:


G Cock
Trustee

South Dartmoor Academy

Statement of Cash Flows for the Year ended 31 August 2020

		Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
	Note		
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	(296)	(59)
Cash flows from financing activities	19	(350)	350
Cash flows from investing activities	20	(1)	133
Change in cash and cash equivalents in the year		(647)	424
Cash and cash equivalents at 1 September		647	223
Cash and cash equivalents at 31 August	21	-	647

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020

1 Accounting policies

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

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 schools transferred to Westcountry Schools Trust and Link Academy Trust following approval by the Regional Schools Commissioner, on 1 February 2020. The existing Trust will be dissolved. As the Academy Trust's activities have ceased, the accounts have been prepared on the basis that it is no longer a going concern. The schools have been transferred at their carrying values by way of gift.

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 2020 (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 2020 (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 2020 (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 13. 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 14. 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.

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 2020 (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 2020 (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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 January 2020 which was transferred. 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 are disclosed in note 25.

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

2 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total Year ended 31 August 2020 £000	Total Year ended 31 August 2019 £000
Capital grants	-	-	8	8	350
Other donations	30	-	-	30	10
Donated fixed assets	-	-	7	7	-
	30	-	15	45	360

3 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total Year ended 31 August 2020 £000	Total Year ended 31 August 2019 £000
Hire of facilities	43	-	43	95
School shop sales	17	-	17	22
Recharges and reimbursements	-	-	-	22
Other income	18	11	29	251
	78	11	89	390

4 Investment income

	Unrestricted funds £000	Total Year ended 31 August 2020 £000	Total Year ended 31 August 2019 £000
Bank interest income	-	-	1

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total Year ended 31 August 2020 £000	Total Year ended 31 August 2019 £000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	3,842	3,842	9,436
Pupil Premium	-	179	179	400
Universal Infant Free School Meals Grant	-	35	35	97
PE and Sports Grant	-	36	36	86
Year 7 Catch Up Grant	-	-	-	11
Teachers' Pay Grant	-	199	199	85
Contribution to restructuring costs	-	-	-	136
Other DfE Group Grants	-	12	12	125
	-	4,303	4,303	10,376
Other government grants				
SEN/High Needs Income	-	160	160	176
Autism Grant	-	-	-	104
Local Area Partnership	-	6	6	10
Other Government Grants	-	3	3	113
Sports Academy Funding	-	-	-	-
	-	169	169	403
Non-government grants and other income				
Educational Trips	-	9	9	188
Catering Income	148	8	156	-
School Sports Partnership	100	-	100	327
Support Grant	-	-	-	24
Other income	13	5	18	-
	261	22	283	539
Total grants	261	4,494	4,755	11,318

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

6 Expenditure

	Non Pay Expenditure			Total Year ended 31 August 2020 £000	Total Year ended 31 August 2019 £000
	Staff costs £000	Premises £000	Other costs £000		
Academy's educational operations					
Direct costs	3,140	-	379	3,519	6,339
Allocated support costs	480	508	553	1,541	6,794
	<u>3,620</u>	<u>508</u>	<u>932</u>	<u>5,060</u>	<u>13,133</u>

Net income/(expenditure) for the year includes:

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Operating leases - other leases	(76)	(185)
Depreciation	(249)	(566)
Fees payable to auditor - audit	(19)	(8)
Fees payable to auditor - other audit services	<u>(3)</u>	<u>(9)</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

7 Charitable activities

	Total Year ended 31 August 2020 £000	Total Year ended 31 August 2019 £000
Direct costs - educational operations	3,519	6,339
Support costs - educational operations	1,541	6,794
	<u>5,060</u>	<u>13,133</u>

	Educational operations £000	Total Year ended 31 August 2020 £000	Total Year ended 31 August 2019 £ 00
Analysis of support costs			
Support staff costs	480	480	4,094
Depreciation	249	249	566
Premises costs	259	259	596
Other support costs	464	464	1,518
Governance costs	89	89	20
Total support costs	<u>1,541</u>	<u>1,541</u>	<u>6,794</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

8 Staff

Staff costs

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Staff costs during the year were:		
Wages and salaries	2,509	7,041
Social security costs	218	618
Operating costs of defined benefit pension schemes	735	1,718
	<u>3,462</u>	<u>9,377</u>
Supply teacher costs	149	93
Staff restructuring costs	9	489
	<u>3,620</u>	<u>9,959</u>

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Staff restructuring costs comprise:		
Redundancy payments	9	489
Severance payments	-	-
	<u>9</u>	<u>489</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2019: £Nil).

Staff numbers

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

	Year ended 31 August 2020 No	Year ended 31 August 2019 No
Charitable Activities		
Teachers	108	179
Administration and support	113	128
Management	15	14
	<u>236</u>	<u>321</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

8 Staff (continued)

Higher paid staff

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

	Year ended 31 August 2020	Year ended 31 August 2019
	No	No
£60,001 - £70,000	-	-
£70,001 - £80,000	-	1
£80,001 - £90,000	-	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 £206,009 (2019: £515,970).

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:

R Shaw (Principal (Resigned 31 August 2019)):

Remuneration: £-Nil (2019 - £85,000-£90,000)

Employer's pension contributions: £-Nil (2019 - £10,000 - £15,000)

A Barry (CEO (Resigned 31 January 2020))

Remuneration: £60,000- £65,000 (2019 - £Nil)

Employer's pension contributions: £-Nil (2019 - £Nil)

During the year ended 31 August 2020, travel and subsistence expenses totalling £Nil (2019 - £Nil) were reimbursed or paid directly to Trustees (2019 - None).

Other related party transactions involving the Trustees are set out in note 24.

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (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 £ 00	Total £000
Cost						
At 1 September 2019	21,345	7,702	3,309	22	1,152	33,530
Additions	6	-	8	-	17	31
Disposals	(15)	-	-	-	-	(15)
Transfer out	(21,336)	(7,702)	(3,317)	(22)	(1,169)	(33,546)
At 31 August 2020	-	-	-	-	-	-
Depreciation						
At 1 September 2019	2,830	774	3,055	22	1,117	7,798
Charge for the period	158	50	26	-	15	249
Transfer out	(2,988)	(824)	(3,081)	(22)	(1,132)	(8,047)
At 31 August 2020	-	-	-	-	-	-
Net book value						
At 31 August 2020	-	-	-	-	-	-
At 31 August 2019	18,515	6,928	254	-	35	25,732

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

13 Debtors

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Trade debtors	-	22
Prepayments	-	177
Accrued grant and other income	-	245
VAT recoverable	-	126
Other debtors	-	5
	<hr/>	<hr/>
	-	575

14 Creditors: amounts falling due within one year

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Loans	-	350
Trade creditors	-	323
Other taxation and social security	-	157
Pension scheme creditor	-	127
Accruals	-	366
Deferred income	-	188
	<hr/>	<hr/>
	-	1,511

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Deferred income		
Deferred income at 1 September 2019	188	187
Resources deferred in the period	433	188
Amounts released	(621)	(187)
Deferred income at 31 August 2020	<hr/>	<hr/>
	-	188

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

15 Funds

	Balance at 1 September 2019 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	Balance at 31 August 2020 £000
Restricted general funds					
GAG	(709)	3,842	(3,666)	533	-
Pupil premium	-	179	(154)	(25)	-
LEA and other grants	42	6	(3)	(45)	-
Other DfE/ESFA grants	32	282	(294)	(20)	-
Voluntary income	-	9	(9)	-	-
Other restricted general funds	128	187	(205)	(110)	-
	(507)	4,505	(4,331)	333	-
Restricted fixed asset funds					
Fixed assets transferred on conversion	17,544	-	(141)	(17,403)	-
DfE/ESFA Capital grants	4,944	8	(76)	(4,876)	-
Capital funds on conversion	3,307	-	(26)	(3,281)	-
Capital Expenditure from GAG	71	-	(2)	(69)	-
Widecombe Capital Funds	7	-	(1)	(6)	-
Golf course donation	29	-	(1)	(28)	-
Donated assets	7	-	(2)	(5)	-
Other capital grants	10	7	-	(17)	-
	25,919	15	(249)	(25,685)	-
Restricted pension funds					
Pension reserve	(8,055)	-	(140)	8,195	-
Total restricted funds	17,357	4,520	(4,720)	(17,157)	-
Unrestricted funds					
Unrestricted general funds	31	369	(340)	(60)	-
Total funds	17,388	4,889	(5,060)	(17,217)	-

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

15 Funds (continued)

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

	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
	(291)	11,110	(11,732)	406	(507)
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
	26,141	350	(577)	5	25,919
Restricted pension funds					
Pension reserve	(6,037)	-	(615)	(1,403)	(8,055)
Total restricted funds	19,813	11,460	(12,924)	(992)	17,357
Unrestricted funds					
Unrestricted general funds	42	609	(209)	(411)	31
Total funds	19,855	12,069	(13,133)	(1,403)	17,388

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

15 Funds (continued)

All funds were transferred on 1 February 2020. Prior to this, the specific purposes for which the funds are to be applied were 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 £179,000 is 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 £35,000, Sports Grant funding of £36,000 which has been used for the purpose of further developing Physical Education for the benefit of our students and Teachers Pay Grant of £52,000 and Teachers Pension Grant of £147,000 which has been used to bring teachers' pay up to current scale.

LA Grants - Special Educational Needs and Disabilities funding of £160,000 has been received from the Local Authority and spent for the purpose of further supporting our young students where required.

Voluntary Income - This has been received and used during the period out of school educational visits.

Other General Funds - This comprises other contributions.

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 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 2020 (continued)

15 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
South Dartmoor Community College	-	(1,156)
Ashburton Primary School	-	139
Atrium Studio School	-	24
Buckfastleigh Primary School	-	185
Ilstington C of E Primary School	-	81
Moretonhampstead Primary School	-	239
Widcombe-in-the-Moor Primary School	-	12
Total before fixed assets and pension reserve	-	(476)
Fixed asset funds	-	25,919
Pension reserve	-	(8,055)
Total	-	17,388

Following a Financial Notice to Improve the Trust has decreased the deficit brought forward by £203,000. The deficit has been transferred to Westcountry Schools Trust as part of the rebrokerage agreement and will be addressed in the context of that Trust's financial plans.

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

15 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	Year to August 2020 £000	Year to August 2019 £000
South Dartmoor Community College	1,796	400	29	731	2,956	7,393
Ashburton Primary School	265	15	3	69	352	1,019
Atrium Studio School	194	20	9	102	325	913
Buckfastleigh Primary School	275	8	2	83	368	1,009
Ilstington C of E Primary School	128	19	1	33	181	483
Moretonhampstead Primary School	229	10	2	83	324	699
Widcombe-in-the- Moor Primary School	113	8	2	42	165	436
Academy Trust	3,000	480	48	1,143	4,671	11,952

16 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets	-	-	-	-
Current assets	-	-	-	-
Current liabilities	-	-	-	-
Pension scheme liability	-	-	-	-
Total net assets	-	-	-	-

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

16 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	-	-	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

17 Financial commitments

Operating leases

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

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Amounts due within one year	-	185
Amounts due between one and five years	-	272
Amounts due after five years	-	38
	-	495

All obligations were transferred on 1 February 2020.

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

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

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Net expenditure	(18,046)	(1,064)
Depreciation	249	566
Capital grants from DfE and other capital income	(15)	(350)
Net assets transferred to successor trusts	17,875	-
Cash transferred to successor trusts	(807)	-
Interest receivable	-	(1)
Defined benefit pension scheme cost less contributions payable	77	457
Defined benefit pension scheme finance cost	63	158
Decrease in stocks	-	6
(Increase)/decrease in debtors pre transfer	(29)	(143)
Increase/(decrease) in creditors pre transfer	337	312
Net cash provided by/(used in) operating activities	(296)	(59)

19 Cash flows from financing activities

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Cash inflow from new borrowings	-	350
Repayment of borrowings	(350)	-
Net cash (used in)/provided by financing activities	(350)	350

20 Cash flows from investing activities

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Dividends, interest and rents from investments	-	1
Proceeds from sale of tangible fixed assets	15	-
Purchase of tangible fixed assets	(31)	(218)
Capital grants from DfE	8	350
Capital funding received from sponsors and others	7	-
Net cash (used in)/provided by investing activities	(1)	133

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

21 Cash and cash equivalents

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Cash at bank and in hand	-	647
Total cash and cash equivalents	-	647

22 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.

23 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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £nil (2019 - £127,000) were payable to the schemes at 31 August 2020.

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 2020 (continued)

23 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £414,000 (2019: £792,000).

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 period ended 31 January 2020 was £232,000 (2019 - £555,000), of which employer's contributions totalled £197,000 (2019 - £446,000) and employees' contributions totalled £35,000 (2019 - £109,000). 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 2020 (continued)

23 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 January 2020 includes the expected impact of compensation payments arising from this judgement.

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.20	3.70
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	1.75	1.90

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

	2020	2019
Retiring today		
Males retiring today	22.90	22.50
Females retiring today	24.00	24.40
Retiring in 20 years		
Males retiring in 20 years	24.30	24.20
Females retiring in 20 years	25.50	26.20

Sensitivity analysis

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Discount rate +0.1%	14,124	14,661
Discount rate -0.1%	14,829	15,355
Mortality assumption – 1 year increase	15,006	15,576
Mortality assumption – 1 year decrease	13,957	14,453

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

23 Pension and similar obligations (continued)

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

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Equities	-	4,275
Gilts	-	246
Alternative assets	-	364
Infrastructure	-	263
Other bonds	-	131
Property	-	606
Cash and other liquid assets	-	93
Other	-	971
Total market value of assets	-	6,949

The actual return on scheme assets was £156,000 (2019 - £290,000).

Amounts recognised in the statement of financial activities

	Year ended 31 August 2020 £000	Year ended 31 August 2019 £000
Current service cost	(274)	(903)
Interest income	53	173
Interest cost	(114)	(327)
Admin expenses	(2)	(4)
Total amount recognised in the SOFA	(337)	(1,061)

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

	2019/20 £000	2018/19 £000
At start of period	15,004	12,409
Current service cost	274	738
Interest cost	114	327
Employee contributions	35	109
Actuarial (gain)/loss	(773)	1,520
Benefits paid	(182)	(264)
Past service costs	-	165
At 31 January	14,472	15,004
Transferred out	(14,472)	-
At 31 August	-	15,004

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

23 Pension and similar obligations (continued)

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

	2019/20 £000	2018/19 £000
At start of period	6,949	6,372
Interest income	53	173
Actuarial gain/(loss)	(115)	117
Employer contributions	197	446
Employee contributions	35	109
Benefits paid	(182)	(264)
Effect of non-routine settlements	(2)	(4)
At 31 January	6,935	6,949
Transferred out	(6,935)	-
At 31 August	-	6949
Net deficit	-	(8,055)

24 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.

25 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 January 2020 the trust received £17,000 and disbursed £10,000 from the fund. The balance was transferred to successor trusts.

26 Transfer out on academies leaving the academy trust

On 1 February 2020 three schools were transferred to Link Academy Trust. These schools were Ilsington C of E Primary School, Moretonhampstead Primary School and Widecombe-in-the-Moor Primary.

On 1 February 2020 four schools were transferred to Westcountry Schools Trust. These schools were: Ashburton Primary School, Atrium Studio School, Buckfastleigh Primary School and South Dartmoor Community College.

South Dartmoor Academy Trust is now dormant.

South Dartmoor Academy

Notes to the Financial Statements for the Year ended 31 August 2020 (continued)

	Transfer out on academies to Link Academy Trust £000	Transfer out on academies to Westcountry Schools Trust £000	Total £000
Freehold land and buildings	-	18,332	18,332
Leasehold land and buildings	4,135	2,759	6,894
Furniture and equipment	5	231	236
Computer equipment	10	27	37
Current assets	82	1,329	1,411
Creditors	(37)	(1,461)	(1,498)
LGPS pension deficit	(592)	(6,945)	(7,537)
Net assets/(liabilities)	3,603	14,272	17,875