

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021



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

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**DIOCESE OF SALISBURY ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Salisbury Diocesan Board of Education Bishop Karen Gorham Anthony MacRow-Wood Joy Tubbs David Pain Graham Exon
Trustees	Timothy Balmforth (resigned 6 July 2021) Graham Exon, Chair Philippa Hill (resigned 31 December 2020) Patrick Jarman Mark Lacey John Grinstead (appointed 8 December 2020) Anne Millin Giles Pugh Rosemary Tong Joy Tubbs Joanne Wright (resigned 28 June 2021) David Noble (appointed 8 December 2020) Elizabeth Weavers (appointed 14 October 2021)
Company registered number	08656655
Company name	Diocese of Salisbury Academy Trust
Principal and registered office	The Diocesan Education Centre The Avenue Wilton SP2 0FG
Company secretary	Nicola Summerill
Accounting Officer	Mark Lacey
Senior management	Mark Lacey, Chief Executive Officer Daniel Parker, Finance Director Jo Hicks, Director of Education Nicki Summerill, Business Support Administrator
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER

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

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

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

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

The Trust operates 22 primary academies in the Diocese of Salisbury, across Wiltshire and Dorset. Its academies have a combined pupil capacity of 5,051 and had a roll of 3,852 in the school census for October 2021.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

Details of the Trustees who served throughout the year, and to the date the accounts are approved are included in the Reference and Administration 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

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

Method of recruitment and appointment or election of Trustees

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

- The Members shall appoint up to 3 Trustees
- The Diocesan Board of Education shall appoint Trustees, to ensure that the total number of Trustees appointed be a majority of the total number of Trustees
- The total number of staff including the Chief Executive Officer shall not exceed one third of the total number of Trustees

Policies and Procedures adopted for the Induction and Training of Trustees

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

Organisational Structure

The Board of Trustees normally meets six times per year. The Board establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board may, from time to time, establish working groups to perform specific tasks over a limited timescale.

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

There are four committees as follows:

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

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

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

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

The Academy Trust comprises 22 primary schools. Each school has its own local governance group known as an Academy Standards and Ethos Committee (ASEC). Again, their responsibilities are outlined in the Scheme of Delegation. The Chairs of Governors meet regularly with the Chair of the Trust Board.

The CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior leadership team are the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

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

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings. The Trustees benchmark against pay levels in other Trusts. They do so in conjunction with their HR provider. Staff are paid according to an agreed range and progression is judged annually based on a rigorous programme of performance management.

Trade union facility time

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

**DIOCESE OF SALISBURY ACADEMY TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Related Parties and other Connected Charities and Organisations

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

Engagement with employees (including disabled persons)

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

- Consulting with employees on key matters, including engaging the relevant union officials;
- Regular staff surveys in relation to wellness and the workings of the school/Trust;
- Regular updates to all staff members, via email bulletins, including covering both financial and non-financial performance;
- A staff benefits package available through the Trust website;
- On-going collaborative professional learning activities;
- Joint INSET activity where possible;
- The DSAT Wellness Group; and
- Frequent visits to schools by all members of the executive team.

The Trust welcomes applications for employment from disabled persons; the treatment of employees who become disabled and the training, career development and promotion of disabled persons are of paramount importance to us as a diocesan Trust. Our recruitment materials all include a clear statement of intent with regard to matters of equality.

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

- To advance for the public benefit education in the United Kingdom, specifically to, but without prejudice, the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum, and which shall include:
 - Church of England academies designated as such which shall be conducted in accordance with the principles, practices, and tenets of the Church of England both generally and specifically in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of Education; and
 - other Academies with or without a designated religious character
 - but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

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

The Trust vision statement is:

'Beyond expectations for all of God's children'

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

Children at the heart of all we do

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

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

Faithfulness to our Christian tradition

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

Striving for excellence

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

Collaboration

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

Celebrating success

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

Objectives, Strategies and Activities

Strategic Priorities

1. For every child to attend an excellent, deeply Christian school, which serves the common good of all in our communities
2. To inspire our children with an ambitious curriculum that enables them all to find their place in, and make a difference to the world
3. For leaders and staff at every level to thrive personally, professionally and spiritually
4. To make effective use of resources, such that our academies flourish

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

Public Benefit

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

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

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

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

- Marden Vale was removed from special measures in June 2021 and now requires improvement;
- No other full inspections were undertaken due to the pandemic. Beaminster St Mary's had a successful monitoring inspection;
- SIAMS inspections have also been suspended for the duration of this year;
- The Trust has provided school improvement support to three other schools during the current period;
- Four First Schools joined the Trust in January 2021, forming the Priory Hub. This, along with continued growth in pupil numbers at St Peter's, means that the Trust is now around 4,000 pupils, inclusive of nursery pupils;
- Statutory assessment did not take place in 2021 as a result of Covid-19. We are therefore reliant on teacher assessment data;
- Y2 children took the Y1 phonics screening check in Autumn 2020, rather than in the Summer. Over 81% of pupils achieved the expected standard which is in line with the national figure of 82% from the previous year. This was an increase of 2% for the Trust from the previous year;
- The Trust average for children achieving the Good Level of Development at Foundation Stage in 2021 was 61%. This is 12% down on the previous year as pupils have suffered significantly from being out of school during the pandemic;
- Teacher assessment in Reading, Writing and Maths at Key Stage 1 showed attainment in reading was 3% below national (2019) at 72%, writing 2% below national (2019) at 67%, maths 3% below national (2019) at 73%. Outcomes at the end of Key Stage 1 have improved in reading and writing compared to the end of 2020. Outcomes in maths have stayed the same;
- Teacher assessment at Key Stage 2 showed a decline in standards from 2020 with a combined attainment in reading, writing and maths of 60%. Had all schools met their targets for 2021, outcomes would have been above the national average of 65% (2019). A small number of our academies did not meet their targets in 2021, having been particularly hard hit in the pandemic;
- At Key Stage 2, reading attainment at age-related expectations (ARE+) is 5% above the national average (5% below in 2020);
- Writing attainment at ARE+ is 11% below the national average (5% below in 2020). Writing has been the aspect of learning most impacted during remote learning and the aspect where children were least likely to produce work that would be of the standard normally seen in school;
- Maths attainment at ARE+ is 8% below the national average (9% below in 2020);
- Writing attainment at Greater Depth Standard is 14% (19% in 2020);
- Gaps were closing steadily for disadvantaged children, but this has been significantly challenged because of Covid-19. The current attainment gap is 20%. This is a return to the attainment gap in 2019;
- The quality of teaching and learning across the Trust continues to improve through the work of senior leaders and the improvement team, as well as the work of our Trust Lead Teachers;
- The development of a comprehensive Collaborative Professional Learning (CPL) programme has made a significant difference to the development of teaching, learning and curriculum;
- The Trust Board has reviewed its pattern of meetings and its effectiveness, making improvements for the 2021-22 academic year;
- The Trust has received its first School Condition Allocation (SCA) grant, which is being utilised for necessary improvements across its schools;
- The Academy Improvement Team has worked effectively throughout the pandemic to support schools and to continue the journey of improvement, including undertaking significant curriculum development work. The work of this team is now being enhanced by the input of Headteachers, Trust Lead Teachers and other practitioners as required, significantly expanding capacity across the Trust;
- The Trust successfully utilised its Trust Capacity Fund (TCAF) grant to bring about enhancements in our provision;
- The Trust has appointed a Head of Governance for the first time, from September 2021;
- The Trust has successfully appointed to its Headteacher vacancies this year and is utilising new models of leadership as appropriate;

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

- The Trust has built new relationships with Teaching School Hubs and TeachFirst, along with other providers, looking to secure high quality recruitment and retention into our schools, and the growth of an increasingly skilled workforce; and
- Future financial planning is strong across the Trust.

Key Performance Indicators

Key Performance Indicators – Strategic Plan

Schools

1. All schools are evaluated as being at least good (Category A/B) within 24 months' of joining the Trust, evidenced in time by both OFSTED and SIAMS
See below under Priority 1 for detail here

Pupils

2. Aggregate outcomes are in line with national averages, with gaps closing for disadvantaged pupils
3. Attendance and exclusion rates are in line with averages

These indicators have been distorted due to Covid-19 – see above under Achievement and Performance for the best available data

Staff

4. Absence rates reduce year-on-year and staff levels of satisfaction increase
5. Leaders grow from within the Trust – all staff have opportunities to progress

There is clear evidence of staff absence rates decreasing and regular surveys demonstrate higher levels of staff satisfaction

There is evidence of a number of leaders growing within the Trust and functioning across hubs and schools – clearer progression pathways are now in place

Resources

6. The Trust maintains a healthy financial position in line with the Reserves Policy

See below for further details

In relation to our Strategic Plan, the following achievements have been identified in addition to the above:

Priority 1:

Academy Improvement

The place of our Christian vision and ethos has become all the more important through the challenges of the year. Our collective worship has sustained and strengthened us and our Trust Improvement Model is now embedded and having an impact on progress. We have continued our improvement journey throughout the pandemic.

Priority 2: Curriculum

Curriculum development work has proceeded. Our curriculum has been taken into remote learning and is now focused back in school. Trust-wide provision is in place and being rolled out in all schools. Subject leaders share expertise across the Trust. Pupils' well-being has been targeted. IT provision has been extended through devices, infrastructure and curriculum.

Priority 3: Collaborative Professional Learning

The Wellness Steering Group is raising the profile of well-being. Supervision is in place to support pastoral roles. Clear Career Pathways are established and there has been transformational change in our approach to CPL at all levels. Governor development has also improved, and a new Scheme of Delegation is in place.

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

Priority 4: Resources

A greater shared understanding of finance and resources. Continued to review and improve procedures with external input. Four new schools were incorporated. More efficient ways of working have been established. A revised growth strategy is in place and more effective systems are operational. The Trust remains in a financially secure position.

Financial KPIs (Key Performance Indicators)

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £329,463 was carried forward, with unrestricted reserves carry forward of £1,141,983.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2021 were 3,852, an increase of 369 compared to 2020. It is anticipated that this number will continue to rise.

Going Concern

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

FINANCIAL REVIEW

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

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

During the year ended 31 August 2021, the Trust received total income of £22,095,205 and incurred total expenditure of £22,852,098 excluding the restricted fixed asset fund and cost of inherited pension deficit. The excess of expenditure over income for the year was £756,893 however this includes pension charges and therefore the underlying operational performance for the year is shown in the following table:

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

Revenue funds	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Total £
Revenue income as reported	1,009,622	19,745,583	20,755,205	17,759,340
Deduct CIF income	-	(17,888)	(17,888)	(258,938)
Deduct income for government funded school expansion	-	-	-	(1,320,821)
Deduct donation for existing academies joining the Trust	(219,606)	-	(219,606)	(540,945)
Add pension deficit for academies joining the Trust	-	1,340,000	1,340,000	1,992,000
Operating revenue income	790,016	21,067,695	21,857,711	17,630,636
Revenue expenditure as reported	969,193	21,882,905	22,864,085	20,329,770
Add back LGPS Pension 'costs'	-	(1,544,000)	(1,544,000)	(1,100,000)
Add back start up grant expenditure	-	(49,260)	(49,260)	(16,724)
Add back CIF expenditure	-	(92,683)	(92,683)	(257,995)
Add back expenditure for government funded school expansion	-	-	-	(1,320,821)
Operating revenue expenditure	969,193	20,196,962	21,166,155	17,634,230
Operating revenue surplus/(deficit)	(179,177)	870,733	691,556	(3,594)

As at 31 August 2021, the net book value of fixed assets was £4,447,716 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 19 to the financial statements. 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.

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

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

Reserves Policy

The Trust updated its Reserves Policy in December 2021.

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

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

The Trustees have determined that the appropriate level of free reserves should be approximately equivalent to one month of operating expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the Trust amount to £6,346,054 (excluding the pension reserve), although £4,862,621 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £1,483,433 (representing unrestricted funds and GAG restricted funds) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents less than 1 month of normal recurring expenditure, below the stated policy, but the Trust is working towards this target.

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

Investment Policy

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

The principal risks and uncertainties facing the Academy Trust are as follows:

COVID-19 - the Academy Trust is continuing to provide full-time education to its pupils, whilst managing the various risks associated with the pandemic. It has mitigated risks by following government guidelines and health and safety advice, whilst being creative with its use of time and resources. The return to more usual practices has been fully risk assessed for September 2021. The Trust has sought legal advice when needed to ensure that it carries out its duties appropriately. There were additional Board meetings held during the year to ensure trustees were regularly informed of risk assessments and decisions in relation to wider school opening, as well as guiding the executive team in providing direction and support to staff at this challenging time. Some schools have faced more challenging situations than others in managing the pandemic and it will take time to recover academically, financially, and emotionally. The Trust is seeking to mitigate risk by directing its resources to the areas of greatest need.

Financial - DSAT has considerable reliance on continued Government funding through the ESFA. In the last year 98% of the Academy Trust's incoming resources were Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

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

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

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

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

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

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

The Trust has agreed a Risk Register with associated actions to mitigate against those risks. These have been discussed by Trustees and include the financial risks to the Academy Trust. The register and plan are regularly reviewed considering latest information and formally reviewed annually.

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

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

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

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

The Board of Trustees recognises that the defined benefit pension scheme (Local Government Pension Scheme) has a deficit balance, as set out in Note 25 to the financial statements. 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.

FUNDRAISING

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

PLANS FOR FUTURE PERIODS

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

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

The Academy Trust will seek to sponsor additional schools and allow voluntary converters to join the Academy Trust from both the primary and secondary sectors, in line with its growth strategy.

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

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.

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

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 7 December 2021 and signed on the Board's behalf by:



Graham Exon
Chair of Trustees

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

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

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Graham Exon	6	6
Joy Tubbs	4	6
Tim Balmforth	6	6
John Grinstead	4	4
Patrick Jarman	6	6
Rosemary Tong	6	6
Joanne Wright	0	6
Giles Pugh	6	6
Philippa Hill	1	2
Mark Lacey	6	6
Anne Millin	6	6
David Noble	4	4

The Trust Board membership has remained largely consistent during the year. Anne Millin has returned from her sabbatical as Chair of Governors in one of the Trust's schools. Philippa Hill stepped down as a Trustee on 31 December 2020. Tim Balmforth and Joanne Wright have left at the end of the year. David Noble and John Grinstead have joined the Trust during this year and Lizzie Weavers becomes a Trustee from 14 October 2021.

The Trust Board has continued to review its practice and is now working much more effectively through its committee structure. The full Trust Board will meet four times rather than six during 2021-22 as a result of these improved ways of working.

The Trust has also completed a thorough review of its Scheme of Delegation. This has led to changes in local governance and the establishing of Academy Standards and Ethos Committees at school level, rather than Local Governing Boards. The Trust is also now working to launch Hub Committees across the entire Trust in Autumn 2021, following the pilot of this in the Forum Hub. The revised Scheme of Delegation is available on the Trust's website.

The Trust Board is continuing to improve its data and information systems and receives increasingly timely reports from officers. It has strong relationships with advisors for safeguarding and health and safety, enabling it to fulfil its responsibilities in this regard.

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

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

The year has been dominated by the response to the Covid-19 pandemic but equally the Trust Board has ensured an on-going focus on curriculum development, staff professional learning and well-being. The Board has continued to exercise its responsibilities thoroughly during this time and supported the excellent work of its executive team and Headteachers whilst difficult decisions and plans have had to be made.

The Trust will be continuing to self-review its work over the course of the next academic year and is actively taking part in a peer review programme with two other Trusts.

The Trust Board has met fully six times during the year and has held some additional update meetings in the relation to the pandemic, and strategic meetings to consider its future plans. It operates much of its business through a series of committees, namely the Standards and Ethos Committee, the Resources Committee, the Audit Committee and the Remuneration Committee. These committees generally meet three times per year.

The Standards and Ethos Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor educational outcomes and ensure that the vision and ethos of the Trust is lived out in its academies.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Anne Millin	3	3
Rosemary Tong	3	3
Tim Balmforth	1	3
Philippa Hill	1	1
David Noble	1	1

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure suitable allocation of financial and human resources across the Trust, including capital allocations.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Patrick Jarman	3	3
John Grinstead	2	2
Giles Pugh	3	3

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to review outcomes of internal and external audits, monitoring the implementation of recommendations and managing the risk register of the Trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Giles Pugh	3	3
Patrick Jarman	3	3
Graham Exon	3	3

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

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

The Remuneration Committee is a sub-committee of the main Board of Trustees. Its purpose is to make decisions about the remuneration of senior executives and Headteachers within the Trust, as well as to monitor the implementation of the pay policy across the wider Trust.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Joanne Wright	1	2
Graham Exon	2	2
Anne Millin	2	2
Patrick Jarman	2	2

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management;
- Value for money purchasing;
- Reviewing controls and managing risk;
- Considering allocation of resources;
- Not allocating time/resources to areas where few improvements can be achieved;
- Making comparisons with similar academies using data provided by the ESFA and the Government;
- Challenging proposals and examining their effectiveness and efficiency;
- Deploying staff effectively;
- Reviewing quality of curriculum provision and quality of teaching;
- Reviewing quality of children's learning to enable children to achieve nationally expected progress; and
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

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

CAPACITY TO HANDLE RISK

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

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

THE RISK AND CONTROL FRAMEWORK

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, building works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (assets purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks;

The Board of Trustees has considered the need for a specific internal audit function and decided to appoint Griffin Accountancy to undertake internal audit work due to regulatory changes which prevent the same firm performing both internal and external audit services from September 2020 onwards.

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

- purchasing processes;
- financial monitoring and budgeting systems;
- pupil number returns; and
- due diligence work for prospective schools joining Trust.

On a termly basis, the auditor reports to the Board of Trustees, through the Audit Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

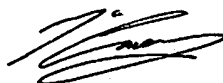
- the work of the executive leadership team within DSAT who have responsibility for the development and maintenance of the internal control framework;
- the work of the internal auditor;
- the work of the external auditor;
- the work of external health & safety and safeguarding consultants; and
- OFSTED inspection findings.

The Accounting Officer is aware of the outcomes of internal audit and other reviews, always ensuring that plans are put in place and delivered, to address weaknesses and ensure continuous improvement of the system. There have been no material weaknesses identified but the Trust has taken steps to enhance a number of its processes.

Approved by order of the members of the Board of Trustees on 7 December 2021 and signed on its behalf by:



Graham Exon
Chair of Trustees



Mark Lacey
Accounting Officer

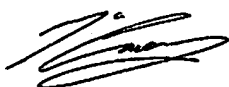
**DIOCESE OF SALISBURY ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mark Lacey
Accounting Officer
Date: 7th December 2021

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

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

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

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

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

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



Graham Exon
Chair of Trustees

Date: 7th December 2021

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

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

OPINION

We have audited the financial statements of Diocese of Salisbury Academy Trust (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

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

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

Our procedures to respond to risks identified included the following:

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

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

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

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

USE OF OUR REPORT

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



Simon Morrison FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 14/12/2021

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

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

In accordance with the terms of our engagement letter dated 19 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diocese of Salisbury Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Diocese of Salisbury Academy Trust's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

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

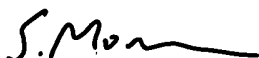
We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

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

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

CONCLUSION

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



Simon Morrison FCA (Reporting Accountant)
Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 14/12/2021

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

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

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	290,065	(813,822)	157,489	(366,268)	(895,410)
Other trading activities		200,913	-	-	200,913	161,815
Investments	7	642	-	-	642	2,835
Charitable activities	4	518,002	20,559,405	412,466	21,489,873	18,554,155
Total income		1,009,622	19,745,583	569,955	21,325,160	17,823,395
Expenditure on:						
Charitable activities		969,193	21,882,905	463,109	23,315,207	20,519,796
Total expenditure		969,193	21,882,905	463,109	23,315,207	20,519,796
NET INCOME/ (EXPENDITURE)		40,429	(2,137,322)	106,846	(1,990,047)	(2,696,401)
Transfers between funds	19	-	(374,414)	374,414	-	-
Net movement in funds before other recognised gains/(losses)		40,429	(2,511,736)	481,260	(1,990,047)	(2,696,401)
Actuarial losses on defined benefit pension schemes	25	-	(2,245,000)	-	(2,245,000)	(1,312,000)
Net movement in funds		40,429	(4,756,736)	481,260	(4,235,047)	(4,008,401)
Reconciliation of funds:						
Total funds brought forward		1,101,554	(11,245,040)	4,125,587	(6,017,899)	(2,009,498)
Net movement in funds		40,429	(4,756,736)	481,260	(4,235,047)	(4,008,401)
Total funds carried forward		1,141,983	(16,001,776)	4,606,847	(10,252,946)	(6,017,899)

The notes on pages 30 to 63 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	4,447,716	4,174,434
		<u>4,447,716</u>	<u>4,174,434</u>
Current assets			
Debtors	16	715,588	1,454,528
Cash at bank and in hand		2,372,414	1,747,433
		<u>3,088,002</u>	<u>3,201,961</u>
Creditors: amounts falling due within one year	17	(1,189,664)	(1,924,294)
Net current assets		<u>1,898,338</u>	<u>1,277,667</u>
Total assets less current liabilities		<u>6,346,054</u>	<u>5,452,101</u>
Defined benefit pension scheme liability	25	(16,599,000)	(11,470,000)
TOTAL NET LIABILITIES		<u>(10,252,946)</u>	<u>(6,017,899)</u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	19	4,606,847	4,125,587
Restricted income funds	19	597,224	224,960
		<u>5,204,071</u>	<u>4,350,547</u>
Restricted funds excluding pension asset	19	5,204,071	4,350,547
Pension reserve	19	(16,599,000)	(11,470,000)
Total restricted funds	19	<u>(11,394,929)</u>	<u>(7,119,453)</u>
Unrestricted income funds	19	<u>1,141,983</u>	<u>1,101,554</u>
Total funds		<u>(10,252,946)</u>	<u>(6,017,899)</u>

The financial statements on pages 27 to 63 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Graham Exon
Chair of Trustees

Date: 7th December 2021

The notes on pages 30 to 63 form part of these financial statements.

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

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

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	21	936,634	258,860
Cash flows from investing activities	22	(311,653)	486,152
Change in cash and cash equivalents in the year		624,981	745,012
Cash and cash equivalents at the beginning of the year		1,747,433	1,002,421
Cash and cash equivalents at the end of the year	23, 24	<u>2,372,414</u>	<u>1,747,433</u>

The notes on pages 30 to 63 form part of these financial statements

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

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Diocese of Salisbury Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

At the year end the Trust had net liabilities of £10,252,946 (2020: £6,017,899). This includes a provision for obligations arising under defined benefit schemes of £16,599,000 (2020: £11,470,000). 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. At 31 August 2020 the Trust had funds carried forward (excluding fixed asset and pension funds) of £1,739,207 (2020: £1,326,514).

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

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

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is no unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

• **Sponsorship income**

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

• **Donations**

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

• **Other income**

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

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

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS

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

The Trust does not capitalise the value of long leased land due which is considered to be of limited commercial financial value owing to the covenanted status for educational use.

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	25% straight line
Office equipment	-	20% straight line

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

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

1.6 DEBTORS

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

1.7 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 32 days.

1.8 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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

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

1. ACCOUNTING POLICIES (continued)

1.9 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 TAXATION

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.11 PENSIONS

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

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

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

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

1.12 FUND ACCOUNTING

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

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

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

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

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

1.13 OPERATING LEASES

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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

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

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

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
DONATIONS					
Donation of fixed assets	-	-	-	-	64,055
Donations	290,065	(813,822)	157,489	(366,268)	(959,465)
Total 2021	<u>290,065</u>	<u>(813,822)</u>	<u>157,489</u>	<u>(366,268)</u>	<u>(895,410)</u>
Total 2020	<u>574,741</u>	<u>(1,534,206)</u>	<u>64,055</u>	<u>(895,410)</u>	

Donations in the current year included inherited assets on local authority schools converting to academy status and transferring into the Trust. Included within these inherited assets in restricted funds is a LGPS pension deficit of £1,340,000.

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from charitable activities - Education	254,630	20,971,871	21,226,501	18,334,126
Income from charitable activities - Nursery	263,372	-	263,372	220,029
Total 2021	<u>518,002</u>	<u>20,971,871</u>	<u>21,489,873</u>	<u>18,554,155</u>
Total 2020	<u>397,291</u>	<u>18,156,864</u>	<u>18,554,155</u>	

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

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

5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
DfE/ESFA GRANTS				
General Annual Grant	-	15,926,635	15,926,635	13,003,418
OTHER DfE/ESFA GRANTS				
Rates relief	-	89,488	89,488	79,850
Pupil premium	-	1,235,852	1,235,852	1,081,681
UFSM funding	-	443,104	443,104	431,756
DFC income	-	131,638	131,638	103,668
Sports grant	-	361,914	361,914	299,792
CIF/SCA income	-	430,354	430,354	258,938
Other ESFA/DfE income	-	1,138,974	1,138,974	665,974
	-	19,757,959	19,757,959	15,925,077
OTHER GOVERNMENT GRANTS				
High needs	-	486,597	486,597	518,568
LAC income	-	31,652	31,652	2,303
Resource base income	-	192,625	192,625	170,199
Other government grants	-	503,038	503,038	1,540,717
	-	1,213,912	1,213,912	2,231,787
OTHER FUNDING				
Catering income	126,520	-	126,520	69,385
Other income	128,110	-	128,110	107,877
	254,630	-	254,630	177,262
	254,630	20,971,871	21,226,501	18,334,126
TOTAL 2020	177,262	18,156,864	18,334,126	

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

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

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

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Lettings	65,698	65,698	54,055
Consultancy	28,344	28,344	18,273
Fees received	106,871	106,871	89,487
	<u>200,913</u>	<u>200,913</u>	<u>161,815</u>

7. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest	642	642	2,835

All 2020 amounts relate to unrestricted income.

8. EXPENDITURE

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £	Total 2020 £
EDUCATION:					
Direct costs	14,853,439	-	1,200,236	16,053,675	13,465,321
Allocated support costs	3,185,465	2,260,186	1,815,881	7,261,532	7,054,475
TOTAL 2021	<u>18,038,904</u>	<u>2,260,186</u>	<u>3,016,117</u>	<u>23,315,207</u>	<u>20,519,796</u>
TOTAL 2020	<u>14,923,468</u>	<u>3,010,187</u>	<u>2,586,141</u>	<u>20,519,796</u>	

**DIOCESE OF SALISBURY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Education	16,053,675	7,261,532	23,315,207	20,519,796
Total 2019	13,465,321	7,054,475	20,519,796	

ANALYSIS OF DIRECT COSTS

	Total funds 2021 £	Total funds 2020 £
Pension finance costs	204,000	158,000
Staff costs	14,588,492	12,095,528
Educational supplies	749,797	699,602
Examination fees	93,616	48,431
Other costs	81,008	143,662
Supply teachers	264,947	252,064
Technology costs	50,565	40,679
Educational consultancy	21,250	27,355
	16,053,675	13,465,321

**DIOCESE OF SALISBURY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2021 £	Total funds 2020 £
Staff costs	3,184,505	2,575,876
Depreciation	258,621	190,026
Other costs	42,451	43,803
Supply staff costs	960	13,660
Recruitment and support	53,428	54,976
Maintenance of premises and equipment	466,439	297,184
Cleaning	187,449	141,361
Rent and rates	677,198	571,011
Energy costs	224,397	191,052
Insurance	200,965	165,256
Security and transport	11,178	31,551
Catering	795,250	489,920
Technology costs	115,890	215,063
Office overheads	278,735	258,973
Legal and professional	276,993	193,150
Bank charges	2,396	1,674
Expenditure on Diocesan property	454,590	1,580,656
Governance	30,087	39,283
	7,261,532	7,054,475

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	82,140	67,909
Depreciation of tangible fixed assets	258,619	190,022
Fees paid to auditors for:		
- audit	21,000	18,500
- other services	1,500	7,800

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

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

11. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	12,454,659	10,456,667
Social security costs	1,066,962	873,087
Pension costs	4,191,866	3,310,165
	<u>17,713,487</u>	<u>14,639,919</u>
Agency staff costs	265,907	252,064
Staff restructuring costs	59,510	31,485
	<u><u>18,038,904</u></u>	<u><u>14,923,468</u></u>

b. STAFF NUMBERS

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

	2021 No.	2020 No.
Teaching	170	145
Support staff	221	193
Management	23	20
	<u>414</u>	<u>358</u>

c. HIGHER PAID STAFF

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	12	9
In the band £70,001 - £80,000	4	2
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	-
	<u><u>1</u></u>	<u><u>-</u></u>

The above employees participated in the Teachers' Pension Scheme or the Local Government Pension Scheme. During the year ended 31 August 2021, pension contributions for those staff amounted to £297,604 (2020: £193,816).

**DIOCESE OF SALISBURY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. STAFF (CONTINUED)

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £330,390 (2020: £307,709).

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

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

12. CENTRAL SERVICES

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

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

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

The Academy Trust charge is based on 6% of GAG income.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Archbishop Wake	92,700	56,688
Beaminster St Marys	26,928	24,856
Beechcroft St Pauls	54,324	45,476
Blandford St Mary	43,800	26,400
Cranborne	19,494	-
Dunbury	36,444	28,164
Marden Vale	61,092	55,936
Milldown	57,288	48,932
Shrewton	24,552	21,936
Southbroom St James	53,052	42,324
Spetisbury	37,020	22,272
St Andrew's	75,120	63,160
St Bartholomew's	71,448	62,276
St James	19,622	-
St John's	58,428	50,640
St Peter's	45,912	28,532
The Trinity	42,240	39,248
Trent Youngs	32,004	27,740
Trinity Verwood	21,479	-
Whitesheet	19,188	14,956
Wilton	42,684	37,748
Wimborne St Giles	11,827	-
TOTAL	946,646	697,284

**DIOCESE OF SALISBURY ACADEMY TRUST
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FOR THE YEAR ENDED 31 AUGUST 2021**

13. TRUSTEES' REMUNERATION AND EXPENSES

During the year, retirement benefits were accruing to no Trustees (2020 - 1) in respect of defined benefit pension schemes.

One Trustee has received remuneration in respect of services they provide undertaking the roles of staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: M Lacey: Remuneration £100,000 - £105,000 (2020 - £95,000 - £100,000), Employer's pension contributions £25,000 - £30,000 (2020 - £20,000 - £25,000).

During the year ended 31 August 2021, expenses totalling £582 were reimbursed directly to 1 Trustee (2020 - £1,994 to 1 Trustee). Expenses were reimbursed for travel and mileage.

14. TRUSTEES' AND OFFICERS' INSURANCE

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

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2020	3,735,940	595,877	268,092	4,599,909
Additions	-	224,917	306,984	531,901
At 31 August 2021	3,735,940	820,794	575,076	5,131,810
DEPRECIATION				
At 1 September 2020	149,438	156,364	119,673	425,475
Charge for the year	74,719	78,270	105,630	258,619
At 31 August 2021	224,157	234,634	225,303	684,094
NET BOOK VALUE				
At 31 August 2021	3,511,783	586,160	349,773	4,447,716
At 31 August 2020	3,586,502	439,513	148,419	4,174,434

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16. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	3,858	20,576
Other debtors	6,868	3,380
Prepayments and accrued income	499,089	1,208,162
Tax recoverable	205,773	222,410
	<u>715,588</u>	<u>1,454,528</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	202,373	689,440
Other taxation and social security	241,160	204,268
Other creditors	17,820	19,837
Accruals and deferred income	728,311	1,010,749
	<u>1,189,664</u>	<u>1,924,294</u>

	2021 £	2020 £
Deferred income at 1 September 2020	443,737	203,944
Resources deferred during the year	380,623	443,737
Amounts released from previous periods	(443,737)	(203,944)
	<u>380,623</u>	<u>443,737</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for government grants received relating to the following financial year as well as money received for trips, taking place in the 2021/22 academic year.

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18. FINANCIAL INSTRUMENTS

	2021	2020
	£	£
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	<u>2,372,414</u>	<u>1,747,433</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

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19. STATEMENT OF FUNDS

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General funds	1,101,554	1,009,622	(969,193)	-	-	1,141,983
RESTRICTED GENERAL FUNDS						
GAG	-	15,926,635	(15,210,771)	(374,414)	-	341,450
CIF income	72,878	17,888	(90,766)	-	-	-
Pupil premium	-	1,235,852	(1,235,852)	-	-	-
Start up grant	49,260	-	(49,260)	-	-	-
DFC grant	-	131,638	(21,638)	-	-	110,000
UIFSM grant	-	447,104	(447,104)	-	-	-
Other ESFA grants	-	1,138,974	(1,138,974)	-	-	-
High needs	-	486,597	(486,597)	-	-	-
Other govt grants	-	727,315	(727,315)	-	-	-
Sports grant	102,822	361,914	(318,962)	-	-	145,774
Other restricted income	-	611,666	(611,666)	-	-	-
Pension reserve	(11,470,000)	(1,340,000)	(1,544,000)	-	(2,245,000)	(16,599,000)
	<u>(11,245,040)</u>	<u>19,745,583</u>	<u>(21,882,905)</u>	<u>(374,414)</u>	<u>(2,245,000)</u>	<u>(16,001,776)</u>
RESTRICTED FIXED ASSET FUNDS						
Restricted Fixed Asset Funds	341,885	157,489	(181,102)	374,414	-	692,686
Local Authority capital grant	3,783,702	-	(77,519)	-	-	3,706,183
SCA income	-	412,466	(204,488)	-	-	207,978
	<u>4,125,587</u>	<u>569,955</u>	<u>(463,109)</u>	<u>374,414</u>	<u>-</u>	<u>4,606,847</u>
TOTAL RESTRICTED FUNDS	<u>(7,119,453)</u>	<u>20,315,538</u>	<u>(22,346,014)</u>	<u>-</u>	<u>(2,245,000)</u>	<u>(11,394,929)</u>
TOTAL FUNDS	<u>(6,017,899)</u>	<u>21,325,160</u>	<u>(23,315,207)</u>	<u>-</u>	<u>(2,245,000)</u>	<u>(10,252,946)</u>

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

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

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

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

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

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

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

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

Government funding for school expansion relates to income received from Wiltshire Council to fund the extension of the school property in order to increase pupil capacity.

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

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

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

Donations in the current year included inherited assets on local authority schools converting to academy status and transferring into the Trust. Included within these inherited assets in restricted funds is a LGPS pension deficit of £1,340,000.

Pension fund - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. For the current year this includes the deficit on the Local Government Pension Scheme held by Blandford Education Trust on the transferring into the Trust on 1 January 2020.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General funds	800,316	1,136,682	(835,444)	-	-	1,101,554
RESTRICTED GENERAL FUNDS						
GAG	-	13,003,418	(12,870,127)	(133,291)	-	-
CIF income	71,935	258,938	(257,995)	-	-	72,878
Pupil premium	-	1,081,681	(1,081,681)	-	-	-
Start up grant	65,984	-	(16,724)	-	-	49,260
DFC grant	-	103,668	(103,668)	-	-	-
UIFSM grant	-	431,756	(431,756)	-	-	-
Other ESFA grants	-	975,747	(975,747)	-	-	-
High needs	-	518,568	(518,568)	-	-	-
Other govt grants	-	92,549	(92,549)	-	-	-
Sports grant	-	299,849	(197,027)	-	-	102,822
Trip income	-	71,039	(71,039)	-	-	-
Govt funding school expansion	-	1,320,821	(1,320,821)	-	-	-
Other restricted income	-	456,624	(456,624)	-	-	-
Pension reserve	(7,066,000)	(1,992,000)	(1,100,000)	-	(1,312,000)	(11,470,000)
	(6,928,081)	16,622,658	(19,494,326)	(133,291)	(1,312,000)	(11,245,040)
RESTRICTED FIXED ASSET FUNDS						
Restricted Fixed Asset Funds	257,046	64,055	(112,507)	133,291	-	341,885
Local Authority capital grant	3,861,221	-	(77,519)	-	-	3,783,702
	4,118,267	64,055	(190,026)	133,291	-	4,125,587

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19. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
TOTAL RESTRICTED FUNDS	(2,809,814)	16,686,713	(19,684,352)	-	(1,312,000)	(7,119,453)
TOTAL FUNDS	(2,009,498)	17,823,395	(20,519,796)	-	(1,312,000)	(6,017,899)

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19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Archbishop Wake	315,820	313,354
Beaminster St Mary's	(108,590)	(104,012)
Beechcroft St Paul's	42,047	18,113
Blandford St Mary's	191,341	148,742
Cranborne	86,407	-
Dunbury	372	(32,962)
Marden Vale	(125,409)	(158,734)
Milldown	171,724	127,323
Shrewton	165,542	159,824
Southbroom St James	214,847	174,507
Spetisbury	68,587	60,399
St Andrew's	28,575	75,099
St Bartholomew's	138,755	119,663
St James'	64,382	-
St John's	99,784	73,456
St Peter's	53,257	62,542
The Trinity	128,483	165,861
Trent Youngs	4,240	51
Trinity Verwood	75,452	-
Whitesheet	(95,296)	(118,703)
Wilton	150,196	216,314
Wimborne St Giles	18,644	-
DSAT services	50,047	(47,201)
CIF Funding	-	72,878
Total before fixed asset funds and pension reserve	1,739,207	1,326,514
Restricted fixed asset fund	4,606,847	4,125,587
Pension reserve	(16,599,000)	(11,470,000)
TOTAL	(10,252,946)	(6,017,899)

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19. STATEMENT OF FUNDS (CONTINUED)

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

	Deficit £
Beaminster St Mary's	(108,590)
Marden Vale	(125,409)
Whitesheet	(95,296)

The deficit in Whitesheet is as a result of an historic and significant reduction in pupil numbers at this small school. The deficit at Beaminster was caused by significant staff absence costs and lower pupil numbers from previous years. There was a significant investment in the educational needs and building environment at Marden Vale which contributed to the deficit at this Academy some time ago.

The Academy Trust is working with each of these Academies to return them to surplus through regular financial reviews to ensure that budgets are being achieved and to address any financial pressures as they arise with the expectation of returning them to better financial health in the medium term.

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

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £	Total 2020 £
Archbishop Wake	1,433,262	198,379	31,822	385,573	2,049,036	1,257,618
Beaminster St Mary's	448,349	79,044	26,452	127,392	681,237	673,188
Beechcroft St Paul's	756,622	178,568	59,408	329,559	1,324,157	1,282,510
Blandford St Mary's	677,242	79,645	32,524	183,533	972,944	592,770
Cranborne	305,731	59,017	13,795	82,071	460,614	-
Dunbury	439,761	105,721	24,883	190,350	760,715	696,387
Marden Vale	1,057,191	209,468	70,194	310,163	1,647,016	1,683,388
Milldown	972,435	102,411	25,592	233,165	1,333,603	1,215,349
Shrewton	393,718	58,294	8,284	126,404	586,700	592,047
Southbroom St James	753,935	141,058	51,116	244,854	1,190,963	1,108,417
Spetisbury	570,440	94,863	12,118	164,489	841,910	508,122
St Andrew's	1,155,566	266,010	36,298	369,143	1,827,017	1,712,907
St Bartholomew's	1,202,240	76,258	82,753	424,183	1,785,434	2,814,341
St James'	299,135	38,049	11,629	69,744	418,557	-
St John's	877,646	252,136	44,526	261,433	1,435,741	1,513,154
St Peter's	651,162	39,124	30,375	376,953	1,097,614	797,782
The Trinity	665,622	122,565	33,817	251,063	1,073,067	1,021,750
Trent Youngs	504,444	76,799	9,577	139,790	730,610	726,578
Trinity Verwood	314,779	21,743	25,806	105,061	467,389	-
Whitesheet	251,246	41,193	34,861	81,628	408,928	413,231
Wilton	830,974	165,175	24,057	190,506	1,210,712	1,106,657
Wimborne St Giles	165,452	49,662	8,713	60,704	284,531	-
DSAT services	460,540	334,323	-	(611,956)	182,907	355,579
CIF Funding	-	-	-	285,184	285,184	257,995
ACADEMY TRUST	15,187,492	2,789,505	698,600	4,380,989	23,056,586	20,329,770

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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	4,447,716	4,447,716
Current assets	1,141,983	1,786,888	159,131	3,088,002
Creditors due within one year	-	(1,189,664)	-	(1,189,664)
Provisions for liabilities and charges	-	(16,599,000)	-	(16,599,000)
TOTAL	1,141,983	(16,001,776)	4,606,847	(10,252,946)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	48,847	4,125,587	4,174,434
Current assets	1,101,554	2,100,407	-	3,201,961
Creditors due within one year	-	(1,924,294)	-	(1,924,294)
Provisions for liabilities and charges	-	(11,470,000)	-	(11,470,000)
TOTAL	1,101,554	(11,245,040)	4,125,587	(6,017,899)

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

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(1,990,047)	(2,696,401)
ADJUSTMENTS FOR:		
Depreciation	258,619	190,022
Interest receivable	(642)	(2,835)
Defined benefit pension scheme cost less contributions payable	1,340,000	942,000
Defined benefit pension scheme finance cost	204,000	158,000
Decrease/(increase) in debtors	738,940	(632,566)
(Decrease)/increase in creditors	(734,630)	913,635
Net loss on assets and liabilities from local authority on conversion	1,120,394	1,387,005
NET CASH PROVIDED BY OPERATING ACTIVITIES	936,634	258,860

22. CASH FLOWS FROM INVESTING ACTIVITIES

	2021 £	2020 £
Interest received	642	2,835
Purchase of tangible fixed assets	(531,901)	(182,134)
Cash received on transfer of existing Academy Trust	-	665,451
Cash received on newly converted schools joining the Academy Trust	219,606	-
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(311,653)	486,152

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand and at bank	2,372,414	1,747,433
TOTAL CASH AND CASH EQUIVALENTS	2,372,414	1,747,433

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24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,747,433	624,981	2,372,414
	<u>1,747,433</u>	<u>624,981</u>	<u>2,372,414</u>

25. PENSION COMMITMENTS

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

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

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

TEACHERS' PENSION SCHEME

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

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

**NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £1,806,815 (2020 - £1,448,381).

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

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

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,383,000 (2020 - £1,051,000), of which employer's contributions totalled £1,103,000 (2020 - £835,000) and employees' contributions totalled £ 280,000 (2020 - £216,000). The agreed contribution rates for future years are 21% (Dorset), 25.9% (Wiltshire) for employers.

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

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

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25. PENSION COMMITMENTS (CONTINUED)

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2021	2020
	%	%
Rate of increase in salaries	3.7	3.1
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.6

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

	2021	2020
	Years	Years
RETIRING TODAY		
Males	22.5	22.9
Females	24.5	24.6
RETIRING IN 20 YEARS		
Males	23.7	24.2
Females	26.2	26.0

SHARE OF SCHEME ASSETS

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

	2021	2020
	£	£
Equities	9,461,000	6,534,000
Corporate bonds	2,994,000	2,331,000
Property	1,915,000	1,490,000
Other	193,000	53,000
TOTAL MARKET VALUE OF ASSETS	14,563,000	10,408,000

The actual return on scheme assets was £1,411,000 (2020 - £290,000).

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

	2021	2020
	£	£
Current service cost	(2,443,000)	(1,777,000)
Interest income	187,000	177,000
Interest cost	(391,000)	(335,000)
TOTAL RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(2,647,000)	(1,935,000)

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25. PENSION COMMITMENTS (CONTINUED)

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

	2021 £	2020 £
AT 1 SEPTEMBER	21,878,000	15,189,000
Transferred in on existing academies joining the trust	2,269,000	3,846,000
Current service cost	2,443,000	1,777,000
Interest cost	391,000	335,000
Employee contributions	280,000	216,000
Actuarial losses/(gains)	4,062,000	651,000
Benefits paid	(161,000)	(136,000)
AT 31 AUGUST	31,162,000	21,878,000

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

	2021 £	2020 £
AT 1 SEPTEMBER	10,408,000	8,123,000
Transferred in on existing academies joining the trust	929,000	1,854,000
Interest income	192,000	179,000
Actuarial gains	1,817,000	(661,000)
Employer contributions	1,103,000	835,000
Employee contributions	280,000	216,000
Benefits paid	(161,000)	(136,000)
Administration expenses	(5,000)	(2,000)
AT 31 AUGUST	14,563,000	10,408,000

26. OPERATING LEASE COMMITMENTS

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

	2021 £	2020 £
Not later than 1 year	64,114	64,521
Later than 1 year and not later than 5 years	76,744	40,794
	140,858	105,315

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(A COMPANY LIMITED BY GUARANTEE)**

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27. MEMBERS' LIABILITY

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

28. RELATED PARTY TRANSACTIONS

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

During the period the Academy Trust was charged £19,708 (2020: £14,947) by Saled Limited, a subsidiary company of the Salisbury Diocesan Board of Education (SDBE), for staff costs and a range of other services including room hire and training. DSAT also incurred costs relating to the Partnership Support Agreement with SDBE of £12,650 (2020: £10,350). At the year end a balance of £60 (2020: £3,509) was due to Saled Limited.

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

29. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST

On 1 January 2021 the following four schools converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Salisbury Academy Trust from Dorset County Council; Cranborne CE First School, St James' CE First School, Trinity CE First School and Wimborne St Giles CE First School.

The transfer has been accounted for using the acquisition method. The assets and liabilities were transferred at their fair value and recognised in the Statement of Financial Position under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities.

The following tables set out the fair value of the identifiable assets and liabilities transferred into the Trust.

Transfer in of Cranborne CE First School

	Value reported by transferring trust £	Transfer in recognised £
CURRENT ASSETS		
Cash at bank and in hand	93,169	93,169
NET ASSETS	<u>93,169</u>	<u>93,169</u>

St James' CE First School

	Value reported by transferring trust £	Transfer in recognised £
CURRENT ASSETS		
Cash at bank and in hand	51,932	51,932
NET ASSETS	<u>51,932</u>	<u>51,932</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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29. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST (CONTINUED)

Trinity CE First School

	Value reported by transferring trust £	Transfer in recognised £
CURRENT ASSETS		
Cash at bank and in hand	70,871	70,871
NET ASSETS	<u>70,871</u>	<u>70,871</u>

Wimborne St Giles CE First School

	Value reported by transferring trust £	Transfer in recognised £
CURRENT ASSETS		
Cash at bank and in hand	3,634	3,634
NET ASSETS	<u>3,634</u>	<u>3,634</u>

In addition, on the date of conversion the four schools had a combined pension deficit net liability of £1,340,000.