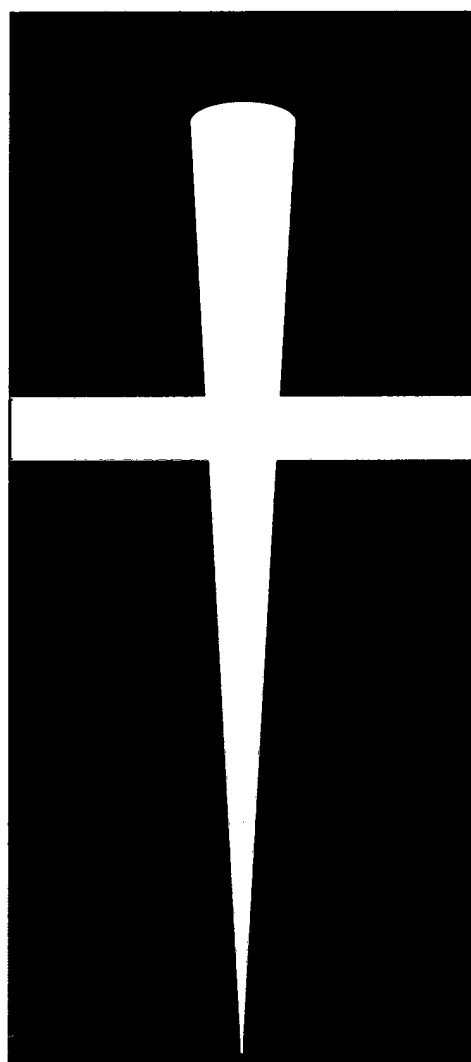


The Diocese of Sheffield Academies Trust (DSAT)

(Formerly known as The DS Academies Trust)
(A Company Limited by Guarantee)

Annual Report and Financial Statements Year ended 31/8/16



The Diocese of **Sheffield Academies Trust**

FRIDAY



A06

A5LZGXBT

16/12/2016

#408

COMPANIES HOUSE

Company number: 08745639

The Diocese of Sheffield Academies Trust (DSAT)

Contents Page	Page
Reference and Administrative Details	1
Trustees' Report	2
Governance Statement	9
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditor's Report on the Financial Statements	15
Independent Reporting Accountant's Report on Regularity	17
Statement of Financial Activities incorporating Income & Expenditure Account	19
Balance Sheet	20
Cash Flow Statement	21
Notes to the Financial Statements, incorporating: Statement of Accounting Policies	22
Other Notes to the Financial Statements	28

The Diocese of Sheffield Academies Trust (DSAT)

Reference and Administrative Details

Members

H Thomas, representing the Diocese of Sheffield Education Trust
 Revd Melanie Fitzgerald, member of the Diocesan Board of Education
 Rt Revd. Peter Burrows, Chair of the Diocesan Board of Education

Directors

Andrew Waldron
 Andy Brewerton
 Huw Thomas
 Jim Dugmore
 Mark Wheeler
 Nevine Towers
 Nick Keightley (appointed 10.05.16)
 Yvette Hawksworth
 Peter Ainsworth (resigned 14.07.16)
 Pam Randall (resigned 10.05.16)

Senior Management Team

Alison Adair (Executive Head Teacher St Albans and Flanderwell)
 Mark Wheeler (Executive Head Teacher at Trinity Croft and Thrybergh Fullerton)
 Sue Mellor (Head Teacher Aston)
 Charlotte Newton-Wall (Head Teacher Emmanuel)
 Lynne Thorne (Head Teacher St Marys)
 Nevine Towers (School Business Manager)

Company name:	The Diocese of Sheffield Academies Trust (DSAT)
Principal and Registered office:	95-99 Effingham St, Rotherham, S65 1BL
Company Registration Number:	08745639 (England and Wales)
Independent auditor:	Marriott, Gibbs Rees Wallis Limited, 13-17 Paradise Square, Sheffield, S1 2DE
Bankers:	Royal Bank of Scotland, Attercliffe Road, Sheffield
Solicitors:	Wrigleys Solicitors LLP, 19 Cookridge Street, Leeds LS2 3AG

The Diocese of Sheffield Academies Trust (DSAT)

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period **01st September 2015 to 31 August 2016**. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Diocese of Sheffield Academies Trust (DSAT) are also the directors of the charitable company for the purposes of company law. The charitable company is commonly known by the acronym DSAT.

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

Members' Liability

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

Trustees' Indemnities

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

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

Method of Recruitment and Appointment or Election of Trustees

Directors are recruited and appointed to meet identified needs with recommendations from the Directors made to the members who agree by majority voting to appoint to the board.

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational Structure

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

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

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

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

The Directors also comprise the Finance and Audit Committee

Huw Thomas -Accounting Officer

Jim Dugmore- Director

Mark Wheeler -Director

Nevine Towers - Finance Director

Yvette Hawksworth- Director

Andrew Waldron – Director

Nick Keightley – Director (appointed 10.05.16)

Andy Brewerton - Director

Peter Ainsworth – Director (resigned 14.07.16)

The Finance committee bears the responsibilities to

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

Arrangements for setting pay and remuneration of key management personnel

The trust employs key management personnel to facilitate the work of the trust. The key management personnel have an annual performance management review carried out by an expert in that particular field. The findings of these reviews are then used as a foundation for remuneration discussions. The remuneration proposals are then agreed by the Local Governing Body and where applicable the Trust. The services of the Diocesan Director of Education have been rendered by the Diocese for a number of years leading to 1/9/16 and the trust has budgeted to reimburse a pro-rata provision of these services thereafter.

Related Parties and other Connected Charities and Organisations

On 12/7/16 the Academy Trust engaged Wrigleys Solicitors to manage all legal aspects of forthcoming conversions. This is a completely independent organisations from the Diocese of Sheffield and therefore The Diocese of Sheffield Academies Trust (DSAT) and would not be regarded as related parties in any guise. In addition, there are no other related parties which either control or which significantly influence the decisions and operations of The Diocese of Sheffield Academies Trust (DSAT).

Objectives and Activities

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

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

The aims of the trust during the period ended 31 August 2016 are summarised below.

Mission Statement:

The mission of the Diocese is to grow a sustainable network of Christ-like, lively and diverse Christian communities in every place, which are effective in making disciples and in seeking to transform our society and God's world.

The work of the trust falls within this statement, seeking the transformation of society through the service of education in both church and community academy settings.

Objectives, Strategies and Activities

The Diocese of Sheffield Academies Trust affirms and pursues the goals of the Diocese in relation to schools:

- Securing of excellence for all children, with schools meeting, and exceeding, core expectations
- Promoting strong leadership, matched by the capacity to improve leadership, within our service
- Fellowship leading to excellence, through the sharing of school-to-school development across the Diocese
- A heart for mission, offering our service beyond the Diocese through schools affiliating to and drawing upon our provision, across the wider community

In Church schools we aim to

- Promote the cultivation of Christian distinctiveness in the ethos and practice of our schools. In all our schools we seek to promote and develop shared human values that accord with our Christian principles.

Core Beliefs and Values

- At the heart of the Diocese of Sheffield Academies Trust is the goal of providing an excellent education for every child in every academy.
- The trust aims to maintain the distinctive Diocesan identity of church schools and to provide a collegial Diocesan family for schools wishing to convert to academy status. It also provides a means of sponsorship for any schools facing enforced academy conversion.
- It operates in accordance with the following principles:

- The Diocese of Sheffield Academies Trust affirms the concept of the parish school that is for and from the parish church and community
- We seek to protect the autonomy of our schools, under effective leadership, and to encourage them to flourish. In educational leadership terms, the trust is committed to the integrity and autonomy of local governing bodies
- The Trust will seek to delegate as much as it can, both in terms of responsibility and resources, to the school and local governing body. We will maintain a central operation that enables the academies to flourish but with as much as may be delegated to the schools agreed through bespoke schemes of delegation
- The trust seeks to secure a positive, effective and communicative relationship with each of its schools
- Through working with school leadership and business support, the Trust seeks to foster the wellbeing and development of schools from within. We also aim, with agreement with our schools, to enable and facilitate working across the Trust
- The Trust positively encourages schools to continue to work with those local structures that are effective and worthwhile; this includes maintaining good links with local authority provision

Public Benefit

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

Is balanced and broadly based;

Provides the spiritual, moral, cultural, mental and physical development of students at the Academy;

Prepares students for the opportunities, responsibilities and experiences of later life;

Promotes, sustains and increase individual and collective knowledge and understanding of study, skills and expertise.

Strategic Report

Achievements and Performance

Following the year 14-15 in which the Academy Trust grew from having no academies to having 7, there has been no further growth during the past year.

The trust continued to provide support to a school causing concern in the Doncaster area, including securing effective leadership for the academic year 2016 to 2017 and significantly raising the quality of teaching and learning and outcomes.

The trust secured £1,337,964 in capital funds to improve schools.

During this year the trust schools have worked to reach a position in which it is anticipated OfSTED inspections will find provision to be good or outstanding.

The Trust reviewed its HR and Payroll provision through the course of the year. Last year the Trust was procuring HR and Payroll services from 2 providers it was decided to procure and unify the service so, provision was sourced from one supplier. By unifying the service consistent advice is now provided to all schools in the Trust. The trust was also able to negotiate a total annual saving of £14,987 by procuring the service from one provider.

Key Performance Indicators

School Level Outcomes for the end of the Summer Term 2016

School Whole Trust

	Cohort	Percentage	National
EYFS			
A Good Level of Development	162	77%	69%
Phonics			
Phonics - Year 1	172	83%	81%
Phonics - Year 2	35	74%	91%
End of Key Stage 1			
% National Standard (or higher) Reading	160	81%	74%
% National Standard (or higher) Writing	160	72%	66%
% National Standard (or higher) Maths	160	76%	73%
End of Key Stage 2			
% National Standard (or higher) Reading	184	76%	66%
% National Standard (or higher) Writing	184	87%	74%
% National Standard (or higher) Maths	184	81%	70%
% National Standard (or higher) GPS	184	79%	72%
% National Standard (or higher) R,W&M combined	184	66%	53%

Going Concern

Each of the individual Academies in the Trust completes a three year financial budget plan. This plan is submitted to the Trust on an annual basis for approval. Each of the Academies are forecasting surplus budgets in year one and two. In year three all the Academies except one is forecasting a surplus position. One Academy in the Trust is forecasting a small deficit in year three. The trust has asked the Academy to review their three year forecast to prevent the deficit position materialising. The trust is also building up a central reserve in case of emergencies.

In adding one new Director to the Trust, and accounting for the ability to cover capacity lost through resignations, the trust has grown to include a director with expertise in premises and health and safety issues. With this colleagues in place and the three year plans submitted from each Academy the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial Review

The trust has set a budget projected over three years in which it is anticipated it will make a surplus. The principal sources of funding are the retained portions of delegate budgets (the 'top slice'). The trust aims to maintain this at the minimal level of 1.9% with variations made for schools in particular need wherein the trust may need to resource support.

The principal expenditures have been the support work of finance and accounting officers for the trust and its academies. During the coming year it will begin to make the scheduled payments to the Diocese of Sheffield for the support work of the Diocesan Director of Education.

Total funds held by the trust as at the 31st August 2016 were £12,480,000 compared to £13,487,000 August 2015.

The net reduction of £1,007,000 is made up as follows:

- £75,000 decrease in general fund balances to £559,000 due to increased staffing costs through increases in national insurance and pension contributions.
- £1,658,000 increase in Local Government Pensions Scheme Liability to £3,819,000 due to the changes in assumptions used by the actuary in measuring the liability leading to a large increase in defined benefit obligations.
- £716,000 increase in restricted fixed asset fund to £15,740,000. Due to investment through Capital Improvement Funding, marginally offset by depreciation.

Reserves Policy

Individual Academies within the trust are expected to hold contingency reserves from their annual GAG funding or other income.

The Governors/Trustees require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments.

The Business Manager, in conjunction with the Headteacher, is responsible for ensuring compliance with The Diocese of Sheffield Academy Trust Policies and Procedures.

The trust requires each academy to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

The Trust held general fund balances totalling £559,000 as at 31st August 2016.

Investment Policy

The trust has no investments and retains funds in a central account.

Principal Risks and Uncertainties

The trust maintains an up-to-date risk register and business continuity plan.

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

Strategic:

- an academy in the trust receiving a negative OfSTED outcome – mitigated by shared development between academies and monitoring arrangements for the trust
- uncontrollable events e.g. fire, flood – mitigated by renewal of insurance with RPA
- change in Government policy – mitigated by links with the National Society and use of Wrigleys Solicitors for advice and support

Financial:

- inaccurate or insufficient information – mitigated by regular financial reporting to the trust
- poor cash flow or limited reserves – mitigated by monthly bank reconciliations, budget monitoring and production of cash flow forecasts and academy reserves
- unsuitable financial systems – mitigated by expert advice and training to ensure systems meet trust requirements

Plans for Future Periods

- The trust now plans to grow by at least two, and possibly three schools in the coming year.
- The trust is also proposing a free school via the Rotherham local authority process.
- The trust retains openness towards approaches from schools wishing to join or being required to join, by the DFE.
- The trust has secured single provision for HR and Payroll and also provided a single route for schools to engage in capital programmes.
- The trust has received a request from a Doncaster school, with which we have worked significantly, improving the school, to join DSAT. The nature of the buildings is a concern to the trust and this has been returned as an issue to the local authority.

Auditor

The trust's auditor is Marriott Gibbs Rees Wallis Ltd.

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7th December 2016 and signed on the board's behalf by:



Huw Thomas
Trustee

Date:

The Diocese of Sheffield Academies Trust (DSAT) : Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Diocesan Director of Education for the Diocese of Sheffield, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Diocese of Sheffield Academies Trust (DSAT) and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Attendance	Out of a possible
Andrew Waldron	3	6
Andy Brewerton	4	6
Huw Thomas	6	6
Jim Dugmore	3	6
Mark Wheeler	5	6
Nevine Towers	5	6
Pam Randall*	0	5
Peter Ainsworth**	5	6
Yvette Hawksworth	5	6
Nick Keightley***	1	1

* formally resigned from The Diocese of Sheffield Academy Trust 10th May 2016

** formally resigned from The Diocese of Sheffield Academy Trust 14th July 2016

*** formally appointed to The Diocese of Sheffield Academy Trust 10th May 2016

Review of Governance:

In 2015 the trust reviewed its governance capacity and invited a new director to the board with expertise in health and safety and premises. He is also a parent at one of our schools.

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

- support the aims and ethos of the Trust, focussing on the quality and extent of the provision of premises and equipment
- advise the governing body on strategic priorities for the maintenance and development of the school's premises and grounds, security and Health and Safety, for inclusion in the Developing Excellence/School Improvement Plan
- establish and implement a repairs and maintenance programme, within the budget established by the governing body, and in accordance with the priorities within the Developing Excellence/School Improvement Plan
- review on an annual basis the school's Health and Safety policy, and approve any amendments as necessary
- ensure that the school complies with Health and Safety regulations, in accordance with the Health and Safety policy

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

Review of Value for Money

As Accounting Officer Huw Thomas has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. Through the work of the trust and its Finance Directors the Accounting Officer for the Academy Trust has delivered improved value for money during the year by reviewing arrangements for financial management of the trust and utilising the capacity within the trust, consolidating arrangements for audit and reviewing bought-in services procured by individual academies.

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

- the commissioning of a building manager contracted to work across all schools, leading to a reduction in cost
- the reassignment of financial responsibility from DRB to colleagues with relevant expertise deployed from within the trust
- the securing of RPA insurance from 1/9/14, leading to savings on items such as governor liability insurance
- HR & Payroll Services have been procured from one provider rather than two separate entities. This has led to a substantial cost saving of fifteen thousand pounds for the trust.
- A number of Academies within the Trust have also changed their school meals provider. This process has led to a large saving across the Academies within the trust, the benefit of which will be felt in 2016/17.

The Purpose of the System of Internal Control

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

The system of internal control has been in place in The Diocese of Sheffield Academies Trust (DSAT) Academy Trust for the period 01st February 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. The process of internal control has been monitored and reviewed by the appointment of a responsible officer. The responsible officer has conducted three visits at each of the Academies within the trust in the year ending 31/08/16. During these visits all major areas of financial control were investigated and tested. This included testing a sample of all income due to the Academies. Expenditure was also tested including a sample of payroll transactions. Reports and minutes of governors meetings were also reviewed to ensure they were suitable and sufficient. Subsequent responsible officer visits are planned for next financial year.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 01st September 2015 to 31st August 2016 and up to the date of approval of the annual report and financial statements. On 15th March 2016 the Board approved a full risk register. The risk register is reviewed on an annual basis to ensure it is up to date and contains current risks to the trust.

The Risk and Control Framework

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

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

The board of Trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trust have appointed a Responsible Officer to carry out the roles and duties very similar to that of internal audit. Nevine Towers and Christopher Harris have been appointed to this role. Through the course of the year the Responsible Officer has conducted a review of internal controls at each of the Academies within the trust to ensure that internal controls are in place and working efficiently and effectively.

The Responsible Officer has conducted internal testing on the main areas of income and expenditure at each Academy. They firstly looked at the income from the EFA to ensure this was correctly coded in the system and reconciled on the bank statement. Payments to the payroll provider were checked for accuracy. A selection of staff were also selected to ensure they had been paid the correct amount for their respective grades and hours. Contracts were also checked. Where required recommendations were made to improve and develop the robustness of the internal controls.

On a Termly basis, the Responsible Officers report to the board of trustees, through the finance and general purposes committee on the operation of the systems of control across the trust 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 Nevine Towers and Christopher Harris, the reviewers
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 7th December 2016 and signed on its behalf by:



Nevine Towers
Trustee



Huw Thomas
Accounting Officer

The Diocese of Sheffield Academies Trust (DSAT) Statement of Regularity, Propriety and Compliance

As Accounting Officer of The Diocese of Sheffield Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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



Huw Thomas
Accounting Officer

Date:

The Diocese of Sheffield Academies Trust (DSAT)

Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 7th December 2016, and signed on its behalf by:



Huw Thomas
Trustee

The Diocese of Sheffield Academies Trust (DSAT)

Independent Auditor's Report on the Financial Statements to the Members of The Diocese of Sheffield Academies Trust

We have audited the financial statements of The Diocese of Sheffield Academies Trust for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporation Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 13), the trustees (who are also the directors of the charitable company 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 the Academies Accounts Direction 2015 to 2016; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities SORP 2015.

Independent Auditor's Report on the Financial Statements to the Members of The Diocese of Sheffield Academies Trust (continued)

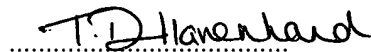
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors'/Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Mrs Tina Dawn Havenhand FCCA (Senior Statutory Auditor)

For and on behalf of

Marriott Gibbs Rees Wallis Limited
Chartered Certified Accountants
Statutory Auditors

13 - 17 Paradise Square
Sheffield
South Yorkshire
S1 2DE

Date... 14 DECEMBER 2016

The Diocese of Sheffield Academies Trust (DSAT)

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

In accordance with the terms of our engagement letter dated 1 July 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Diocese of Sheffield Academies Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Board of Trustees' funding agreement with the Secretary of State for Education dated June 2014 and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

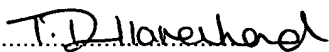
The work undertaken to draw to our conclusion includes:

- The assessment and evaluation of relevant control procedures adopted by the Academy Trust
- Assessing the risk of material irregularity
- Undertaking limited testing of income and expenditure, including identifying and testing funding agreements in place.

Independent Reporting Accountant's Report on Regularity to The Diocese of Sheffield Academies Trust and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mrs Tina Dawn Havenhand FCCA

For and on behalf of

Marriott Gibbs Rees Wallis Limited
Chartered Certified Accountants

13 - 17 Paradise Square
Sheffield
South Yorkshire
S1 2DE

Date 14 DECEMBER 2016

The Diocese of Sheffield Academies Trust (DSAT)
Statement of Financial Activities for the period ended 31
August 2016 (including Income and Expenditure Account)

		Unrestricted	Restricted	Restricted	Total	Total
	Notes	Funds	General	Fixed Asset	2016	2015
		£000	£000	£000	£000	£000
Income and endowments from:						
Donations and capital grants	2	43	113	1,232	1,388	212
Transfer from Local authority on conversion		-	-	-	-	13,059
Charitable activities:						
Funding for the academy trust's educational operations	3	-	6,143	-	6,143	4,470
Other trading activities	4	200	6	-	206	144
Investment income	5	3	-	-	3	-
Total		246	6,262	1,232	7,740	17,885
Expenditure on:						
Raising Funds		-	-	-	-	-
Charitable activities:						
Academy trust educational operations	6,7	-	6,599	540	7,139	4,679
Total resources expended		-	6,599	540	7,139	4,679
Net incoming/(outgoing) resources before		246	(337)	692	601	13,206
Gross Transfers between Funds	16	(169)	145	24	-	-
Net income / (expenditure) for the year		77	(192)	716	601	13,206
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit	16	-	(1,608)	-	(1,608)	233
Net movement in funds		77	(1,800)	716	(1,007)	13,439
Reconciliation of funds						
Total funds brought forward	16	441	(1,978)	15,024	13,487	48
Total funds carried forward		518	(3,778)	15,740	12,480	13,487

The Diocese of Sheffield Academies Trust (DSAT)

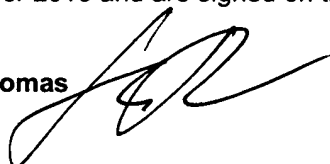
Balance Sheet as at 31 August 2016

Company Number: 8745639

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
Fixed Assets					
Tangible assets	12		15,167		14,959
Current assets					
Debtors	13	233		270	
Cash at bank and in hand		<u>1,956</u>		<u>868</u>	
		2,189		1,138	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(1,043)</u>		<u>(431)</u>	
Net current assets			<u>1,146</u>		<u>707</u>
Total assets less current liabilities			<u>16,313</u>		<u>15,666</u>
Creditors: Amounts falling due after more than one year	15		(14)		(18)
Net assets excluding pensions liability			<u>16,299</u>		<u>15,648</u>
Pensions scheme liability	26		<u>(3,819)</u>		<u>(2,161)</u>
Total net assets			<u>12,480</u>		<u>13,487</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	16	15,740		15,024	
General fund	16	41		183	
Pensions reserve	16	<u>(3,819)</u>		<u>(2,161)</u>	
Total restricted funds			11,962		13,046
Unrestricted income funds					
General fund	16	<u>518</u>		<u>441</u>	
Total unrestricted funds			<u>518</u>		<u>441</u>
Total funds			<u>12,480</u>		<u>13,487</u>

The financial statements on pages 19 to 44 were approved by the trustees and authorised for issue on 7th December 2016 and are signed on their behalf by:

Huw Thomas
Trustee



The Diocese of Sheffield Academies Trust (DSAT)

Cash Flow Statement for the year ended 31 August 2016

		2016	2015
	Notes	£000	£000
Cash Flows from operating activities			
Net cash provided by (used in) operating activities	20	605	354
Cash flows from financing activities	21	(4)	-
Cash flows from investing activities	22	487	39
Cash transferred on conversion to an academy trust	23	-	426
Change in cash and cash equivalents in the reporting period		1,088	819
Cash and cash equivalents at 1 September 2015		868	49
Cash and cash equivalents at 31 August 2016	24	1,956	868

All of the cash flows are derived from acquisitions in the current financial period.

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

1 Statement of Accounting Policies

Basis of Preparation

First time adoption of FRS 102

These financial statements are the first financial statements of The Diocese of Sheffield Academies Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Diocese of Sheffield Academies Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

A reconciliation and description of the effect of the transition to FRS 102 and SORP 2015 on net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 is given below:

Reconciliation of net income / (expenditure)

	31 August 2015 £000
Net income / (expenditure reported under UK GAAP	13,218
Change in recognition of LGPS interest cost	(12)
Net movement of funds reported under FRS102	<u>13,206</u>

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to income/expense by £12,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

1 Statement of Accounting Policies (continued)

Going Concern

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

Income

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

- **Grants**

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

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

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

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

- **Sponsorship Income**

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

- **Donations**

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

- **Other Income**

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

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

1 Statement of Accounting Policies (continued)

- **Donated goods, facilities and services**

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

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

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

1 Statement of Accounting Policies (continued)

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

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

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

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

Liabilities

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

Provisions

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

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

Leased Assets

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

Taxation

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

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

Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

1 Statement of Accounting Policies (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

1 Statement of Accounting Policies (continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

2 Donations and Capital Grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital Grants	-	1,232	1,232	108
Other Donations	43	113	156	104
	<u>43</u>	<u>1,345</u>	<u>1,388</u>	<u>212</u>
Total 2015	<u>41</u>	<u>171</u>	<u>212</u>	

3 Funding for the Academy Trusts Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
DfE / EFA grants				
General Annual Grant (GAG)	-	5,024	5,024	3,549
Other DfE/EFA Grants	-	639	639	323
	<u>-</u>	<u>5,663</u>	<u>5,663</u>	<u>4,067</u>
Other Government grants				
Local authority grants	-	280	280	350
Special educational projects	-	200	200	53
	<u>-</u>	<u>480</u>	<u>480</u>	<u>403</u>
	<u>-</u>	<u>6,143</u>	<u>6,143</u>	
Total 2015	<u>-</u>	<u>4,470</u>	<u>4,470</u>	

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

4 Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Hire of Facilities	34	-	34	8
Other Income	166	6	172	136
	<u>200</u>	<u>6</u>	<u>206</u>	<u>144</u>
Total 2015	<u>139</u>	<u>5</u>	<u>144</u>	

5 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Interest	3	-	3	-
	<u>3</u>	<u>-</u>	<u>3</u>	<u>-</u>
Total 2015	<u>-</u>	<u>-</u>	<u>-</u>	

6 Expenditure

	Staff Costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2016 £000	Total 2015 £000
Academies educational operations					
Direct costs	4,202	458	626	5,286	3,425
Allocated support costs	885	344	624	1,853	1,254
	<u>5,087</u>	<u>802</u>	<u>1,250</u>	<u>7,139</u>	<u>4,679</u>

	Total 2016 £000	Total 2015 £000
Net income/(expenditure) for the period includes		
Operating lease rentals	17	12
Depreciation	540	117
Fees payable to Auditor for:		
- audit	15	15
- other services	-	1
	<u>572</u>	<u>145</u>

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

7 Charitable Activities	Total 2016 £000	Total 2015 £000
Direct costs - educational	5,286	3,425
Support costs - educational	1,853	1,254
	<u>7,139</u>	<u>4,679</u>

Analysis of Support Costs

Support staff costs	885	529
Premises costs	403	285
Other Support Costs	476	325
Governance Costs	<u>89</u>	<u>115</u>
Total support costs	<u>1,853</u>	<u>1,254</u>

8	Total 2016 £000	Total 2015 £000
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	3,962	2,700
Social security costs	298	172
Operating costs of defined benefit pension schemes	<u>713</u>	<u>454</u>
	4,973	3,326
Supply staff costs	<u>114</u>	<u>58</u>
	<u>5,087</u>	<u>3,384</u>

b. Staff numbers

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

	2016 No.	2015 No.
Teachers	56	57
Administration and support	156	169
Management	<u>17</u>	<u>13</u>
	<u>229</u>	<u>239</u>

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

c. Higher paid staff

	2016 No.	2015 No.
£70,001-£80,000	-	1
£80,001-£90,000	2	-
	<u>2</u>	<u>1</u>

The above employees participated in the Teacher Pension Scheme (TPS). During the year ended 31st August 2016 employer contributions for these staff amounted to £27,627, (2015: £9,368.)

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) received by key management personnel for their services to the academy trust was £471,585, (2015: £437,716).

9 Related Party Transactions - Governors' Remuneration and Expenses

The head teacher and other staff trustees only receive remuneration in respect of their roles as head teacher and staff, and not in respect of their services as trustees. The value of trustees' remuneration was as follows:

M Wheeler (Principal & Trustee):

Remuneration	£85,000 - £90,000	(2015: £45,000 - £50,000)
Employers pensions contributions	£10,000 - £15,000	(2015: £5,000 - £10,000)

N Towers (Staff Trustee):

Remuneration	£35,000 - £40,000	(2015: £15,000 - £20,000)
Employers pensions contributions	£0,000 - £5,000	(2015: £0,000 - £5,000)

Y Hawksworth (Staff Trustee):

Remuneration	£25,000 - £30,000	(2015: £20,000 - £25,000)
Employers pensions contributions	£0,000 - £5,000	(2015: £0,000 - £5,000)

During the period ended 31st August 2016, no travel and subsistence expenses were reimbursed or paid directly to Trustees, (2015: nil).

Mr M. Wheeler is the Executive Head Teacher of three primary schools, one of which is a Local Authority maintained school (Kilnhurst St Thomas C of E Primary). During the year ended 31st August 2016 £35,723 of Mr Wheeler's salary costs were recharged to Kilnhurst St Thomas. (2015: £13,000)

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

10 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.

11 Central Services

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

Legal services
Insurance services
Finance and Accountancy
Audit of Financial Accounts

The trust charges for these services on the following basis:

Each academy contributes 1.9% of its GAG Allocation. The actual amounts charged during the year were as follows:

	Total 2016 £000	Total 2015 £000
Aston All Saints Primary	15	11
Emmanuel Junior	14	8
Flanderwell Primary	19	10
St Mary's Primary	13	13
Thrybergh Fullerton Primary	10	5
Trinity Croft Junior and Infant	9	5
Wickersley St Albans Primary	15	13
	95	65

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

12 Tangible Fixed Assets

	Leashold Land and Buildings £000	Furniture and Equipment £000	Computer Hardware £000	Total £000
Cost				
At 1 September 2015	14,942	21	113	15,076
Additions	657	35	56	748
Disposals	-	-	-	-
At 31 August 2016	<u>15,599</u>	<u>56</u>	<u>169</u>	<u>15,824</u>
Depreciation				
At 1 September 2015	64	9	44	117
Charged in year	459	13	68	540
Disposals	-	-	-	-
At 31 August 2016	<u>523</u>	<u>22</u>	<u>112</u>	<u>657</u>
Net book values				
At 31 August 2015	14,878	12	69	14,959
At 31 August 2016	<u>15,076</u>	<u>34</u>	<u>57</u>	<u>15,167</u>

During the year ended 31st August 2016 the DS Academies Trust was awarded £1,337,964 in Capital Improvement Funding (CIF) from the EFA to fund projects across 6 of the 7 schools within the trust. The individual projects are as follows:

- erection of a modular building at Emmanuel Juniors
- major rewire work at Aston All Saints Primary and Flanderwell Primary
- replacement of heating systems and infrastructure at St Marys Primary and Trinity Croft J&I
- re-roof and facia replacement at Thrybergh Fullerton Primary

The value of work as at 31st August 2016 was £610,000 on buildings and £20,000 on ICT reflected in fixed asset additions for the year. The value of rewire work totalling £342,000 was deemed to be non-enhancing and has been written off as additional depreciation during the year.

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

	Total 2016 £000	Total 2015 £000
13 Debtors		
Trade Debtors	11	39
VAT Recoverable	101	108
Prepayments and accrued income	<u>121</u>	<u>123</u>
	<u>233</u>	<u>270</u>

	Total 2016 £000	Total 2015 £000
14 Creditors: Amounts Falling due within 1 year		
Trade creditors	501	109
Taxation and social security	87	72
Other creditors	65	69
Accruals and deferred income	<u>390</u>	<u>181</u>
	<u>1,043</u>	<u>431</u>

	Total 2016 £000	Total 2015 £000
Deferred		
Deferred Income at 1 September 2015	101	-
Resources deferred in the year	119	101
Amounts released from previous years	<u>(101)</u>	<u>-</u>
Deferred Income at 31 August 2016	<u>119</u>	<u>101</u>

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

- Universal infant free school meals funding for the academic year commencing September 2016.
- Early Years and SEN top up funding from the LA allocated to the end of March 2017
- Rates Relief from the EFA covering NNDR bills to March 2017
- Parental contributions to school trips collected in advance.

	Total 2016 £000	Total 2015 £000
15 Creditors: Amounts Falling due after more than 1 year		
Other creditors	<u>14</u>	<u>18</u>
	<u>14</u>	<u>18</u>

Included within other creditors is borrowing obligations of £13,819 transferred from the Local Authority on conversion in relation to two loans to renew lighting at Emmanuel Junior prior to conversion. The repayment of the loans will complete in January 2020.

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

16 Funds

	Balance at 1 September 2015 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General annual Grant (GAG)	201	5,024	(5,315)	145	55
Pupil Premium	-	407	(407)	-	-
Other DfE/EFA Grants	-	232	(232)	-	-
Other	-	595	(595)	-	-
Borrowing Obligations	(18)	4	-	-	(14)
Pensions Reserve	(2,161)	-	(50)	(1,608)	(3,819)
	(1,978)	6,262	(6,599)	(1,463)	(3,778)
Restricted fixed asset funds					
DfE/EFA capital grants	85	1,232	(218)	-	1,099
Capital expenditure from GAG	19	-	(5)	24	38
Assets Inherited from LA	14,920	-	(317)	-	14,603
	15,024	1,232	(540)	24	15,740
Total restricted funds	13,046	7,494	(7,139)	(1,439)	11,962
Unrestricted funds					
Unrestricted funds	441	246	-	(169)	518
Total unrestricted funds	441	246	-	(169)	518
Total funds	13,487	7,740	(7,139)	(1,608)	12,480

General Annual Grant (GAG): this is the academy's principal funding stream from the Education Funding Agency. The funding must be used for the running of the school and for the benefit of the pupils. The use of the grant is governed by the terms and conditions set out in the Funding Agreement. The trust received £5,024,000 of which £55,000 remains unspent.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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

PE Sports Grant of £61,000 to help promote sports and physical activity in schools.

Pupil Premium of £407,000 to help raise attainment amongst pupils considered socially deprived. This funding is allocated on the basis of eligibility for free school meals.

Universal Infant Free School Meals Grant £154,000 to support schools in delivering the offer of free school meals to all pupils in year groups reception, year 1 and year 2.

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

Other Restricted Income: the trust received income from the Local Authority including: £222,000 Early Years funding, £45,000 SEN funding and £10,000 Looked After Children Pupil Premium funding.

Pension Reserve: on conversion each school within the trust inherited a share of the Local Government Pension Scheme (LGPS) liability. The liability for each school as at 31st August 2016 is valued as follows:

Aston All Saints Primary	– £500,000
Emmanuel Juniors	– £473,000
Flanderwell Primary	– £817,000
St Mary's Primary	– £824,000
Thrybergh Fullerton Primary	– £347,000
Trinity Croft Junior and Infants	– £226,000
Wickersley St Albans Primary	– £632,000

For the year ended 31st August 2016 a net interest expense of £50,000 was recognised within expenditure and an actuarial loss of £1,608,000 was recognised under other gains and losses. At 31st August 2016 the pension deficit stood at £3,819,000.

DfE/EFA Capital Grants: the trust received the following capital grants from the EFA:
Devolved Formula Capital funding of £42,560 for building improvements and ICT.
Academies Capital Improvement Funding of £1,166,123 was received by the Trust see note 12.

The Trust also received non EFA funding of £20,000 Awards for All grant to pay for playground refurbishments/equipment and £3,690 from the Church Burgesses Educational Foundation to fund the purchase of IT equipment.

Unrestricted Funds: the academy trust held £687,000 in unrestricted funding for the year. During the year income was generated from the recharge of ICT services to other schools within the learning community, lettings and insurance claims.

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

A total of £169,000 was transferred to fund expenditure within Restricted Funds leaving a balance of £518,000 within unrestricted funds as at 31st August 2016.

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

16 Funds (continued)

Analysis of academies by fund balance

Fund balances as at 31st August 2016 were allocated as follows:

	Total 2016 £000	Total 2015 £000
Aston All Saints Primary	(24)	(15)
Emmanuel Junior	25	82
Flanderwell Primary	154	136
St Mary's Primary	45	119
Thrybergh Fullerton Primary	86	83
Trinity Croft Junior and Infant	127	109
Wickersley St Albans Primary	87	59
Central Services	59	51
Total before fixed asset and pension reserve	559	624
Restricted fixed asset fund	15,740	15,024
Pension reserve	(3,819)	(2,161)
Total	12,480	13,487

Total cost analysis by academy

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

	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	Total 2016	Total 2015
	£000	£000	£000	£000	£000
Aston All Saints Primary	93	50	157	932	698
Emmanuel Junior	175	57	166	972	504
Flanderwell Primary	152	55	233	1,321	740
St Mary's Primary	162	48	180	900	793
Thrybergh Fullerton Primary	83	36	95	696	370
Trinity Croft Junior and Infant	70	39	144	671	336
Wickersley St Albans Primary	123	63	152	1,043	984
Central Services	27	0	37	64	125
Academy Trust	885	348	1,164	6,599	4,550

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

17 Analysis of Net Assets between Funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	15,167	15,167
Current assets	518	1,098	573	2,189
Current liabilities	-	(1,043)	-	(1,043)
Long Term Liabilities	-	(14)	-	(14)
Pensions scheme liability	-	(3,819)	-	(3,819)
Total net assets	518	(3,778)	15,740	12,480

18 Capital Commitments

	2016 £000	2015 £000
--	--------------	--------------

Contracted for, but not provided in the financial statements	-	12
--	---	----

19 Financial Commitments

	2016 £000	2015 £000
--	--------------	--------------

Operating Leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

Other		
Expiring within one year	22	12
Expiring within two and five years inclusive	<u>21</u>	<u>15</u>
	<u>43</u>	<u>27</u>

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

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

	2016 £000	2015 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	601	13,206
Adjusted for:		
Depreciation	540	117
Capital grants from DfE and other Capital Income	(1,232)	(108)
Interest receivable	(3)	-
Net Assets transferred on conversion to an academy trust	-	(10,703)
Defined benefit pension scheme obligation inherited	-	(2,356)
Defined benefit pension scheme cost less contributions payable	(30)	(21)
Defined benefit pension scheme finance cost	80	59
(Increase)/decrease in debtors	37	(247)
Increase/(decrease) in creditors	612	407
Net cash provided by / (used in) Operating Activities	605	354

21 Cash Flows from Financing Activities

Repayments of borrowing	4	-
Cash inflows from new borrowing		
Net cash provided by / (used in) financing activities	4	-

22 Cash Flows from Investing Activities

Dividends, interest and rents from investments	3	-
Purchase of tangible fixed assets	(748)	(69)
Capital grants from DfE / EFA	1,212	108
Capital funding received from sponsors and others	20	-
Net cash provided by / (used in) investing activities	487	39

23 Cash Transferred on Conversion to an academy trust

Cash transferred on conversion	-	426
Net cash inflow on conversion to an academy trust	-	426

24 Analysis of Cash and Cash Equivalents

	At 31st August 2016 £000	At 31st August 2015 £000
Cash in hand and at Bank	1,956	868
	1,956	868

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

25 Members Liability

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

26 Pension and Similar Obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31st March 2013. Contributions amounting to £45,000 were payable to the schemes at 31 August 2016 (2015: £49,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

26 Pension and Similar Obligations (continued)

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £634,000 (2015: £198,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £265,000 (2015: £264,000), of which employer's contributions totalled £185,000 (2015: £215,000) and employees' contributions totalled £80,000 (2015: £49,000). The agreed employer contribution rates for future years range from 12.5% to 15.8%.

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

On conversion the Academy Trust inherited a pension deficit from the South Yorkshire Pensions Authority of £2.356m. The Trust has entered into an agreement with the trustees to make additional contributions per annum in addition to normal funding levels. It is anticipated that the additional contributions will be paid over 23 years.

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

26 Pension and Similar Obligations (continued)

Principal actuarial assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.55%	3.99%
Rate of increase for pensions in payment/inflation	1.90%	2.24%
Discount rate for scheme liabilities	2.10%	4.00%
Inflation assumption (CPI)	1.80%	2.24%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	23.0	23.0
Females	25.7	25.6
<i>Retiring in 20 years</i>		
Males	25.4	25.3
Females	28.5	28.4

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	1044	678
Government Bonds	269	163
Other Bonds	111	67
Property	197	132
Cash/Liquidity	30	21
Other	137	81
Total market value of assets	1788	1,142

The actual return on scheme assets was £265,000 (2015: £21,000)

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

26 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(30)	27
Net interest cost	80	(0)
Total operating charge	<u>50</u>	<u>27</u>

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

	2016 £000	2015 £000
At 1 September	3303	-
Upon conversion	-	3245
Current service cost	281	188
Interest cost	134	89
Employee contributions	78	49
Actuarial (gain)/loss	1818	(261)
Benefits paid	(7)	(7)
At 31 August	<u>5607</u>	<u>3303</u>

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

	2016 £000	2015 £000
At 1 September	1142	-
Upon conversion	-	882
Expected return on assets	54	36
Actuarial gain/(loss)	210	(40)
Employer contributions	316	215
Employee contributions	78	49
Benefits paid	(7)	-
Administration expenses	(5)	-
At 31 August	<u>1788</u>	<u>1142</u>

The Diocese of Sheffield Academies Trust (DSAT)

Notes to the Financial Statements for the year ended 31 August 2016

27 Related Party Transactions

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

During the year ended 31st August 2016 the trust paid £1,522 to Gurner Electrical Solutions, a company managed by the husband of Amy Gurner Deputy Headteacher at Wickersley St Albans. The transactions have been conducted under normal market conditions and have followed the academy trust's procurement policies. The total cost to the academy trust during the period falls below the de minimis set by the Academies Financial Handbook for the "at cost" principle. At the balance sheet date there were no outstanding amounts to or from the related party.