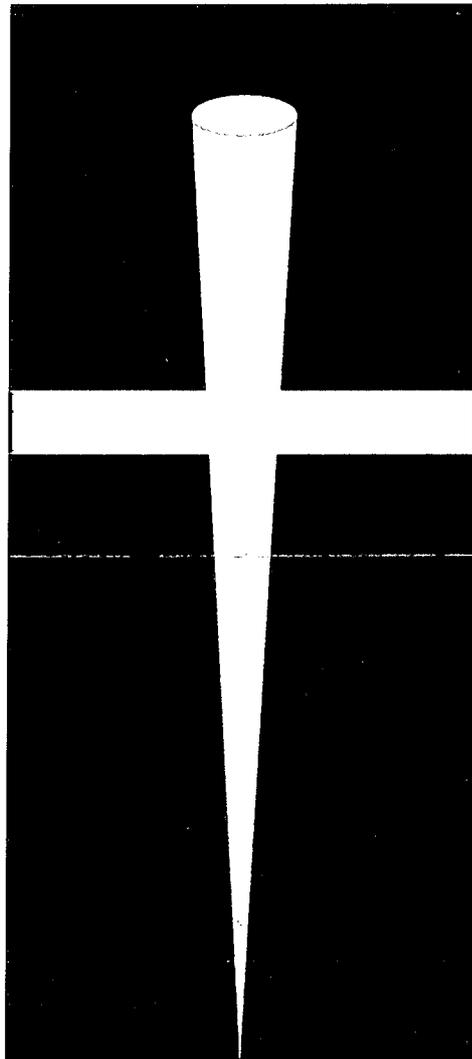


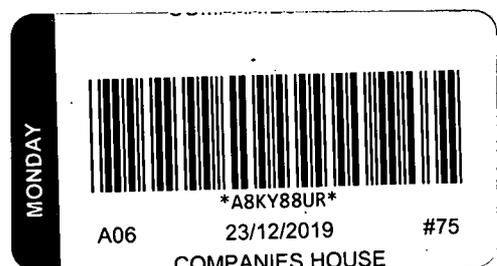
REGISTERED COMPANY NUMBER: 08745639 (England and Wales)

**The Diocese of Sheffield Academies Trust  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements  
Year ended 31 August 2019**



**The Diocese of Sheffield Academies Trust**



**The Diocese of Sheffield Academies Trust  
Content of the Financial Statements  
for the Year Ended 31 August 2019**

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**The Diocese of Sheffield Academies Trust  
Reference and Administrative Details  
for the Year Ended 31 August 2019**

**Members**

William Huw 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  
 Derek Grover  
 Revd Stephen Gardner

**Trustees**

Andrew Waldron  
 William Huw Thomas  
 James Dugmore  
 Mark Wheeler  
 Nicholas Keightley  
 Lindsey-Jane Buxton  
 Heidi Adcock

**Key Management Personnel**

Andrew Waldron - Chief Executive Officer  
 Alison Adair – Performance Director  
 Lynne Thorne – Head Teacher  
 Charlotte Newton-Wall – Head Teacher  
 Sue Mellor – Head Teacher  
 Rebecca Allard – Head Teacher  
 Claire Garbutt – Executive Head Teacher  
 Alison Navas – Head Teacher  
 Deborah Ball – Head Teacher  
 Victoria Sherwood – Head Teacher  
 Sharon Patton – Head Teacher  
 Maureen Andrews – Head Teacher  
 Nevine Towers – Business & Operations Executive  
 Christopher Harris – Finance Executive

|   |   |
|---|---|
| <b>Company name:</b>                    | The Diocese of Sheffield Academies Trust (DSAT)   |
| <b>Principal and Registered office:</b> | Flanderwell Early Excellence Centre,<br>Greenfield Court, Flanderwell, Rotherham<br>S66 2JF |
| <b>Company Registration Number:</b>     | 08745639 (England and Wales)  |
| <b>Independent auditor:</b>             | Smith Craven, Sidings House, Sidings<br>Court, Lakeside, Doncaster DN4 5NU                  |
| <b>Bankers:</b>                         | Royal Bank of Scotland, Attercliffe Road,<br>Sheffield                                      |
| <b>Solicitors:</b>                      | Wrigleys Solicitors LLP, 19 Cookridge<br>Street, Leeds LS2 3AG                              |

**The Diocese of Sheffield Academies Trust  
Trustees Report  
for the Year Ended 31 August 2019**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1<sup>st</sup> September 2018 to 31<sup>st</sup> August 2019. 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 thirteen academies, all primary schools, twelve 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 or the required skills on the board. Recommendations can be made by Directors 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 Diocese of Sheffield Academies Trust  
Trustees Report  
for the Year Ended 31 August 2019**

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 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. Termly meetings are held with Headteachers, Chairs and Vice Chairs of Governors. Regular meetings of Headteachers and 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:

Andrew Waldron - Accounting Officer & Chief Executive Officer  
William Huw Thomas - Director  
James Dugmore - Director  
Mark Wheeler - Director  
Nick Keightley – Director  
Lindsey-Jane Buxton – Director  
Heidi Adcock (Chartered member of CIPFA) – Director

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 within a prescribed pay banding. The remuneration proposals are then agreed by the Local Governing Body and the CEO of the trust. The CEOs remuneration package was agreed in consultation with the Chair of the board and directors. The remuneration package was benchmarked against other CEOs within Multi Academy Trusts of a similar size. The services of the Diocesan Director of Education have been rendered by the Diocese for a number of years.

Salaries of the Business and Operations Executive and Finance Executive were benchmarked against similar roles within schools with comparable pupil numbers. The final remuneration package was agreed by Directors. Performance management reviews of these roles are undertaken on an annual basis.

**The Diocese of Sheffield Academies Trust  
Trustees Report  
for the Year Ended 31 August 2019**

**Related Parties and other Connected Charities and Organisations**

On 12/7/17 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 2019 are summarised below.

**Mission Statement**

The work of the trust is inspired and informed by the Church of England's Vision for Education. Though deeply Christian in inspiration this vision is explicitly written for, and offered to, all schools as an inclusive framework for education that opens for our children 'life in all its fullness'.

DSAT prides itself on its high expectations both for its pupils and its schools this translates to four key aspirations

- To create and sustain challenging, stimulating, nurturing and exciting learning experiences where all children achieve well and are keen to learn.
- To deliver outstanding teaching and learning for all pupils every day.
- To offer an inclusive framework for education that opens for our children "life in all its fullness".
- To empower leadership at all levels to drive improvements so that each school is aspirational and moves to its next level of performance.

Our Mission is for DSAT to be the number one choice for schools who wish to embrace the Multi Academy structure, the number one choice for teaching staff who wish to extend their influence across a number of schools and the number one choice for parents who want their children to reach the best they can be, but always with a smile and joy for learning.

**The DSAT Improvement Mission:**

DSAT prides itself on its high expectations both for its pupils and its schools and this translates to four core aspirations:

- Good and outstanding teaching
- Leadership, with vision, that delivers
- Every child is able to reach their fullest potential
- Surpassing floor targets in all three measures

For our church academies we also seek a distinctive, Christian ethos.

**The Diocese of Sheffield Academies Trust  
Trustees Report  
for the Year Ended 31 August 2019**

High expectations are expected across the school day, with teaching and learning striving towards equal standards of subjects across the curriculum breadth. To support this, every child has targets in place for reading, writing and maths that are used to inform planning and support a dialogue with the child over their progress.

Although the information about children's current attainment provides a good understanding of children's next steps in learning, DSAT will ensure that, at all times, we have the highest expectations of what children can do. We will also ensure that tasks do not limit children in terms of outcomes, but enable them to acquire new learning beyond our expectations.

Teachers will discuss the children's challenging targets with them, and instil the self-belief that will help them achieve this. Children will be able to talk about their targets, to judge their own success and to gauge their own progress towards their goals. This will be used for teacher assessments and self-assessment.

Necessary interventions will be planned to ensure that all children will be able to do this. These will include booster lessons, language intervention and homework clubs, but may also include interventions to improve children's social and emotional readiness for learning.

Raising attainment is also about understanding the aspirations of the individual child, and as such, children are grouped by class teachers according to their individual needs and requirements. Groups are flexible and mobile to encourage higher attainment and provide social support for children at different times in their learning.

**Objectives:**

- At the heart of the Diocese of Sheffield Academies Trust is the goal of providing an excellent education for every child in every academy.
- DSAT will also expect at least "good" progress in KS1 and KS2, considering children's starting points from EYFS/ KS1. This will include comparing key areas from starting points with national data and comparing similar key areas at the end of KS1/ KS2. This will indicate good gains made across EYFS, KS1 and KS2 using this comparative data. The expectation is for children to make rapid progress that is sustained across their years in the primary school.
- 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 support 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 of local governing bodies;
- An effective combination of centrally driven improvement alongside effective monitoring to ensure that our schools demonstrate a high standard of provision ;
- 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:

**The Diocese of Sheffield Academies Trust  
Trustees Report  
for the Year Ended 31 August 2019**

- 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 increases individual and collective knowledge and understanding of study, skills and expertise.

**Achievements and Performance**

**School Level Outcomes for the end of the Summer Term 2019**

**School Whole Trust –**

|   | <b>Cohort</b> | <b>Percentage</b> | <b>National</b> |
|---|---------------|-------------------|-----------------|
| <b>EYFS</b>                                       |               |                   |                 |
| A Good Level of Development                       | 268           | 79.1%             | 71%             |
| <b>Phonics</b>                                    |               |                   |                 |
| Phonics - Year 1                                  | 315           | 87%               | 82%             |
| <b>End of Key Stage 1</b>                         |               |                   |                 |
| % National Standard (or higher) Reading           | 258           | 78%               | 75%             |
| % National Standard (or higher) Writing           | 258           | 73%               | 69%             |
| % National Standard (or higher) Maths             | 258           | 80%               | 76%             |
| <b>End of Key Stage 2</b>                         |               |                   |                 |
| % National Standard (or higher) Reading           | 294           | 71%               | 73%             |
| % National Standard (or higher) Writing           | 294           | 87%               | 78%             |
| % National Standard (or higher) Maths             | 294           | 84%               | 79%             |
| % National Standard (or higher) GPS               | 294           | 78%               | 78%             |
| % National Standard (or higher) R, W & M combined | 294           | 71%               | 65%             |

**Key Performance Indicators**

During the year 2019-20 the trust continued to grow from having 11 academies to 13 with a further two schools having academy orders and scheduled to join

The trust took on two new schools, St Oswald's joined in December 2018 followed by Pye Bank in July 2019.

The trust CEO, Andrew Waldron, doubled his time working for the trust and is now employed two days per week. The trust also appointed a full time Business and Operations Executive, Nevine Towers. The trust also appointed a Director of Performance, Alison Adair to work across all schools.

All but one of the schools within DSAT now have an Ofsted rating of Good or Outstanding, this is a significant improvement compared to when the trust was initially formed.

St Micheals our sponsored Academy performed very well in the SATs. When DSAT took on St Micheals they had achieved 17% Reading Writing Maths combined the results for 2018 show a significant improvement to 83% Reading Writing Maths combined. In 2018 all attainment and progress were significantly above national which makes it the third highest performing school in DSAT for attainment and is in the top ten schools in Doncaster. When St Micheals became part of DSAT the Local Authority rated the school as an extreme concern after action taken by DSAT the Local Authority has issued a letter to the school stating it has moved to a self-improving school who are likely to achieve a good or better in its next inspection.

**The Diocese of Sheffield Academies Trust  
Trustees Report  
for the Year Ended 31 August 2019**

**Financial Review**

**Investment Policy**

The Academy Trust does not hold investments other than Cash at Bank. Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Governors do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Governors' management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FCSA Approved list included in the Financial Services Compensation Scheme (FSCS).

**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 budget surpluses in year one and two. One Academy in the trust is forecasting a small deficit in year three and is currently taking action to reduce and control expenditure levels. 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 two new Directors to the trust, and accounting for the ability to cover capacity lost through resignations, the trust has grown to include an additional 2 directors the first with financial expertise and the second with public relations expertise. This has added additional scrutiny to the work carried out by the Executive Team. With these 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.*

The trust has set a budget projection over three years in which it is anticipated to realise 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 2.58% with variations made for academies in particular need wherein the trust may need to render support.

The principal expenditures in 2018/19 have been the support work of the Business and operations officer, the finance officer, the leadership and direction costs associated with the CEO and the school performance director for the trust and its academies.

Before actuarial gains and losses on the pension scheme, the trust incurred net outgoing expenditure of £1.769m. However, this is inclusive of the pension deficit inherited in the year from the transfer of Finningley St Oswalds and conversion of Pyebank C of E into the trust of £2.071m. Excluding movements in the pension deficit and fixed asset reserve, general funds available to each academy in the trust increased by £192k, with the average funds available for spending per academy at £99k (2018: £99k). Further details regarding this can be found per note 17. Forecasts for the 2019/20 year shows that it has sufficient funds to continue to operate for the foreseeable future. For this reason, the trustees continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

The largest proportion of the Academy Trusts income is obtained from the Education and Skills Funding Agency in the form of the General Annual Grant (GAG). The amount of General Annual Grant carried forward at 31 August 2019 was £963k (2018: £700k). The increase is a result of the trust expanding from 11 academies to 13 academies and additional capital grant funding such as devolved formula capital to contribute towards building and grounds maintenance. Excluding the pension and fixed asset reserve, total income for the year was £13.408m (2018:£10.890m) and total expenditure was £12.985m (£10.640m).

**The Diocese of Sheffield Academies Trust  
Trustees Report  
for the Year Ended 31 August 2019**

**Financial Review (Continued)**

An actuarial loss of £2.955m (2018: gain of £792k) arose on the Academy Trust's share of the Local Government Pension Scheme (LGPS) during the year which, with other movements, has resulted in a LGPS deficit of £11.607m at 31 August 2019 (2018: £5.706m). The increase in the LGPS deficit in the year is partly attributable to uncertain market conditions as a result of the Brexit negotiations which has adversely affected corporate bond yield.

The increase in the pension deficit balance can also be attributed to the McCloud judgement, resulting in additional service costs to reflect the variation in valuation.

The trust showed a net decrease in funds in the year of £4.779m (2018: net increase £1.355m) which in return resulted in a decrease to the balance sheet net asset position to £365k (2018: £5.144m). This decrease comprises of the following key items: actuarial loss on pensions of £2.955m, net deficit on assets and liabilities inherited on conversion from outside of the trust in the year of £178k (inclusive of a £2.071m pension deficit inherited), additional pension costs as a result of the McCloud judgement of £457k and £620k net expenditure on the movement of the Conditional Improvement Fund (CIF) held by the trust. The trust was holding CIF funding of £170k at 31 August 2019 as opposed to £847k at 31 August 2018. The reduction being the net spend in the year. See funds note 17 for further detail.

**Reserves Policy**

The Academy Trust Board reviews the level of reserves annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. It is the trustees' policy to maintain a minimum level of reserves of £500,000 and to build up free reserves which can be used for future education purposes in line with each academy's development plan. The trustees will ensure that the reserves policy continues to conform to the requirements laid down in the Academies' Financial Handbook produced by the DFE.

Having taken account of the risks to which the Trust is exposed, the trustees consider the current level of reserves to be appropriate. Free Reserves (total of unrestricted general funds and restricted general funds excluding the defined benefit pension liability) at the end of the period amounted to £1.043m.

As the academies are on census based pupil number funding, the Academy Trust is not subject to any limit on the amount of General Annual Grant that may be carried forward, thus allowing the trustees to ensure that adequate reserves may be built up.

The restricted Fixed Asset fund may only be realised by disposing of tangible fixed assets. The balance at 31 August 2019 was £10.597m.

In accordance with FRS 102, it is necessary to charge projected pension scheme deficits to the Restricted General Fund for those pension schemes where the assets and liabilities of the scheme can be separately identified. This has resulted in a reduction in restricted reserves of £11.607m. It should be noted that this is an accounting estimate of a long-term liability which has not crystallised and has no immediate impact on the Academy Trust's liquidity.

**Principal Risks and Uncertainties**

The trust maintains an up-to-date risk register and business continuity plan to help mitigate the main risks and uncertainties it faces. The principal risks and uncertainties facing the trust are as follows:

**Strategic Risk:**

An academy in the trust receiving a negative Ofsted outcome – mitigated by shared development between academies and monitoring arrangements for the trust;

**The Diocese of Sheffield Academies Trust  
Trustees Report  
for the Year Ended 31 August 2019**

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 Risk:**

Inaccurate or insufficient information – mitigated by regular financial reporting to the trust and central support to complete budget monitoring returns;

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.

**Fundraising**

Potential fundraising and external income generation opportunities are regularly discussed at the School Business Managers meeting. The main sources of fundraising is from grant awarding bodies such as Awards for All and the Ernest Cook Trust. School Business Managers will share knowledge of available funding and share information of any new grants that are available to schools and that they have successfully applied for.

**Plans for Future Periods**

The trust now plans to grow by a further 5 schools over the next 3 years to give 18. At the time of writing this report the trust has received a request from a Doncaster school to join The Diocese of Sheffield Academies Trust. The trust has previously worked significantly with the school on improvements. The trust retains openness towards approaches from schools wishing to join or being required to join, by the DFE.

The trust will continue to review major purchase contracts in order to achieve best value for money for all schools within DSAT. The savings made on these areas will be reinvested in the front-line education of pupils. Internal cost benchmarking will aim to create a hypothetical 'model' school in terms of cost management. This will be used to assess and validate practices that are outside of the 'model'. During the next twelve months it is anticipated that a new payroll provider will be appointed. The driver behind this change is to reduce cost but also to improve service provision. Where possible we will continue to develop our Executive Head model. As this model develops we will need to consider a revision to governance structures.

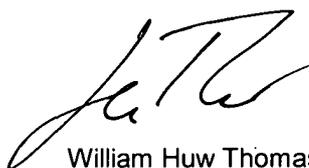
The growth of the Diocese of Sheffield Academies Trust will facilitate a greater infrastructure within the Central Services Team and enable optimum procurement activities enabling greater savings across the trust.

**Auditor**

The trust's auditor is Andrew Cribb FCA of Smith Craven Chartered Accountants.

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 members, as the company directors, on 4th December 2019 and signed on the board's behalf by:



William Huw Thomas  
Trustee

**The Diocese of Sheffield Academies Trust  
Governance Statement  
for the Year Ended 31 August 2019**

**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 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:

| <b>Directors</b>      | <b>Attendance</b> | <b>Out of a possible</b> |
|-----------------------|-------------------|--------------------------|
| Andrew Waldron        | 6                 | 6                        |
| Heidi Adcock          | 5                 | 6                        |
| William Huw Thomas    | 6                 | 6                        |
| James Dugmore         | 5                 | 6                        |
| Lindsey-Jane Buxton   | 3                 | 6                        |
| Mark Wheeler          | 5                 | 6                        |
| Nicholas Keightley    | 2                 | 6                        |
| Zoe Lintin*           | 1                 | 1                        |
| <b>Key Management</b> |                   |                          |
| Alison Adair          | 5                 | 6                        |
| Christopher Harris**  | 5                 | 6                        |
| Nevine Towers         | 6                 | 6                        |

\*Appointed September 2019

\*\*Stepped down July 2019

**Review of Governance:** In 2019 the trust reviewed its governance capacity and invited 1 new trustee to the board with expertise in senior level HR. The CEO no longer has voting rights.

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;

**The Diocese of Sheffield Academies Trust**  
**Governance Statement**  
**for the Year Ended 31 August 2019**

- 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, Andrew Waldron 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 premises expenses;
- The appointment of Wrigley Solicitors as Legal support service to all schools within the trust ;
- The renewing of RPA insurance, leading to savings on items such as governor liability insurance;
- Appointment of a Business and Operations Executive and a School Improvement Executive to develop capacity, drive forward change and improve results within the trust;
- Fisher Family Trust subscription and Learners First subscription prices have been negotiated at trust level generating significant savings for all schools;
- Large procurement activities including catering, Pupil Database, Finance System and photocopier contracts;
- Responsible officer visits;
- Finance Visits to schools;
- HR;
- Payroll;
- Auditors;
- Training.

**The Diocese of Sheffield Academies Trust  
Governance Statement  
for the Year Ended 31 August 2019**

**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 01<sup>st</sup> February 2015 to 31 August 2019 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 two Responsible Officers. The Responsible Officers have conducted three visits at each of the Academies within the trust in the year ending 31/08/18. 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 governor's 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 01<sup>st</sup> September to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The Risk and Control Framework**

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

- Comprehensive budget 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 two Responsible Officers 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 Officers have conducted three reviews 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 Officers have 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.

**The Diocese of Sheffield Academies Trust  
Governance Statement  
for the Year Ended 31 August 2019**

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, Andrew Waldron 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, the reviewer ;
- 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 **4<sup>th</sup> December 2019** and signed on its behalf by:



**William Huw Thomas**  
Trustee



**Andrew Waldron**  
Accounting Officer

**The Diocese of Sheffield Academies Trust  
Statement on Regularity, Propriety and Compliance  
for the Year Ended 31 August 2019**

As accounting officer of The Diocese of Sheffield Academies Trust (DSAT) 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 ESFA 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 2018.

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 2018.

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



**Andrew Waldron**  
Accounting Officer  
4<sup>th</sup> December 2019

**The Diocese of Sheffield Academies Trust  
Statement of Trustees Responsibilities  
for the Year Ended 31 August 2019**

The trustees who act as governors of The Diocese of Sheffield Academies Trust (DSAT) and 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 ;
- make judgments and accounting estimates that are reasonable and prudent ;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements ;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 4<sup>th</sup> December 2019 and signed on its behalf by:



**William Huw Thomas**  
Trustee

## The Diocese of Sheffield Academies Trust

### Report of the Independent Auditors to the Members of The Diocese of Sheffield Academies Trust

#### Opinion

We have audited the financial statements of The Diocese of Sheffield Academies Trust for the year ended 31 August 2019, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements including a summary of significant accounting policies. The Financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

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

#### In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

#### Basis for opinion

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **The Diocese of Sheffield Academies Trust**

### **Report of the Independent Auditors to the Members of The Diocese of Sheffield Academies Trust**

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of trustees**

As explained more fully in the statement of Trustees Responsibilities set out on page fourteen, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**The Diocese of Sheffield Academies Trust**

**Report of the Independent Auditors to the Members of The Diocese of Sheffield Academies Trust**

**Our responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.



.....  
Andrew Cribb FCA (Senior Statutory Auditor)

For and on behalf of

**Smith Craven**  
Chartered Accountants  
Statutory Auditors

Sidings House  
Sidings Court  
Doncaster  
South Yorkshire  
DN4 5NU

Date: 4 December 2019

## **The Diocese of Sheffield Academies Trust**

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

In accordance with the terms of our engagement letter dated 31 May 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Diocese of Sheffield Academies Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of the Diocese of Sheffield Academies Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Diocese of Sheffield Academies Trust's funding agreement with the Secretary of State for Education dated June 2014 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills 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:

- Ensuring value for money is sought for all goods & services procured by the academy, including those procured from related parties of the academy.
- Consideration of the evidence supporting the accounting officer's statement of regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy Trust.
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE.

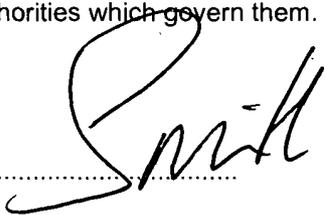
**The Diocese of Sheffield Academies Trust**

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

- Ensuring that expenditure incurred through the academy bank account and debit card is appropriate for the purposes of the academy and that there has been no personal expenditure from the academy's funds.
- Ensuring pension contributions are paid to the respective schemes in a timely manner.
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.
- Ensuring there is sufficient and appropriate risk management.

**Conclusion**

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



**Smith Craven**  
Chartered Accountants  
Reporting Accountants  
Sidings House  
Sidings Court  
Doncaster  
South Yorkshire  
DN4 5NU

Date: 4 December 2019

**The Diocese of Sheffield Academies Trust**  
**Statement of Financial Activities**  
**for the Year Ended 31 August 2019**

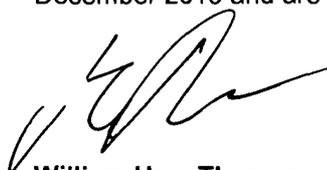
|   | Notes | Unrestricted<br>Funds<br>£000 | Restricted<br>General<br>Funds<br>£000 | Restricted<br>Fixed Asset<br>Funds<br>£000 | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|---|-------|-------------------------------|--|--|-----------------------|-----------------------|
| <b>Income and endowments from:</b>                          |       |                               |  |  |                       |                       |
| Donations and capital grants                                | 2     | 10                            | 11                                     | 507  | 528                   | 2,352                 |
| Transfer from LA on Conversion                              |       | -                             | -                                      | -  | -                     | 576                   |
| Charitable activities:                                      |       |                               |  |  |                       |                       |
| Funding for the academy trust's educational operations      | 3     | -                             | 12,798                                 | -  | 12,798                | 10,164                |
| Other trading activities                                    | 4     | 102                           | 482                                    | -  | 584                   | 369                   |
| Investment income   | 5     | 5                             | -                                      | -  | 5                     | 1                     |
| <b>Total</b>  |       | <u>117</u>                    | <u>13,291</u>                          | <u>507</u>                                 | <u>13,915</u>         | <u>13,462</u>         |
| <b>Expenditure on:</b>                                      |       |                               |  |  |                       |                       |
| Transfer to LA on Conversion                                | 28    | (210)                         | 2,071                                  | (1,683)                                    | 178                   | -                     |
| Charitable activities:                                      |       |                               |  |  |                       |                       |
| Academy trust educational operations                        | 6, 8  | 232                           | 13,628                                 | 1,491                                      | 15,351                | 12,691                |
| Governance Costs  |       | -                             | 210                                    | -  | 210                   | 208                   |
| <b>Total resources expended</b>                             |       | <u>22</u>                     | <u>15,909</u>                          | <u>(192)</u>                               | <u>15,739</u>         | <u>12,899</u>         |
| <b>Net incoming / (outgoing) resources</b>                  |       | 95                            | (2,618)                                | 699  | (1,824)               | 563                   |
| Gross Transfer between funds                                | 17    | (174)                         | (57)                                   | 231  | -                     | -                     |
| <b>Other recognised gains and losses</b>                    |       |                               |  |  |                       |                       |
| Actuarial gains (losses) on defined benefit pension schemes | 17    | -                             | (2,955)                                | -  | (2,955)               | 792                   |
| <b>Net movement in funds</b>                                |       | <u>(79)</u>                   | <u>(5,630)</u>                         | <u>930</u>                                 | <u>(4,779)</u>        | <u>1,355</u>          |
| <b>Reconciliation of funds</b>                              |       |                               |  |  |                       |                       |
| Total funds brought forward                                 |       | <u>494</u>                    | <u>(5,017)</u>                         | <u>9,667</u>                               | <u>5,144</u>          | <u>3,789</u>          |
| Total funds carried forward                                 |       | <u>415</u>                    | <u>(10,647)</u>                        | <u>10,597</u>                              | <u>365</u>            | <u>5,144</u>          |

The notes form part of these financial statements

**The Diocese of Sheffield Academies Trust**  
**Balance Sheet**  
**At 31 August 2019**

|   | Notes | 2019<br>£000    | 2019<br>£000         | 2018<br>£000   | 2018<br>£000   |
|---|-------|-----------------|----------------------|----------------|----------------|
| <b>Fixed Assets</b>                                     |       |                 |                      |                |                |
| Tangible assets   | 13    |                 | <b>10,399</b>        |                | 8,760          |
| <b>Current assets</b>                                   |       |                 |                      |                |                |
| Debtors   | 14    | 743             |                      | 807            |                |
| Cash at bank and in hand                                |       | <u>2,362</u>    |                      | <u>2,756</u>   |                |
|   |       | <b>3,105</b>    |                      | <b>3,563</b>   |                |
| <b>Liabilities</b>                                      |       |                 |                      |                |                |
| Creditors: Amounts falling due within one year          | 15    | <u>(1,530)</u>  |                      | <u>(1,462)</u> |                |
| <b>Net current assets</b>                               |       |                 | <u><b>1,575</b></u>  |                | <u>2,101</u>   |
| <b>Total assets less current liabilities</b>            |       |                 | <b>11,974</b>        |                | 10,861         |
| Creditors: Amounts falling due after more than one year | 16    |                 | <u>(2)</u>           |                | <u>(11)</u>    |
| <b>Net assets excluding pensions liability</b>          |       |                 | <u><b>11,972</b></u> |                | <u>10,850</u>  |
| Pension scheme liability                                | 26    |                 | <u>(11,607)</u>      |                | <u>(5,706)</u> |
| <b>Total net assets</b>                                 |       |                 | <u><b>365</b></u>    |                | <u>5,144</u>   |
| <b>Funds of the academy trust:</b>                      |       |                 |                      |                |                |
| <b>Restricted funds</b>                                 |       |                 |                      |                |                |
| Fixed asset fund  | 17    | 10,597          |                      | 9,667          |                |
| General fund  |       | 960             |                      | 689            |                |
| Pensions reserve  | 26    | <u>(11,607)</u> |                      | <u>(5,706)</u> |                |
| <b>Total restricted funds</b>                           |       |                 | <b>(50)</b>          |                | 4,650          |
| <b>Unrestricted income funds</b>                        |       |                 |                      |                |                |
| General fund  |       | <u>415</u>      |                      | <u>494</u>     |                |
| <b>Total unrestricted funds</b>                         |       |                 | <u><b>415</b></u>    |                | <u>494</u>     |
| <b>Total funds</b>                                      |       |                 | <u><b>365</b></u>    |                | <u>5,144</u>   |

The financial statements on pages 21 to 52 were approved by the trustees and authorised for issue on 4 December 2019 and are signed on their behalf by:



**William Huw Thomas**  
Trustee

The notes form part of these financial statements

**The Diocese of Sheffield Academies Trust  
Cash Flow Statement  
for the Year Ended 31 August 2019**

|  | Notes | 2019<br>£000 | 2018<br>£000 |
|--|-------|--------------|--------------|
| <b>Cash flows from operating activities</b>                        |       |              |              |
| Net cash provided by (used in) operating activities                | 21    | (1,063)      | (1,433)      |
| <b>Cash flows from financing activities</b>                        | 22    | (9)          | (1)          |
| <b>Cash flows from investing activities</b>                        | 23    | 468          | 1,979        |
| <b>Cash transferred on Conversion to an academy trust</b>          | 23    | 210          | 319          |
| <b>Change in cash and cash equivalents in the reporting period</b> |       | <u>(394)</u> | <u>864</u>   |
| <b>Cash and cash equivalents at 1 September 2018</b>               |       | 2,756        | 1,892        |
| <b>Cash and cash equivalents at 31 August 2019</b>                 | 24    | <u>2,362</u> | <u>2,756</u> |

The notes form part of these financial statement.

**The Diocese of Sheffield Academies Trust  
Notes to the Financial Statements  
for the Year Ended 31 August 2019**

**1 Statement of Accounting Policies**

**Basis of Preparation of the Financial Statements**

The financial statements of The Multi Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities, Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(Charities SORP FRS102), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Diocese of Sheffield Academies Trust meets the definition of a public benefit entity under FRS 102.

**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. Capital grants are recognised when there is an entitlement and are not deferred over the life of the asset on which they are expended.

- **Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the 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.

**The Diocese of Sheffield Academies Trust  
Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**1 Statement of Accounting Policies (continued)**

- **Other Income**

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

- **Donated goods, facilities and services**

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

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.

For church school premises that are not on the balance sheet the Accounts Direction requires that an annual donation for rent should be recognised equal to what the academy trust would have to pay to secure premises, if such a figure can be reliably measured. Since there is no open market for such transactions this amount cannot be reliably measured and so no donation has been recognised. Property expenditure on such premises are recognised as expenditure in the Statement of Financial Activity.

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**1 Statement of Accounting Policies (continued)**

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.

Land occupied under long term leases of 125 years for nil rental are recognised in the academy trust accounts represented by the fair value of the "right to use" rather than the freehold.

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.

**Transfers on conversion**

Transferred assets on conversion are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income (expenditure) is recognised for the Transfer on conversion in the Statement of Financial Activity.

**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.

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**1 Statement of Accounting Policies (continued)**

**Financial Instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**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 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 25, 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.

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**1 Statement of Accounting Policies (continued)**

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 includes grants from the Education & Skills Funding Agency/Department for Education.

**Critical accounting estimates and areas of judgement**

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

*Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**2 Donations and Capital Grants**

|                 | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|-----------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Capital Grants  | -                             | 507                         | 507                   | 2,320                 |
| Other Donations | 10                            | 11                          | 21                    | 32                    |
|                 | <u>10</u>                     | <u>518</u>                  | <u>528</u>            | <u>2,352</u>          |

**3 Funding for the Academy Trusts Educational Operations**

|                                | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|--------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| <b>DfE / ESFA grants</b>       |                               |                             |                       |                       |
| General Annual Grant (GAG)     | -                             | 10,308                      | 10,308                | 8,289                 |
| Start Up Grants                | -                             | 47                          | 47                    | -                     |
| Pupil Premium                  | -                             | 769                         | 769                   | 609                   |
| UIFSM                          | -                             | 341                         | 341                   | 270                   |
| Other DfE Grants               | -                             | 386                         | 386                   | 253                   |
|                                | <u>-</u>                      | <u>11,851</u>               | <u>11,851</u>         | <u>9,421</u>          |
| <b>Other Government grants</b> |                               |                             |                       |                       |
| Local authority grants         | -                             | 843                         | 843                   | 650                   |
| Special educational projects   | -                             | 104                         | 104                   | 93                    |
|                                | <u>-</u>                      | <u>947</u>                  | <u>947</u>            | <u>743</u>            |
|                                | <u>-</u>                      | <u>12,798</u>               | <u>12,798</u>         | <u>10,164</u>         |

There are no unfulfilled conditions at the year end with regards to the amounts included in the above government grants.

**4 Other Trading Activities**

|                    | Unrestricted<br>Funds<br>£000 | Restricted<br>Funds<br>£000 | Total<br>2019<br>£000 | Total<br>2018<br>£000 |
|--------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Hire of Facilities | 62                            | -                           | 62                    | 39                    |
| Catering Income    | -                             | 65                          | 65                    | 31                    |
| Other Income       | 40                            | 417                         | 457                   | 299                   |
|                    | <u>102</u>                    | <u>482</u>                  | <u>584</u>            | <u>369</u>            |

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

Other income includes school fund income of £74k, Income from visits of £117k, child and staff paid meals of £45k and after school club income of £27k.

**5 Investment Income**

|          | <b>Unrestricted<br/>Funds</b> | <b>Restricted<br/>Funds</b> | <b>Total<br/>2019</b> | <b>Total<br/>2018</b> |
|----------|-------------------------------|-----------------------------|-----------------------|-----------------------|
|          | £000                          | £000                        | £000                  | £000                  |
| Interest | 5                             | -                           | 5                     | 1                     |

**6 Expenditure**

**Non Pay Expenditure**

|  | <b>Staff<br/>Costs</b> | <b>Premises</b> | <b>Expenditure<br/>Other</b> | <b>Total<br/>2019</b> | <b>Total<br/>2018</b> |
|--|------------------------|-----------------|------------------------------|-----------------------|-----------------------|
|  | £000                   | £000            | £000                         | £000                  | £000                  |
| <b>Expenditure on raising funds:</b>     |                        |                 |                              |                       |                       |
| - Direct Costs                           | -                      | -               | -                            | -                     | -                     |
| - Allocated support costs                | -                      | -               | -                            | -                     | -                     |
| <b>Academies educational operations:</b> |                        |                 |                              |                       |                       |
| - Direct costs                           | 8,760                  | 90              | 1,027                        | 9,877                 | 7,889                 |
| - Allocated support costs                | 1,806                  | 2,082           | 1,586                        | 5,474                 | 4,802                 |
| <b>Total</b>                             | <b>10,566</b>          | <b>2,172</b>    | <b>2,613</b>                 | <b>15,351</b>         | <b>12,691</b>         |

| Expenditure for the year includes | <b>Total<br/>2019</b> | <b>Total<br/>2018</b> |
|-----------------------------------|-----------------------|-----------------------|
|                                   | £000                  | £000                  |
| Operating lease rentals           | 29                    | 40                    |
| Depreciation                      | 90                    | 75                    |
| Fees payable to Auditor for:      |                       |                       |
| - audit                           | 21                    | 16                    |
| - other services                  | 16                    | 16                    |
| <b>Total</b>                      | <b>156</b>            | <b>145</b>            |

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**7 Analysis of Grants**

|   | <b>Unrestricted<br/>Funds</b> | <b>Restricted<br/>Funds</b> | <b>Total<br/>2019</b> | <b>Total<br/>2018</b> |
|---|-------------------------------|-----------------------------|-----------------------|-----------------------|
|   | £000                          | £000                        | £000                  | £000                  |
| Improvements to diocesan property occupied by trust | -                             | 1,026                       | <b>1,026</b>          | 1,800                 |

The site improvements made to diocesan property occupied by the academy trust were recognised as expenditure in the SOFA under allocated support costs.

**8 Charitable Activities**

|                                    | <b>Total<br/>2019</b> | <b>Total<br/>2018</b> |
|------------------------------------|-----------------------|-----------------------|
|                                    | £000                  | £000                  |
| <b>Direct costs – educational</b>  | <b>9,877</b>          | 7,889                 |
| <b>Support costs – educational</b> | <b>5,474</b>          | 4,802                 |
|                                    | <b>15,351</b>         | 12,691                |

|                                      | <b>Total<br/>2019</b> | <b>Total<br/>2018</b> |
|--------------------------------------|-----------------------|-----------------------|
|                                      | £000                  | £000                  |
| <b>Analysis of Direct Costs</b>      |                       |                       |
| Teaching and education support staff | <b>8,760</b>          | 6,912                 |
| Depreciation                         | <b>90</b>             | 79                    |
| Technology costs                     | <b>113</b>            | 140                   |
| Education supplies                   | <b>703</b>            | 573                   |
| Other direct staff                   | <b>40</b>             | 33                    |
| Education consultancy                | <b>171</b>            | 152                   |
| <b>Total direct costs</b>            | <b>9,877</b>          | 7,889                 |

|                                  | <b>Total<br/>2019</b> | <b>Total<br/>2018</b> |
|----------------------------------|-----------------------|-----------------------|
|                                  | £000                  | £000                  |
| <b>Analysis of Support Costs</b> |                       |                       |
| Support staff costs              | <b>1,806</b>          | 1,349                 |
| Premises costs                   | <b>2,082</b>          | 2,095                 |
| Other support costs              | <b>1,586</b>          | 1,357                 |
| <b>Total support costs</b>       | <b>5,474</b>          | 4,801                 |

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**9 Staff costs**

|  | <b>Total<br/>2019<br/>£000</b> | <b>Total<br/>2018<br/>£000</b> |
|--|--------------------------------|--------------------------------|
| Staff costs during the period were:                |                                |                                |
| Wages and salaries                                 | 8,113                          | 6,320                          |
| Social security costs                              | 704                            | 546                            |
| Operating costs of defined benefit pension schemes | 1,509                          | 1,181                          |
|  | <b>10,326</b>                  | <b>8,047</b>                   |
| <br>   |                                |                                |
| Agency staff costs                                 | 182                            | 139                            |
| Staff restructuring costs (breakdown below)        | 13                             | -                              |
| Other staff costs (training and development)       | 45                             | 75                             |
|  | <b>10,566</b>                  | <b>8,261</b>                   |
| <br>   |                                |                                |
| Staff restructuring costs comprise:                |                                |                                |
| Redundancy payments                                | 13                             | -                              |

**a. Staff numbers**

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

|                            | <b>2019</b> | <b>2018</b> |
|----------------------------|-------------|-------------|
| Teachers                   | 126         | 107         |
| Administration and support | 324         | 278         |
| Management                 | 12          | 11          |
|                            | <b>462</b>  | <b>396</b>  |

**b. Higher paid staff**

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

|                   | <b>2019</b> | <b>2018</b> |
|-------------------|-------------|-------------|
| £60,001-£70,000   | 4           | 4           |
| £80,001-£90,000   | -           | -           |
| £90,001-£100,000  | -           | 1           |
| £100,001-£110,000 | 1           | -           |
|                   | <b>5</b>    | <b>5</b>    |

The above employees participated in the Teacher Pension Scheme (TPS). During the year ended 31 August 2019 employer contributions for these staff amounted to £60,164 (2018: £57,350.)

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**Note 9 staff costs (continued)**

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £957,162 (2018: £730,182).

**10 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:

Andrew Waldron (Staff Trustee):

|                                  |                   |                           |
|----------------------------------|-------------------|---------------------------|
| Remuneration                     | £35,000 - £40,000 | (2018: £30,000 - £35,000) |
| Employers pensions contributions | £0 - £5,000       | (2018: £0 - £5,000)       |

Andrew Waldron received £nil (2018: £3,500) fees during the year in relation to the external advisory support for the appraisal and performance management of the head teachers.

During the period ended 31 August 2019, no travel and subsistence expenses were reimbursed or paid directly to trustees in their capacities as trustees, (2018: £nil).

**11 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.

**12 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  
Cover Scheme Insurance

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**12 Central Services (continued)**

The trust charges for these services on the following basis:

Each academy contributes 2.58% (2018: 2.37% to 2.58%) of its GAG Allocation. The actual amounts charged during the year were as follows:

|                                      | <b>Total<br/>2019<br/>£000</b> | <b>Total<br/>2018<br/>£000</b> |
|--------------------------------------|--------------------------------|--------------------------------|
| Aston All Saints Primary             | 20                             | 20                             |
| Emmanuel Junior                      | 20                             | 18                             |
| Flanderwell Primary                  | 29                             | 29                             |
| St Mary's Primary                    | 19                             | 18                             |
| Thrybergh Fullerton Primary          | 14                             | 13                             |
| Trinity Croft Junior Infant          | 15                             | 14                             |
| Wickersley St Albans Primary         | 20                             | 20                             |
| Rossington St Michaels Junior Infant | 33                             | 34                             |
| Treeton C of E Primary               | 27                             | 25                             |
| Canon Popham C of E Primary          | 21                             | 4                              |
| Kilnhurst St Thomas Primary          | 22                             | 16                             |
| Finningley St Oswalds Academy        | 16                             | -                              |
| Pyebank C of E Primary               | 8                              | -                              |
|                                      | <b>264</b>                     | <b>211</b>                     |

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**13 Tangible Fixed Assets**

|                        | Leasehold<br>Land and<br>Buildings<br>£000 | Furniture<br>and<br>Equipment<br>£000 | Computer<br>Hardware<br>£000 | Total<br>£000 |
|------------------------|--|---------------------------------------|------------------------------|---------------|
| <b>Cost</b>            |  |                                       |                              |               |
| At 1 September 2018    | 8,874                                      | 77                                    | 279                          | 9,230         |
| Transfer on conversion | 1,650                                      | 35                                    | 78                           | 1,763         |
| Additions              | -  | 8                                     | 36                           | 44            |
| At 31 August 2019      | 10,524                                     | 120                                   | 393                          | 11,037        |
| <b>Depreciation</b>    |  |                                       |                              |               |
| At 1 September 2018    | 222  | 47                                    | 200                          | 469           |
| Transfer on conversion | -  | 16                                    | 63                           | 79            |
| Charged in year        | 24   | 20                                    | 46                           | 90            |
| At 31 August 2019      | 246  | 83                                    | 309                          | 638           |
| <b>Net book values</b> |  |                                       |                              |               |
| At 31 August 2019      | 10,278                                     | 37                                    | 84                           | 10,399        |
| At 31 August 2018      | 8,652                                      | 30                                    | 79                           | 8,761         |

During the year to 31 August 2019, the Diocese of Sheffield Academies Trust acquired leasehold land and buildings from the conversion of Finningley St Oswalds Primary and Pyebank C of E Primary from the local authority to academy status at a value of £1.65m. Fixtures and fittings and computer equipment with a combined value of £78k was also transferred upon conversion. Breakdown as follows:

- Finningley St Oswalds Academy Land with a value of £500,000 transferred upon conversion 1 December 2018.
- Finningley St Oswalds furniture and equipment with a cost of £35,637 (NBV £19,268) transferred upon conversion 1 December 2018.
- Finningley St Oswalds computer equipment with a cost of £77,677 (NBV £14,003) transferred upon conversion 1 December 2018.
- Pyebank C of E Primary Land with a value of £1,150,000 transferred upon conversion 1 July 2019.

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

| <b>14 Debtors</b>  | <b>Total<br/>2019<br/>£000</b> | <b>Total<br/>2018<br/>£000</b> |
|--|--------------------------------|--------------------------------|
| Trade Debtors  | 56                             | 17                             |
| VAT Recoverable  | 259                            | 212                            |
| Prepayments and accrued income                           | 428                            | 578                            |
|  | <u>743</u>                     | <u>807</u>                     |
| <br>   |                                |                                |
| <b>15 Creditors: Amounts falling due within one year</b> | <b>Total<br/>2019<br/>£000</b> | <b>Total<br/>2018<br/>£000</b> |
| Trade creditors  | 660                            | 824                            |
| Taxation and social security                             | 370                            | 265                            |
| Accruals and deferred income                             | 445                            | 373                            |
| Other Creditors  | 55                             | -                              |
|  | <u>1,530</u>                   | <u>1,462</u>                   |
| <br>   |                                |                                |
| <b>Deferred Income included above :</b>                  | <b>Total<br/>2019<br/>£000</b> | <b>Total<br/>2018<br/>£000</b> |
| Deferred Income at 1 September 2018                      | 219                            | 163                            |
| Resources deferred in year                               | 265                            | 219                            |
| Amounts released from previous years                     | (219)                          | (163)                          |
| Deferred Income at 31 August 2019                        | <u>265</u>                     | <u>219</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 2019.
- Early Years and SEN top up funding from the LA allocated to the end March 2020.
- Rates Relief from the ESFA covering NNDR bills to March 2020.
- Parental contributions to school trips collected in advance.

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

| <b>16 Creditors: Amounts falling due after more than one year</b> | <b>Total<br/>2019<br/>£000</b> | <b>Total<br/>2018<br/>£000</b> |
|---|--------------------------------|--------------------------------|
| Other creditors   | <u>2</u>                       | <u>11</u>                      |

Included within other creditors is borrowing obligations 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 2021.

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**17 Funds**

|                                     | Balance at 1<br>September<br>2018 | Incoming<br>Resources | Resources<br>Expended | Gains,<br>Losses<br>and<br>Transfers | Balance<br>at 31<br>August<br>2019 |
|-------------------------------------|-----------------------------------|-----------------------|-----------------------|--------------------------------------|------------------------------------|
|                                     | £000                              | £000                  | £000                  | £000                                 | £000                               |
| <b>Restricted general funds</b>     |                                   |                       |                       |                                      |                                    |
| General annual Grant (GAG)          | 700                               | 10,307                | (9,979)               | (65)                                 | 963                                |
| Pupil Premium                       | -                                 | 769                   | (769)                 | -                                    | -                                  |
| Other DfE/ESFA Grants               | -                                 | 774                   | (774)                 | -                                    | -                                  |
| Other Grants / Other Income         | -                                 | 1,441                 | (1,441)               | -                                    | -                                  |
| Borrowing Obligations               | (11)                              | -                     | -                     | 8                                    | (3)                                |
| Pensions Reserve                    | (5,706)                           | (2,071)               | (875)                 | (2,955)                              | (11,607)                           |
|                                     | <u>(5,017)</u>                    | <u>11,220</u>         | <u>(13,838)</u>       | <u>(3,012)</u>                       | <u>(10,647)</u>                    |
| <b>Restricted fixed asset funds</b> |                                   |                       |                       |                                      |                                    |
| Dfe/ESFA capital grants             | 1,432                             | 507                   | (1,327)               | 97                                   | 709                                |
| Capital expenditure from GAG        | 6                                 | -                     | (146)                 | 147                                  | 7                                  |
| Assets Inherited from LA            | 8,229                             | 1,683                 | (18)                  | (13)                                 | 9,881                              |
|                                     | <u>9,667</u>                      | <u>2,190</u>          | <u>(1,491)</u>        | <u>231</u>                           | <u>10,597</u>                      |
| <b>Total restricted funds</b>       | <u>4,650</u>                      | <u>13,410</u>         | <u>(15,329)</u>       | <u>(2,781)</u>                       | <u>(50)</u>                        |
| <b>Unrestricted funds</b>           |                                   |                       |                       |                                      |                                    |
| Unrestricted funds                  | 494                               | 117                   | (22)                  | (174)                                | 415                                |
| <b>Total unrestricted funds</b>     | <u>494</u>                        | <u>117</u>            | <u>(22)</u>           | <u>(174)</u>                         | <u>415</u>                         |
| <b>Total funds</b>                  | <u>5,144</u>                      | <u>13,527</u>         | <u>(15,351)</u>       | <u>(2,955)</u>                       | <u>365</u>                         |

**General Annual Grant (GAG):** this is the academy's principal funding stream from the Education & Skills 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 £10.307m of which £963k remains unspent including the brought forward.

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 2019.

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

PE Sports Grant of £204,143 to help promote sports and physical activity in schools.

**The Diocese of Sheffield Academies Trust  
Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**17 Fund (continued)**

Rates Relief of £36,705 as a contribution towards the academies national non-domestic rates bills.

Teachers Pay Grant of £83,451 to support the teachers' pay awards that came into effect on 1 September 2019.

Conversion grant of £47,250 held in the trust for the conversion of future schools into the trust.

Pupil Premium of £768,629 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 £341,017 to support schools in delivering the offer of free school meals to all pupils in year groups reception, year 1 and year 2.

**Other Restricted Income:** the trust received income from the Local Authority including:

£694,313 Early Years funding, £133,632 SEN funding and £14,401 Looked After Children Pupil Premium funding.

**Capital Income**

During the year ended 31<sup>st</sup> August 2019 the Diocese of Sheffield Academies Trust was awarded £308,000 in Capital Improvement Funding (CIF) from the ESFA to fund projects across 4 of the 13 schools within the trust. The individual projects are as follows:

- Installation of fire doors at Thrybergh Fullerton
- Doors and Windows replacement at Rossington St Michaels
- Doors and windows replacement at Wickersley St Albans
- Bioler Replacement at Finningley St Oswalds

Devolved formula capital of £199k was received in the year by the trust for the maintenance and improvement of the condition of school buildings and grounds of which £28k remains unspent.

**Other**

At the year end 31 August 2019, Emmanuel Waterthorpe Junior School was holding £37,071.04 (2018: £145,689.20) Special Educational Needs Development /Locality funds. The funds were excluded from the financial statements. The remaining balance of £37,071.04 was transferred out of the academy trust's control on 4 November 2019.

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**17 Funds (continued)**

**Unrestricted Funds:** the academy trust held £470k in unrestricted funding at 31 August 2019.

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

**Analysis of academies by fund balance**

Fund balances as at 31 August 2019 were allocated as follows:

|   | <b>Total<br/>2019<br/>£000</b> | <b>Total<br/>2018<br/>£000</b> |
|---|--------------------------------|--------------------------------|
| Aston All Saints Primary                            | 20                             | 8                              |
| Emmanuel Junior                                     | (4)                            | 29                             |
| Flanderwell Primary                                 | 146                            | 141                            |
| St Mary's Primary                                   | 135                            | 103                            |
| Thrybergh Fullerton Primary                         | 81                             | 61                             |
| Trinity Croft Junior and Infant                     | 66                             | 126                            |
| Wickersley St Albans Primary                        | 125                            | 108                            |
| Rossington St Michaels Junior and Infant            | 133                            | 112                            |
| Treeton C of E Primary                              | 169                            | 113                            |
| Canon Popham  | 91                             | 87                             |
| Kilnhurst St Thomas                                 | 81                             | 41                             |
| Finningley St Oswalds                               | 168                            | -                              |
| Pyebank C of E Primary                              | 35                             | -                              |
| Central Services                                    | 129                            | 249                            |
| <b>Total before fixed asset and pension reserve</b> | <b>1,375</b>                   | <b>1,183</b>                   |
| <br>  |                                |                                |
| Restricted fixed asset fund                         | <b>10,597</b>                  | 9,667                          |
| Pension reserve                                     | <b>(11,607)</b>                | (5,706)                        |
| <br>  |                                |                                |
| <b>Total</b>  | <b>365</b>                     | <b>5,144</b>                   |

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

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

|                                     | Balance at 1<br>September<br>2017 | Incoming<br>Resources | Resources<br>Expended | Gains,<br>Losses<br>and<br>Transfers | Balance<br>at 31<br>August<br>2018 |
|-------------------------------------|-----------------------------------|-----------------------|-----------------------|--------------------------------------|------------------------------------|
|                                     | £000                              | £000                  | £000                  | £000                                 | £000                               |
| <b>Restricted general funds</b>     |                                   |                       |                       |                                      |                                    |
| General Annual Grant (GAG)          | 423                               | 8,302                 | (8,025)               | -                                    | 700                                |
| Pupil Premium                       | -                                 | 610                   | (610)                 | -                                    | -                                  |
| Other DfE/ESFA Grants               | -                                 | 512                   | (512)                 | -                                    | -                                  |
| Other Grants                        | -                                 | 1,008                 | (1,008)               | -                                    | -                                  |
| Capital Grants                      | 715                               | -                     | -                     | (715)                                | -                                  |
| Borrowing Obligations               | (12)                              | -                     | 1                     | -                                    | (11)                               |
| Pensions Reserve                    | (4,456)                           | (1,681)               | (360)                 | 791                                  | (5,706)                            |
|                                     | <u>(3,330)</u>                    | <u>8,751</u>          | <u>(10,514)</u>       | <u>76</u>                            | <u>(5,017)</u>                     |
| <b>Restricted fixed asset funds</b> |                                   |                       |                       |                                      |                                    |
| Dfe/ESFA capital grants             | 279                               | 2,300                 | (1,862)               | 715                                  | 1,432                              |
| Capital expenditure from GAG        | (6)                               | 20                    | (8)                   | -                                    | 6                                  |
| Assets Inherited from LA            | 6,324                             | 1,933                 | (28)                  | -                                    | 8,229                              |
|                                     | <u>6,597</u>                      | <u>4,253</u>          | <u>(1,898)</u>        | <u>715</u>                           | <u>9,667</u>                       |
| <b>Total restricted funds</b>       | <u>3,267</u>                      | <u>13,004</u>         | <u>(12,412)</u>       | <u>791</u>                           | <u>4,650</u>                       |
| <b>Unrestricted funds</b>           |                                   |                       |                       |                                      |                                    |
| Unrestricted funds                  | 522                               | 458                   | (486)                 | -                                    | 494                                |
| <b>Total unrestricted funds</b>     | <u>522</u>                        | <u>458</u>            | <u>(486)</u>          | <u>-</u>                             | <u>494</u>                         |
| <b>Total funds</b>                  | <u>3,789</u>                      | <u>13,462</u>         | <u>(12,898)</u>       | <u>791</u>                           | <u>5,144</u>                       |

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**18 Analysis of Net Assets between**

|                          | Unrestricted<br>Funds<br>£000 | Other<br>Restricted<br>Funds<br>£000 | Restricted<br>Fixed<br>Asset<br>Funds<br>£000 | Total<br>Funds<br>£000 |
|--------------------------|-------------------------------|--------------------------------------|---|------------------------|
| Tangible fixed assets    | -                             | -                                    | 10,399  | 10,399                 |
| Current assets           | 415                           | 2,493                                | 198   | 3,105                  |
| Current liabilities      | -                             | (1,531)                              | -   | (1,530)                |
| Long term liabilities    | -                             | (2)                                  | -   | (2)                    |
| Pension scheme liability | -                             | (11,607)                             | -   | (11,607)               |
| <b>Total net assets</b>  | <b>415</b>                    | <b>(10,647)</b>                      | <b>10,597</b>                                 | <b>365</b>             |

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

|                          | Unrestricted<br>Funds<br>£000 | Other<br>Restricted<br>Funds<br>£000 | Restricted<br>Fixed<br>Asset<br>Funds<br>£000 | Total<br>Funds<br>£000 |
|--------------------------|-------------------------------|--------------------------------------|---|------------------------|
| Tangible fixed assets    | -                             | -                                    | 8,760   | 8,760                  |
| Current assets           | 494                           | 2,162                                | 907   | 3,563                  |
| Current liabilities      | -                             | (1,462)                              | -   | (1,462)                |
| Long term liabilities    | -                             | (11)                                 | -   | (11)                   |
| Pension scheme liability | -                             | (5,706)                              | -   | (5,706)                |
| <b>Total net assets</b>  | <b>494</b>                    | <b>(5,017)</b>                       | <b>9,667</b>                                  | <b>5,144</b>           |

**19 Capital Commitments**

|  | 2019<br>£000 | 2018<br>£000 |
|--|--------------|--------------|
| Committed to from grant funding , but not provided in the financial statements | 230          | 847          |

**The Diocese of Sheffield Academies Trust  
Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**20 Financial Commitments**

**Operating Leases**

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

|  | <b>2019</b> | 2018       |
|--|-------------|------------|
|  | <b>£000</b> | £000       |
| Amounts due within one year            | 49          | 55         |
| Amounts due between one and five years | 49          | 52         |
|  | <u>98</u>   | <u>107</u> |

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

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

|  | 2019           | 2018           |
|--|----------------|----------------|
|  | £000           | £000           |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (1,824)        | 563            |
| Adjusted for:  |                |                |
| Depreciation   | 90             | 80             |
| Capital grants from DfE and other Capital Income   | (507)          | (2,321)        |
| Interest receivable  | (5)            | (1)            |
| Net assets transferred on conversion to an academy trust   | (1,893)        | (2,252)        |
| Defined benefit pension scheme obligation inherited  | 2,071          | 1,676          |
| Defined benefit pension scheme cost less contributions payable                                   | 614            | 227            |
| Defined benefit pension scheme finance cost  | 259            | 130            |
| (Increase)/decrease in debtors   | 63             | (283)          |
| Increase/(decrease) in creditors   | 69             | 748            |
| <b>Net cash provided by / (used in) operating activities</b>                                     | <b>(1,063)</b> | <b>(1,433)</b> |

**22 Cash Flows from Financing Activities**

|   |            |            |
|---|------------|------------|
| Repayments of borrowing                                   | (9)        | (1)        |
| Cash inflows from new borrowing                           |            | -          |
| <b>Net cash provided / (used in) financing activities</b> | <b>(9)</b> | <b>(1)</b> |

**23 Cash Flows from Investing Activities**

|  |            |              |
|--|------------|--------------|
| Dividends, interest and rents from investments               | 5          | 1            |
| Purchase of tangible fixed assets                            | (44)       | (343)        |
| Capital grants from DfE / ESFA and other Capital Income      | 507        | 2,321        |
| <b>Net cash provided by / (used in) investing activities</b> | <b>468</b> | <b>1,979</b> |

**Cash Transferred on Conversion to an academy trust**

|  |            |            |
|--|------------|------------|
| Cash transferred on conversion                           | 210        | 319        |
| <b>Net cash inflow on conversion to an academy trust</b> | <b>210</b> | <b>319</b> |

**Change in cash and cash equivalents in the reporting period**

|  |              |            |
|--|--------------|------------|
|  | <b>(394)</b> | <b>864</b> |
|--|--------------|------------|

**24 Analysis of Cash and Cash Equivalents**

|                          | 2019         | 2018         |
|--------------------------|--------------|--------------|
|                          | £000         | £000         |
| Cash at Bank and in hand | 2,362        | 2,756        |
|                          | <b>2,362</b> | <b>2,756</b> |

**The Diocese of Sheffield Academies Trust  
Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**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 2019 and of the LGPS 31 March 2019. Contributions amounting to £176,000 were payable to the schemes at 31 August 2019 (2018: £134,000) and are included within creditors.

**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 31 August 2019 is valued as follows:

|                                | <b>2019</b>   | <b>2018</b>  |
|--------------------------------|---------------|--------------|
|                                | <b>£000</b>   | <b>£000</b>  |
| Aston All Saints Primary       | 742           | 451          |
| Emmanuel Juniors               | 704           | 484          |
| Flanderwell Primary            | 1,131         | 702          |
| St Mary's Primary              | 780           | 489          |
| Thrybergh Fullerton Primary    | 541           | 322          |
| Trinity Croft Junior & Infants | 464           | 268          |
| Wickersley St Albans Primary   | 930           | 576          |
| Rossington St Michaels         | 1,044         | 730          |
| Kilnhurst St Thomas            | 711           | 462          |
| Treeton Primary                | 980           | 616          |
| Canon Popham Primary           | 786           | 536          |
| Finningley St Oswalds Academy  | 515           | -            |
| Pyebank C of E Primary         | 2,114         | -            |
| Trust                          | 165           | 70           |
| <b>Total</b>                   | <b>11,607</b> | <b>5,706</b> |

For the year ended 31 August 2019 a net interest expense of £315k (2018: £214k) was recognised within expenditure and an actuarial loss of £2.955m (2018: gain of £791k) was recognised under other gains and losses. At 31 August 2019 the pension deficit stood at £11.607m.

**The Diocese of Sheffield Academies Trust  
Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**26 Pension and Similar Obligations (continued)**

**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**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1,740,000 (2018: £989,000).

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

**The Diocese of Sheffield Academies Trust  
Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**26 Pension and Similar Obligations (Continued)**

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 2019 was £895,000 (2018: £681,000), of which employer's contributions totalled £719,000 (2018: £547,000) and employees' contributions totalled £176,000 (2018: £134,000). The agreed contribution rates for future years are 14.1% for employers and 5.5% to 12.5% for employees.

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**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**26 Pension and Similar Obligations (continued)**

| <b>Principal actuarial assumptions</b>             | <b>At 31<br/>August<br/>2019</b> | <b>At 31<br/>August<br/>2018</b> |
|--|----------------------------------|----------------------------------|
| Rate of increase in salaries                       | 3.25%                            | 3.35%                            |
| Rate of increase for pensions in payment/inflation | 2.10%                            | 2.20%                            |
| Discount rate for scheme liabilities               | 1.80%                            | 2.8%                             |
| Inflation assumption (CPI)                         | 2.00%                            | 2.1%                             |

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

|                             | <b>At 31<br/>August<br/>2019<br/>Years</b> | <b>At 31<br/>August<br/>2018<br/>Years</b> |
|-----------------------------|--|--|
| <i>Retiring today</i>       |  |  |
| Males                       | 23.1                                       | 23.0                                       |
| Females                     | 25.9                                       | 25.8                                       |
| <i>Retiring in 20 years</i> |  |  |
| Males                       | 25.3                                       | 25.2                                       |
| Females                     | 28.3                                       | 28.1                                       |

**Sensitivity analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

|  | <b>At 31<br/>August<br/>2019<br/>£000</b> | <b>At 31<br/>August<br/>2018<br/>£000</b> |
|--|---|---|
| Discount rate +0.1%                    | (423)                                     | (232)                                     |
| Discount rate -0.1%                    | 423                                       | 232                                       |
| Mortality assumption – 1 year increase | 918                                       | 172                                       |
| Mortality assumption – 1 year decrease | (918)                                     | (172)                                     |
| CP1 rate +0.1%                         | 110                                       | 57  |
| CP1 rate -0.1%                         | (110)                                     | (57)                                      |

**The Diocese of Sheffield Academies Trust  
Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**26 Pension and similar obligations (continued)**

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

|                                     | <b>Fair value<br/>at 31<br/>August<br/>2019<br/>£000</b> | <b>Fair value<br/>at 31<br/>August<br/>2018<br/>£000</b> |
|-------------------------------------|--|--|
| Equities                            | 3,268  | 2,218  |
| Government Bonds                    | 893  | 596  |
| Other Bonds                         | 456  | 302  |
| Property                            | 541  | 404  |
| Cash/Liquidity                      | 200  | 191  |
| Other                               | 887  | 453  |
| <b>Total market value of assets</b> | <b>6,245</b>   | <b>4,164</b>   |

The actual return on scheme assets was £1,280,000 (2018: £791,000).

**Amounts recognised in the statement of financial activities**

|  | <b>2019<br/>£000</b> | <b>2018<br/>£000</b> |
|--|----------------------|----------------------|
| Current service cost (net of employer contributions) | 249                  | 228                  |
| Past service cost                                    | 457                  | -                    |
| Net interest cost                                    | 169                  | 131                  |
| <b>Total operating charge</b>                        | <b>875</b>           | <b>359</b>           |

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**26 Pension and similar obligations (continued)**

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

|                            | 2019<br>£000  | 2018<br>£000 |
|----------------------------|---------------|--------------|
| <b>At 1 September 2018</b> | <b>9,870</b>  | <b>6,669</b> |
| Upon conversion            | 2,966         | 2,868        |
| Current service cost       | 955           | 765          |
| Past service cost          | 457           | -            |
| Interest cost              | 315           | 214          |
| Employee contributions     | 176           | 134          |
| Actuarial (gain)/loss      | 3,207         | (694)        |
| Benefits paid              | (94)          | (86)         |
| <b>At 31 August 2019</b>   | <b>17,852</b> | <b>9,870</b> |

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

|                                       | 2019<br>£000  | 2018<br>£000 |
|---------------------------------------|---------------|--------------|
| <b>At 1 September 2018</b>            | <b>4,164</b>  | <b>2,213</b> |
| Upon conversion                       | 895           | 1,186        |
| Expected return on assets             | 146           | 83           |
| Actuarial gain/(loss)                 | 252           | 97           |
| Employer contributions                | 719           | 547          |
| Employee contributions                | 176           | 134          |
| Benefits paid                         | (94)          | (86)         |
| Administration expenses               | (13)          | (10)         |
| <b>At 31 August 2019</b>              | <b>6,245</b>  | <b>4,164</b> |
| <b>Net Pension Scheme Liabilities</b> | <b>11,607</b> | <b>5,706</b> |

**The Diocese of Sheffield Academies Trust  
Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019**

**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 ordinarily in accordance with the academy's financial regulations and normal procurement procedures. All transactions also involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required. The following related party transactions took place in the year ending 31 August 2019.

**Sheffield Diocese Board of Finance-academy sponsor of DSAT**

A registered charity in which Reverend Peter Burrows (member of SDBF), William Huw Thomas (member of the SDBF) and Heidi Alcock (Diocesan Secretary of SDBF) had key management during the year.

Twelve of the thirteen academies in the trust occupied school buildings under church supplementary agreements owned by the Sheffield Diocesan Board of Finance (SDBF). As per note 1 Accounting Policies, church school premises that are not on the balance sheet the Accounts Direction requires that an annual donation for rent should be recognised equal to what the academy trust would have to pay to secure premises, if such a figure can be reliably measured. Since there is no open market for such transactions this amount cannot be reliably measured and so no donation has been recognised. (2018: No donation recognised).

The trust received £55,000 from Sheffield Diocesan Board of Finance through a Subscription Letter of Agreement, repayable over three years from April 2020. The full amount of £55,000 was repaid on the 2<sup>nd</sup> December 2019.

**Other**

The trust was invoiced £2,308 from Gurner Electrical Solutions (2018: £2,021), a company managed by the husband of Amy Gurner Deputy Head teacher at Wickersley St Albans. The transactions have been conducted under normal market conditions and have followed the academy trust's procurement policies. At the balance sheet date there were no outstanding amounts to or from the related party.

The trust was invoiced £132 from C D Gurner Electrical (2018: £NIL), a company managed by the father in law of Amy Gurner, Deputy Head Teacher at Wickersley St Albans. The transactions have been conducted under normal market conditions and have followed the academy trust's procurement policies. At the balance sheet date there were no outstanding amounts to or from the related party.

**The Diocese of Sheffield Academies Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**28 Transfers into trust**

**Transfer of existing academies into the trust**

|                                       | Value reported by<br>transferring trust<br>£'000 | Fair value<br>adjustments<br>£'000 | Transfer in<br>recognised<br>£'000 |
|---------------------------------------|--|------------------------------------|------------------------------------|
| <b>Tangible fixed assets</b>          |  |                                    |                                    |
| Leasehold land and buildings          | 500  | -                                  | 500                                |
| Furniture and equipment               | 18   | -                                  | 18                                 |
| Computer equipment                    | 15   | -                                  | 15                                 |
| <b>Current Assets</b>                 |  |                                    |                                    |
| Cash in bank and in hand              | 126  | -                                  | 126                                |
| <b>Liabilities</b>                    |  |                                    |                                    |
| Creditors due in less than one year   | -  | -                                  | -                                  |
| <b>Pensions</b>                       |  |                                    |                                    |
| Pensions – pension scheme liabilities | (277)  | -                                  | (277)                              |
| <b>Net assets / (liabilities)</b>     | <u>382</u>                                       | <u>-</u>                           | <u>382</u>                         |

**Transfer of LA Voluntary Aided School into trust**

|                                       | Value reported by<br>transferring trust<br>£'000 | Fair value<br>adjustments<br>£'000 | Transfer in<br>recognised<br>£'000 |
|---------------------------------------|--|------------------------------------|------------------------------------|
| <b>Tangible fixed assets</b>          |  |                                    |                                    |
| Leasehold land and buildings          | 1,150  | -                                  | 1,150                              |
| Furniture and equipment               | -  | -                                  | -                                  |
| Computer equipment                    | -  | -                                  | -                                  |
| <b>Current Assets</b>                 |  |                                    |                                    |
| Cash in bank and in hand              | 84   | -                                  | 84                                 |
| <b>Liabilities</b>                    |  |                                    |                                    |
| Creditors due in less than one year   | -  | -                                  | -                                  |
| <b>Pensions</b>                       |  |                                    |                                    |
| Pensions – pension scheme liabilities | (1,794)  | -                                  | (1,794)                            |
| <b>Net assets / (liabilities)</b>     | <u>(560)</u>                                     | <u>-</u>                           | <u>(560)</u>                       |
| <br>                                  |  |                                    |                                    |
| <b>Net assets / (liabilities)</b>     | <u>(178)</u>                                     | <u>-</u>                           | <u>(178)</u>                       |