

South Dartmoor Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2015

Registration number: 07561204

South Dartmoor Academy

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South Dartmoor Academy

Reference and Administrative Details

Members

Z Ellis
I Goodwin
T Hassell, Chair
B Hodge
C Kennett
F Tonepohl
Bishop of Exeter

Trustees (Directors)

H Bellamy, Secondary Executive Principal
G Cock, Chair
E Dunball
B Garland
M Hibbs
V Hodges (appointed 01/09/14)
S Khan, Vice Chair
F Robertson (appointed 14/10/14)
R Shaw, Primary Executive Head Teacher
R Arundell (appointed 04/09/14, resigned 26/01/15)
D Course (appointed 04/09/14, resigned 26/01/15)
J Dart (appointed 04/09/14, resigned 26/01/15)
T Docking (resigned 26/01/15)
K Edwards (resigned 26/01/15)
A Handley (resigned 26/01/15)
S Humphries (appointed 04/09/14, resigned 26/01/15)
L Lee-Gammage (appointed 04/09/14, resigned 26/01/15)
P McCormick (resigned 26/01/15)
I Robinson (appointed 04/09/14, resigned 26/01/15)
R Steemson (appointed 04/09/14, resigned 26/01/15)

Senior Management Team:

Principal
Deputy Principal
Deputy Principal
Principal Executive
Head teacher (Primaries)
Primary Head teacher
Primary Head teacher
Primary Head teacher
Primary Head teacher
Primary Head teacher

H Bellamy
P Collins
K Matthews

R Shaw
L Lee-Gammage (Ashburton Primary School)
R Arundell (Buckfastleigh Primary School)
T Docking (Ilseington C of E Primary School)
W Bentall (Moretonhampstead Primary School)
K Edwards (Widecombe-in-the-Moor Primary School)

Company Name

South Dartmoor Academy

Principal and Registered Office

South Dartmoor Community College
Balland Lane
Ashburton
Devon
TQ13 7EW

Company Registration Number

07561204 (England and Wales)

South Dartmoor Academy

Reference and Administrative Details (continued)

Independent Auditor	Francis Clark LLP Sigma House Oak View Close Edginswell Park Torquay TQ2 7FF
Bankers	Lloyds Bank plc 2 East Street Ashburton Devon TQ13 7AB
Solicitors	Browne Jacobson LLP 1 Manor Court Dix's Field Exeter EX1 1UP

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2015

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The multi-academy trust comprises of one secondary school, South Dartmoor Community College, and five primary schools: Ashburton Primary School, Buckfastleigh Primary School, Ilsington Church of England Primary School and Widecombe-in-the-Moor Primary School. Moretonhampstead Primary School joined the academy from 1st September 2014.

Structure, governance and management

Constitution

The multi-academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi-academy trust. The Trustees of South Dartmoor Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as South Dartmoor Academy.

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

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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

Trustees benefit from 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 multi-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 Trustees of the multi-academy trust. The limit of this indemnity is £5,000,000.

Method of recruitment and appointment or election of Directors

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

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

In relation to Ilsington Church of England Primary School, there are also three Foundation Trustees appointed by the Foundation Member, the Bishop of Exeter.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2015 (continued)

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational structure

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

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

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

There are currently three sub-committees of the Board of Trustees. These are the Finance Committee, Audit Committee and Human Resources Committee.

The Senior Management team comprises the Executive Principal, two Deputy Principals, eleven Assistant Principals, an Executive Primary Head teacher and five Primary Head teachers. They meet on a weekly basis and have responsibility for the following key areas: Quality Assurance; Teaching and Learning; Initial Teacher Training and CPD; Pastoral Care and Student Achievement; Curriculum; Director of Specialism; SEN Co-ordinator; Data and Tracking; and Head of Sixth Form.

In accordance with the Academies Financial Handbook the Trustees have appointed the Executive Principal as the Accounting Officer. The Head of Finance has been appointed as the Chief Finance Officer with responsibility for the Financial Management across the multi-academy trust, alongside a team of staff who oversee Premises Management, Catering Provision, Personnel Services and Legal Services.

Related Parties and other Connected Charities and Organisations

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

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2015 (continued)

Objectives and Activities

Objects and Aims

The prime purpose of the South Dartmoor Multi-Academy Trust is to provide education for each of the 4 - 19 year olds in its charge. Currently there are over 2,300 pupils across the six schools who are supported by over 300 professional and support staff.

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

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

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

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

Objectives, Strategies and Activities

The main objective for the 2014-15 academic year remained as previously; for the six schools to further develop their collaborative working approach. This has been seen to be successful both in terms of academic achievements, but also in the ease of transition from Primary to Secondary schooling, as reported by parents of children entering Year 7 at South Dartmoor Community College.

The Multi-Academy Trust has four key strategy drivers on which to continually develop:

- a high quality curriculum and pedagogy from 4-19;
- adoption of an early intervention model to support pupils who are failing to make expected progress;
- an efficient back office facility that allows economies of scale to benefit the individual schools; and
- to allow the school leaders to focus upon pupil progress, deliver equal access to high quality extra-curricular opportunities across all of the schools.

Each school further aims to help young people to develop their physical, academic, spiritual and moral inquisitiveness to "build their learning power". This helps young people become better learners and encourages them to develop their portable learning power and prepare for a lifetime of learning.

Through Building Learning Power we seek to provide a coherent picture of what it takes to be a good learner by capitalising on previous learning-to-learn ideas. We encourage students to grow their learning character and habits. Teachers help students to develop their appetite and ability to learn in different ways. We seek to transform the culture of the classroom and the climate of the school so that the responsibility for learning to learn shifts from the teacher to the learner. This engages teachers and students creatively as researchers in learning.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2015 (continued)

All of the schools have well developed assessment and monitoring processes to ensure that the students are making appropriate progress through challenging target-setting. In conjunction with this, extensive out of school activities are offered with an increasing range in the Secondary phase due in part to the economies of scale.

Public benefit

The Trustees confirm that they have complied with the Charity Commission's guidance in exercising their powers or duties to provide first-class education for the public benefit. This includes sharing Teaching and Learning practices across its individual schools.

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

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Achievements and performance

South Dartmoor Academy has had a successful year across each of the schools. External comparative assessments show that they are all performing well in the national context. In recent academic years there have been record level results at South Dartmoor Community College and it is recognised by everyone that this is a result of consistently good teaching and learning from early years, through the primary phase and continued into the secondary school in the multi-academy trust.

An Ofsted inspection was carried out at South Dartmoor Community College during the previous year with an overall rating of "good" being achieved. The inspection highlighted that the behaviour of pupils, and the quality of school leadership were both Outstanding.

South Dartmoor Community College recorded particularly strong results at A-level. The ALPS analysis places South Dartmoor Community College Sixth Form in the highest 20% of schools nationally for value added at A-level. The College also recorded strong results at GCSE. The core subjects of English and mathematics performed well, with 74 and 75% of students gaining grades A*-C in these subjects respectively.

There have been outstanding sporting performances from individual students at South Dartmoor Community College as a result of consistent support and encouragement across both their Primary and Secondary phases. The Girls under-15 cricketers won the national title and the College won the six age group county finals at cricket. The Football Academy has had a highly successful first year and continues to develop strongly. The wider sports academy section is developing well with the provision of a high quality golf facility by our valued supporters E & JW Glendinning Ltd.

A large number of young people across the schools have also had the opportunity, and have achieved high levels of performance for their ages, in a wide range of music and cultural performances including the College Opera.

It has also been another successful year for the primary schools within the South Dartmoor Academy with Ashburton, Buckfastleigh, Islington C of E and Widecombe-in-the-Moor Primary School all securing their highest value added results in 3 years. Moretonhampstead joined the academy in Sept 2014 and the first task was to secure a new headteacher for the school; we were pleased to welcome Mr William Bentall in April 2015 to the post.

The schools have worked collaboratively together on implementing the New National Curriculum, changes to the SEND code of practice and developing assessment systems following the removal of levels.

Ashburton Primary School had their third consecutive year of improving school results and particularly excelled in the % of pupils achieving above national expectations at the end of KS2 with 70% of pupils achieving a level 5 in reading and maths. 100% of disadvantaged pupils made at least expected progress in all subjects with many exceeding this.

Buckfastleigh Primary School also had good results with the % of pupils achieving a level 4+ higher than national expectations. A large majority of disadvantaged pupils made expected progress in writing and 100% made expected progress in reading and maths. The school was placed in the top 39% of schools nationally for their overall value added.

Islington C of E Primary School had excellent results that resulted in them being placed in the top 22% of schools nationally. All disadvantaged pupils made at least expected progress and KS2 results overall exceeded those nationally. There was some exceptional attainment in reading with 92% of pupils achieving a level 5.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Moretonhampstead Primary School results were good at the end of Key Stage 1 and at KS2 were in line with national averages for the % of pupils achieving level 4+ in reading, writing and maths. The induction of the new headteacher has strengthened the leadership structure within the school to help drive improvements.

Widecombe-in-the-Moor Primary School had excellent results, reflecting their Ofsted Outstanding judgement (Jan 2013), and they were placed in the top 16% of schools nationally for their value added. They exceeded national expectations in all areas in KS2 and 100% of disadvantaged pupils made at least expected progress.

The schools have worked collaboratively together in developing our curriculum and assessment processes. Teachers have benefited from joint staff training that have enabled them to share good practice across our varied school sites and we have had a common theme of continuing to develop independent and confident learners.

Full details of the school performance can be found on the respective websites of the schools within the multi-academy trust.

Key Performance Indicators

The key performance indicators for the multi-academy trust are student performance and attainment levels which are monitored by the Senior Management Team, as well as Ofsted inspections and attendance. Financial performance is primarily monitored by adherence to the annual budget. This continues to be challenging, however time invested in recent cost reduction and saving initiatives is ensuring that a balanced budget is met going forward.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the multi-academy trust has adequate resources to continue in operational existence for the foreseeable future. The Trustees have set a balanced budget for the year ended 31 August 2016 and have prepared cash flow forecasts to this date and are satisfied that the multi-academy trust can operate within its existing cash facility. Improvements in cash management and cost saving efficiencies continue to be made and for these reasons it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Financial review

The multi-academy trust held fund balances at 31st August 2015 of £22,646,000 comprising £22,428,000 of restricted funds and £218,000 of unrestricted funds. A defined benefit pension reserve deficit of £4,368,000 is included in the restricted funds balance.

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

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

Following Moretonhampstead Primary School joining the Multi-Academy Trust from September 2014, fixed assets of £3,498,000 were gifted from the Local Authority. Funding of £2,454,000 has been received for the construction of the Atrium Studio, located within the South Dartmoor Community College site. This building is due to be completed in December 2015.

A further £686,000 was received during the year as a result of a successful Capital Improvement Fund bid. This award will be used to build a new catering facility at South Dartmoor Community College. Devolved Formula Capital of £61,000 was received in the year and spent on capital items including ICT infrastructure.

The cash position across the multi-academy trust has been challenging over the last few years however rigorous cost saving initiatives are being undertaken and, along with a restructure within the Finance Department and new appointment of Chief Financial Officer, good progression is now being made. Financial Processes have also been reviewed and evaluated, with increased internal controls and robust monitoring in place.

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Reserves Policy

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

Restricted funds £22,428,000

Unrestricted funds £218,000

The following reserves are held by the individual schools:

	Reserves	Designated use
Ashburton Primary School	£128,000	To strengthen an existing outside wall and other ground improvement works; necessary upgrades to IT infrastructure
Buckfastleigh Primary School	£194,000	General site improvement works including a programme of redecoration throughout the school; necessary upgrades to IT infrastructure and consumables
Ilminster Church of England Primary School	£95,000	To maintain school structure in response to predicted variances in pupil numbers; disabled facility improvement works; necessary upgrades to IT infrastructure
Moretonhampstead Primary School	£59,000	To maintain school structure in response to predicted variances in pupil numbers; necessary upgrades to IT infrastructure and equipment
South Dartmoor Community College	(£991,000)	A strong deficit reduction plan is in place to ensure that this position is remedied, as communicated and shared with the EFA.
Widcombe-in-the-Moor Primary School	£42,000	To maintain school structure in response to predicted variances in pupil numbers; general site improvement works including refurbishment of children's toilets and a programme of redecoration throughout the school; necessary upgrades to IT infrastructure and consumables

The above is expected to be implemented as a phased approach over the next few years.

Investment Policy

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

Principal Risks and Uncertainties

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

South Dartmoor Academy

Trustees' Report for the Year Ended 31 August 2015 (continued)

Strategic Report

Financial risks, as identified in the Academy Risk Register, include budgetary overspend due to poor financial management, overspend on capital projects and improper use of funds, including fraudulent payments to suppliers and/or staff. A skills shortage was identified in the year and a restructure and appointment of a new Chief Financial Officer has significantly tightened budgetary controls. Capital spend is monitored closely and additional funding has been identified where required. No fraudulent payments have been identified in the year and controls have been improved with a focus also on online payments to reduce the amount of cash handled across the multi-academy trust. This will continue to be a focus into the new financial year, with the aim to make each school as cash free as possible.

Financial instruments across the Academy are largely bank balances, cash and trade creditors with limited trade and other debtors, therefore minimal risks exist. South Dartmoor Academy operate a defined benefit pension scheme of which the deficit is disclosed within note 27.

Employment of disabled persons

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

Description of employee consultation

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

Plans for Future Periods

South Dartmoor Academy has expanded post year-end, opening a seventh school known as the Atrium Studio from September 2015, specialising in the Built Environment. The build is located on the current South Dartmoor Community College site in Ashburton and is on schedule to be completed in December 2015.

A new canteen building is in the design phase and construction of the new dining hall is expected to be completed in the Autumn term 2015 to replace the tented area. This will be a massive improvement for the students.

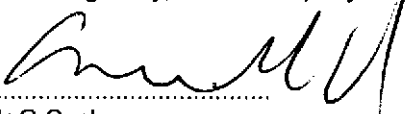
A solar project is also in progress with installation also due to complete in the Autumn term 2015 across the Academy. This is expected to achieve significant cost savings which will be invested back into various initiatives in order to further benefit and enrich facilities for the students.

Auditor

In so far as the Trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body, as the company directors, on 17.12.15, and signed on its behalf by:



Mr G Cock
Trustee

South Dartmoor Academy

Governance Statement

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between South Dartmoor Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
G Cock (chair)	7	7
H Bellamy	7	7
B Dunball	6	7
B Garland	3	7
M Hibbs	6	7
V Hodges	7	7
S Khan	7	7
F Robertson	6	7
R Shaw	7	7
R Arundell	4	4
D Course	4	4
J Dart	0	4
T Docking	0	4
K Edwards	4	4
A Handley	3	4
S Humphries	4	4
L Lee-Gammage	3	4
P McCormick	3	4
I Robinson	4	4
R Steemson	2	4

During the year the Board of Trustees was streamlined on the grounds of efficiency and effectiveness. Key challenges during the year have included identification of a financial skills shortage which has been addressed by a restructure of the Finance Department and appointment of a new Chief Financial Officer role. A rigorous review of financial processes and increased budgetary monitoring and internal controls has ensued.

Governance reviews:

South Dartmoor Academy has undertaken an annual Governance review during the year. This has included a skills audit and review of the composition of the Board. The outcome of this is expected to be presented in the Autumn term 2015. The next review will take place in 2016.

South Dartmoor Academy

Governance Statement (continued)

Finance Committee

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Khan (Chair)	3	3
H Bellamy	3	3
G Cock	3	3
M Hibbs	3	3
R Shaw	3	3
D Course (co-opted)	2	3
C Kennett (co-opted)	2	3
S Tse (co-opted)	2	2
R Arundell	1	1
K Edwards	1	1
A Handley	1	1
S Humphries	1	1
L Lee-Gammage	1	1
P McCormick	1	1
I Robinson	1	1

Audit Committee

The Audit Committee is also a sub-committee of the main Board of Trustees. Its primary purpose is to:

- review the risks to internal financial control and establish a programme of work to address these risks;
- review the effectiveness of the internal control system to ensure that the aims, objectives and key performance targets of the multi-academy trust are achieved;
- ensure compliance with the Academies Financial Handbook.

South Dartmoor Academy

Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Hibbs (Chair)	3	3
S Khan	2	3
P McCormick (co-opted)	3	3
D Course (co-opted)	2	2
H Bellamy (invitee)	3	3
S Tse (invitee)	2	2
I Robinson (invitee)	2	2

Review of value for money

As accounting officer the Executive Principal has responsibility for ensuring that the multi-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 multi-academy trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the multi-academy trust has delivered improved value for money during the year by:

- increased focus around income generation and the collection of income;
- strengthened financial and budgetary controls; and
- cost reductions through negotiation of contracts and ordering (bulk purchases).

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 multi-academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in South Dartmoor Academy for the year ending 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the multi-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 multi-academy trust's significant risks that has been in place for the year to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and a Risk Register is held and maintained centrally.

South Dartmoor Academy

Governance Statement (continued)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance committee of reports which indicate financial performance against the 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 has considered the need for a specific internal audit function and has decided to appoint Francis Clark LLP as internal auditor.

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

- a full review of systems and processes;
- a review of internal controls and budgetary controls;
- a review of income and debtors;
- a review of purchases, payments and creditors;
- a review of payroll; and
- a review of bank accounts and petty cash.

Internal audit report to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. In the first year of appointment an annual review was carried out; in subsequent years bi-annual checks will be carried out in both the Spring and Summer term.

The internal auditor delivered their planned schedule of work in the current year. South Dartmoor Academy is working through a schedule of improvements to ensure monthly controls and reporting take place as due to a sudden change in personnel during the year this was not consistently carried out.

South Dartmoor Academy

Governance Statement (continued)

Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:


- the work of the internal auditor
- 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 audit 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 on¹⁷ December 2015 and signed on its behalf by:



Graeme Cock
Trustee



Hugh Bellamy
Accounting Officer

South Dartmoor Academy

Statement on Regularity, Propriety and Compliance

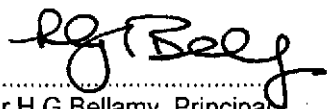
As accounting officer of South Dartmoor Academy I have considered my responsibility to notify the multi-academy trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the multi-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.

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

Financial issues

Due to a skills shortage identified within the Finance Department, an unplanned deficit built up at South Dartmoor Community College in the first six months of the year. Once recognised, a robust review took place including a re-organisation of the Finance Team and new appointment of a Chief Financial Officer role. Stringent budgetary monitoring ensued and the year ended within the originally forecasted deficit position. A balanced budget has been set for the year-ended 2016 and cost saving initiatives are already showing progression to ensure no similar occurrences arise and that previous deficit positions are fully recompensed. A strong deficit reduction plan is in place, as communicated and shared with the EFA.



Mr H G Bellamy, Principal
Accounting officer

South Dartmoor Academy

Statement of Trustees' Responsibilities

The Trustees (who act as governors of South Dartmoor Academy 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 2005
- 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 17 December 15 and signed on its behalf by:



Mr G Cock
Trustee

South Dartmoor Academy

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

We have audited the financial statements of South Dartmoor Academy for the year ended 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements have been prepared under the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charity'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the statement of Trustees' Responsibilities (set out on page 18), the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

South Dartmoor Academy

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures in Note 1 to the financial statements concerning the charitable company's cash position and its anticipated future cash flows. These conditions, together with other matters set out in Note 1, indicate the existence of a material uncertainty that may cast doubt about the charitable company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the charitable company were unable to continue as a going concern.


Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Sharon Austen (Senior Statutory Auditor)
For and on behalf of Francis Clark LLP, Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Devon
TQ2 7FF

Date: 18 December 2015

South Dartmoor Academy

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

In accordance with the terms of our engagement letter dated 10 March 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Dartmoor Academy during the period 1 September 2014 to 31 August 2015 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 Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer and the reporting accountant

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion has been designed to comply with the requirements set out in The Accounts Direction 2014 and includes:

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

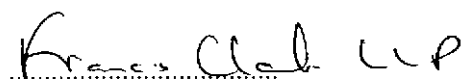
South Dartmoor Academy

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

Conclusion

In the course of our work, except for the matters listed below, 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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

- accurate and timely financial management information was not prepared during the year, leaving the Board unable to properly monitor financial performance.
- there were a lack of controls in the financial and risk management systems.



Francis Clark LLP
Reporting Accountant

Sigma House
Oak View Close
Edginswell Park
Devon
TQ2 7FF

Date: 18 December 2015

South Dartmoor Academy

Statement of Financial Activities for the Year Ended 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2015 £ 000	Total (As restated) 2014 £ 000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income						
Other voluntary income		24	13	-	37	83
Transfer on conversion		11	(112)	3,514	3,413	-
Activities for generating funds	4	244	197	-	441	422
Investment income	5	1	-	-	1	2
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy Trust's educational operations	6	418	11,867	3,286	15,571	11,922
<i>Other incoming resources</i>						
Other incoming resources	7	5	-	-	5	-
Total incoming resources		703	11,965	6,800	19,468	12,429
Resources expended						
<i>Cost of generating funds:</i>						
Fundraising trading		42	-	-	42	38
<i>Charitable activities:</i>						
Academy's educational operations		678	12,349	1,067	14,094	14,369
Governance costs	10	-	51	-	51	74
Total resources expended	8	720	12,400	1,067	14,187	14,481
Net (outgoing)/incoming resources before transfers		(17)	(435)	5,733	5,281	(2,052)
Gross transfers between funds		-	10	(10)	-	-

South Dartmoor Academy

Statement of Financial Activities for the Year Ended 31 August 2015 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

		Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2015 £ 000	Total (As restated) 2014 £ 000
	Note					
Net (expenditure) / income for the year		(17)	(425)	5,723	5,281	(2,052)
Other recognised gains and losses						
Actuarial loss on defined benefit pension schemes	27	-	(46)	-	(46)	(930)
Net movement in (deficit)/funds		(17)	(471)	5,723	5,235	(2,982)
Reconciliation of funds						
Funds/(deficit) brought forward at 1 September 2014 (as restated - see note 2)		235	(4,588)	21,764	17,411	20,393
Funds/(deficit) carried forward at 31 August 2015		218	(5,059)	27,487	22,646	17,411

All of the Academy Trust's activities derive from continuing operations during the above two periods.

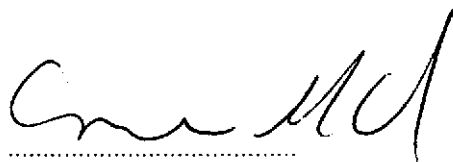
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

South Dartmoor Academy

(Registration number: 07561204)
Balance Sheet as at 31 August 2015

	Note	2015 £ 000	2014 £ 000 (As restated)
Fixed assets			
Tangible assets	15	26,709	21,813
Current assets			
Stocks	16	48	58
Debtors	17	1,447	445
Cash at bank and in hand		955	160
		<u>2,450</u>	<u>663</u>
Creditors: Amounts falling due within one year	18	(2,145)	(1,169)
Net current assets/(liabilities)		<u>305</u>	<u>(506)</u>
Total assets less current liabilities		<u>27,014</u>	<u>21,307</u>
Net assets excluding pension liability		27,014	21,307
Pension scheme liability	27	(4,368)	(3,896)
Net assets including pension liability		<u>22,646</u>	<u>17,411</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(691)	(692)
Restricted fixed asset fund		27,487	21,764
Restricted pension fund		(4,368)	(3,896)
		<u>22,428</u>	<u>17,176</u>
Unrestricted funds			
Unrestricted general fund		<u>218</u>	<u>235</u>
Total funds		<u>22,646</u>	<u>17,411</u>

The financial statements on pages 23 to 49 were approved by the Directors, and authorised for issue on ..17/12/15.... and signed on their behalf by:



Mr G Cock
Trustee

South Dartmoor Academy

Cash Flow Statement for the Year Ended 31 August 2015

	Note	2015 £ 000	2014 £ 000
Net cash (outflow)/inflow from operating activities	22	(93)	4
Cash transferred on conversion to an academy trust	30	30	-
Returns on investments and servicing of finance	23	1	2
Capital expenditure and financial investment	24	857	(392)
Increase/(decrease) in cash in the year	25	795	(386)
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		795	(386)
Net funds at 1 September 2014		160	546
Net funds at 31 August 2015		955	160

All of the cash flows are derived from continuing operations during the above two periods.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction issued by the EFA, applicable accounting standards and the Companies Act 2006.

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 at least one year from the date of approval of the financial statements taking into account that funding entitlements beyond August 2016 have yet to be finalised.

As at 31 August 2015 the Academy had net current assets of £305,000 and a cash balance of £955,000. However, this is after accounting for grants received in respect of committed capital expenditure which has yet to be incurred of £778,000.

The directors have budgeted to record a modest surplus in the year ending 31 August 2016, and have prepared cash flow forecasts to this date which indicate that the Academy can continue to maintain a positive cash balance. The levels of funding beyond August 2016 have yet to be announced, but again the Directors would expect to work within a balanced budget. Should there be any deterioration in the Academy's financial position the Directors would discuss with the EFA the requirement for advance funding in order to secure the Academy's position.

On this basis the directors have a reasonable expectation that the Academy will have adequate funding to continue in operational existence for the foreseeable future; thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants receivable

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Upon Moretonhampstead Primary School becoming part of the multi-academy trust, Devon County Council granted the land and buildings on a 125 year lease. Rent of £1 per annum is payable to the Council. The basis of valuation was fair value.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Cost of generating funds

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

Charitable activities are costs incurred on the Academy Trust's educational operations.

Governance costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management, and Governor's meetings and reimbursed expenses.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Tangible fixed assets

All assets costing £1,000 or more are capitalised.

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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Asset class	Depreciation method and rate
Freehold property	50 years
Long term leasehold property	50 years
Motor vehicles	25% straight line
Fixtures and fittings	20% straight line
Computer equipment	33% straight line

Leased assets

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

Stock

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

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

Agency accounting

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 29.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

2 Prior year adjustments

The comparative figures for the year ended 31 August 2014 have been restated to reflect a change in the Academy Trust's accounting policy in respect of the premises it occupies under licence from the Diocese of Exeter. In line with the guidance given in the Accounts Direction 2014/15, this property is now included in the Academy Trust's balance sheet at an amount based on its value at the date of conversion, after taking account of subsequent depreciation on the school buildings.

The effect of this restatement is to increase tangible fixed assets, net assets and the restricted fixed assets fund at 31 August 2014 by £905,000, and to reduce the surplus for the year then ended by £51,000.

Following consultation with the EFA the Trust has changed the presentation of its catering and school trip activities to show the related income and expenditure as relating to charitable activities rather than generated funds. This has resulted in the reallocation of £633,000 from income from activities for generating funds to funding for educational operations, and the reallocation of £696,000 from costs of generating funds to charitable activities, in the comparative period. There is no overall impact upon incoming or outgoing resources for any period presented.

3 Voluntary income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2015 £ 000	Total 2014 £ 000
Transfer on conversion	11	(112)	3,514	3,413	-
Other voluntary income					
Other donations	24	13	-	37	83
Total voluntary income	35	(99)	3,514	3,450	83

4 Activities for generating funds

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2015 £ 000	Total 2014 (Restated) £ 000
Hire of facilities	132	32	164	120
School shop sales	60	2	62	80
Recharges and reimbursements	-	117	117	109
Other income	52	46	98	113
	244	197	441	422

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

5 Investment income

	Unrestricted funds £ 000	Total 2015 £ 000	Total 2014 £ 000
Bank Interest Income	1	1	2

6 Funding for Academy's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2015 £ 000	Total 2014 (Restated) £ 000
DfE/EFA capital grants					
Devolved Formula Capital	-	-	62	62	54
Studio School Grant	-	-	2,454	2,454	-
Condition Improvement Fund	-	-	722	722	-
	-	-	3,238	3,238	54
DfE/EFA revenue grants					
General Annual Grant (GAG)	-	10,285	-	10,285	9,937
Pupil Premium	-	450	-	450	367
16 - 19 Bursary	-	-	-	-	36
Universal Infant Free School Meals Grant	-	108	-	108	-
PE and Sports Grant	-	43	-	43	34
Studio School Grant	-	-	-	-	300
School Sports Partnership	-	121	-	121	117
Year 7 Catch Up Grant	-	16	-	16	18
	-	11,023	-	11,023	10,809
Other government grants					
SEN/High Needs Income	-	345	-	345	318
Autism Grant	-	66	-	66	72
Local Area Partnership	-	-	-	-	32
Local Learning Community	-	104	-	104	-
Other Government Grants	-	27	-	27	4
Devon County Council Grant	-	-	48	48	-
	-	542	48	590	426

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

6 Funding for Academy's educational operations (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2015 £ 000	Total 2014 (Restated) £ 000
Non-government grants and other income					
Educational trips	-	302	-	302	241
Catering income	418	-	-	418	392
	418	302	-	720	633
Total	418	11,867	3,286	15,571	11,922

7 Other incoming resources

	Unrestricted funds 2015 £ 000	Total 2015 £ 000
Profit on disposal of fixed assets	5	5

8 Resources expended

	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2015 £ 000	Total 2014 (Restated) £ 000
Costs of activities for generating funds	-	-	42	42	38
Academy's educational operations					
Direct costs	8,162	-	457	8,619	9,069
Allocated support costs	2,413	1,730	1,332	5,475	5,300
	10,575	1,730	1,789	14,094	14,369
Governance costs including allocated support costs	24	-	27	51	74
Total	10,599	1,730	1,858	14,187	14,481

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

8 Resources expended (continued)

Net incoming/outgoing resources for the year include:

	2015 £ 000	2014 £ 000
Operating leases – other	80	18
Fees payable to auditor – audit	17	20
Fees payable to auditor - other audit services	10	26

Included within resources expended are irrecoverable debts of £8,000, none of which exceed £5,000.

9 Charitable activities

	Total 2015 £ 000	Total 2014 (Restated) £ 000
Direct costs - educational operations		
Teaching and educational support staff costs	8,162	8,315
Educational supplies	111	231
Examination fees	143	150
Staff development	170	330
Other direct costs	33	43
	<u>8,619</u>	<u>9,069</u>
Support costs - educational operations		
Support staff costs	2,186	2,106
FRS 17 service cost adjustment	227	176
Depreciation	1,034	1,124
Recruitment and support	29	35
Maintenance of premises and equipment	275	338
Cleaning	63	46
Rent and rates	107	94
Energy costs	153	151
Insurance	98	95
Security and transport	123	69
Catering	305	364
Bank interest and charges	2	6
Expected return on scheme assets	(210)	(184)
Interest on defined benefit pension scheme	297	276
Other support costs	786	604
	<u>5,475</u>	<u>5,300</u>
	<u>14,094</u>	<u>14,369</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

10 Governance costs

	Restricted funds £ 000	Total 2015 £ 000	Total 2014 £ 000
Auditors' remuneration			
Fees payable to auditor - audit	17	17	20
Fees payable to auditor - other audit services	10	10	26
Support costs	24	24	28
	<u>51</u>	<u>51</u>	<u>74</u>

11 Staff

Staff costs

	2015 £ 000	2014 £ 000
Staff costs during the year were:		
Wages and salaries	8,379	8,354
Social security costs	561	686
Pension costs	1,555	1,346
Supply teacher costs	104	239
	<u>10,599</u>	<u>10,625</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £20,000 (2014: £Nil). Individually, the payments were £15,000, £2,000 and £3,000.

Staff numbers

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

	2015 No	2014 No
Teachers	206	226
Administration and management	122	146
	<u>328</u>	<u>372</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 No	2014 No
£60,001 - £70,000	3	3
£110,001 - £120,000	1	1

Four (2014 - three) of the above employees participated in the Teachers' Pension Scheme. None (2014 - one) of the above employees participated in the Local Government Pension Scheme.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

12 Central services

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

13 Related party transactions - Trustees' remuneration and expenses

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

H G Bellamy (Principal):

Remuneration: £135,000 - £140,000 (2014 - £130,000 - £135,000)

Employer's pension contributions: £15,000 - £20,000 (2014 - £15,000 - £20,000)

The movement to the higher band is purely due to a 1% cost of living increase.

K Edwards (Head):

Remuneration: £Nil (2014 - £55,000 - £60,000)

Employer's pension contributions: £Nil (2014 - £5,000 - £10,000)

T Docking (Head of Teaching and Learning)*:

Remuneration: £15,000 - £20,000 (2014 - £40,000 - £45,000)

Employer's pension contributions: £0 - £5,000 (2014 - £5,000 - £10,000)

R J Shaw (Principal Head teacher (Primaries)):

Remuneration: £65,000 - £70,000 (2014 - £65,000 - £70,000)

Employer's pension contributions: £5,000 - £10,000 (2014 - £5,000 - £10,000)

R Arundell (Head)*:

Remuneration: £20,000 - £25,000 (2014 - £Nil)

Employer's pension contributions: £0 - £5,000 (2014 - £Nil)

N Banwell (Head):

Remuneration: £Nil (2014 - £60,000 - £65,000)

Employer's pension contributions: £Nil (2014 - £5,000 - £10,000)

L Lee-Gammage (Head)*:

Remuneration: £20,000 - £25,000 (2014 - £Nil)

Employer's pension contributions: £0 - £5,000 (2014 - £Nil)

I Robinson (Business Manager)*:

Remuneration: £25,000 - £30,000 (2014 - £Nil)

Employer's pension contributions: £0 - £5,000 (2014 - £Nil)

J Dart (Head)*:

Remuneration: £15,000 - £20,000 (2014 - £Nil)

Employer's pension contributions: £0 - £5,000 (2014 - £Nil)

* These Trustees only served for part of the year.

During the year ended 31 August 2015, travel and subsistence expenses totalling £1,404 (2014 - £1,047) were reimbursed or paid directly to 2 Trustees (2014 - 3).

Other related party transactions involving the Trustees are set out in note 28.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

14 Trustees' and officers' insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the trustees' and officers' indemnity element from the overall cost of the RPA scheme.

Connected charities

Friends of South Dartmoor Academies is a connected charity and it is related to the Academy Trust as follows: The 'Friends of' are established for the general purpose of raising funds for South Dartmoor Academies. At 31 August 2015 this charity had assets of £29,897, liabilities of £nil and funds of £29,897. Its total income for the year then ended was £33,281, its expenditure was £26,687 and its surplus was £6,594.

15 Tangible fixed assets

	Freehold land and buildings £ 000	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Total £ 000
Cost						
At 1 September 2014 (restated)	16,916	5,090	2,969	47	813	25,835
Additions	2,398	-	35	-	11	2,444
Disposals	-	-	-	(25)	-	(25)
Transfer on conversion	-	3,498	-	-	-	3,498
At 31 August 2015	19,314	8,588	3,004	22	824	31,752
Depreciation						
At 1 September 2014 (restated)	974	254	1,968	21	805	4,022
Charge for the year	350	75	598	5	8	1,036
Disposals	-	-	-	(15)	-	(15)
At 31 August 2015	1,324	329	2,566	11	813	5,043
Net book value						
At 31 August 2015	17,990	8,259	438	11	11	26,709
At 31 August 2014 (restated)	15,942	4,836	1,001	26	8	21,813

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

15 Tangible fixed assets (continued)

The opening balances as at 1 September 2014 have been restated as disclosed in note 2. The effect of this restatement is to increase the cost of leasehold land and buildings by £956,000 and to increase accumulated depreciation in respect of land and buildings by £51,000.

16 Stock

	2015 £ 000	2014 £ 000
Books and stationery	8	7
Catering	11	10
Clothing	29	41
	<u>48</u>	<u>58</u>

17 Debtors

	2015 £ 000	2014 £ 000
Trade debtors	99	29
Prepayments	87	104
Accrued grant and other income	1,031	201
VAT recoverable	230	111
	<u>1,447</u>	<u>445</u>

18 Creditors: amounts falling due within one year

	2015 £ 000	2014 £ 000
Trade creditors	749	560
Other taxation and social security	166	165
Pension scheme creditor	150	152
Accruals	982	168
Deferred income	98	124
	<u>2,145</u>	<u>1,169</u>

	2015 £ 000
Deferred income at 1 September 2014	124
Resources deferred in the period	98
Amounts released from previous periods	<u>(124)</u>
Deferred income at 31 August 2015	<u>98</u>

At the balance sheet date the Academy Trust was holding funds for universal infant free school meals and funds for educational school trips, received in advance for the 2015/16 academic year.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

19 Funds

	Balance at 1 September 2014 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2015 £ 000
Restricted general funds					
GAG	(933)	10,285	(10,024)	(45)	(717)
Pupil premium	-	450	(450)	-	-
SEN /High Needs Income	-	345	(345)	-	-
Standards Funds	17	13	(10)	-	20
Out of school income	18	334	(349)	-	3
Autism Grant	-	66	(66)	-	-
Local Learning Community	-	104	(104)	-	-
Other	3	56	(58)	-	1
Reimbursements	-	117	(117)	-	-
PE and Sports	4	43	(45)	-	2
Studio School	199	-	(254)	55	-
School Sports Partnership	-	121	(121)	-	-
Year 7 Catch Up	-	16	(16)	-	-
Universal Infant Free School Meals grant	-	108	(108)	-	-
Sports academy	-	19	(19)	-	-
	(692)	12,077	(12,086)	10	(691)
Restricted fixed asset funds					
Fixed assets transferred on conversion	21,154	-	(903)	-	20,251
DfE/EFA Capital grants	293	3,286	(61)	(10)	3,508
Capital funds on conversion	191	3,514	(93)	-	3,612
Capital Expenditure from GAG	70	-	(4)	-	66
Minibus Fund	18	-	(4)	-	14
Widecombe Capital Funds	6	-	(1)	-	5
Golf course donation	32	-	(1)	-	31
	21,764	6,800	(1,067)	(10)	27,487
Restricted pension funds	(3,896)	(112)	(314)	(46)	(4,368)
Total restricted funds	17,176	18,765	(13,467)	(46)	22,428
Unrestricted general funds	235	703	(720)	-	218
Total funds	17,411	19,468	(14,187)	(46)	22,646

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 2015.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

19 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £ 000
South Dartmoor Community College	(991)
Ashburton Primary School	128
Buckfastleigh Primary School	194
Ilstington C of E Primary School	95
Moretonhampstead Primary School	59
Widcombe-in-the-Moor Primary School	<u>42</u>
Total before fixed assets and pension reserve	(473)
Fixed asset funds	27,487
Pension reserve	<u>(4,368)</u>
Total	<u>22,646</u>

South Dartmoor Community College is carrying a net deficit of £991,000 on these funds which is due to a skills shortage which was identified within the Finance Department.

The trust is taking action which has included a re-organisation of the Finance Team and new appointment of a Chief Financial Officer role. Stringent budgetary monitoring ensued and the year ended within the originally forecasted deficit position. A balanced budget has been set for the year-ended 2016 and cost saving initiatives are already showing progression to ensure no similar occurrences arise and that previous deficit positions are fully recompensed. A strong deficit reduction plan is in place, as communicated and shared with the EFA.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

19 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total £ 000
South Dartmoor Community College	5,893	1,837	53	1,831	9,614
Ashburton Primary School	609	103	24	131	867
Buckfastleigh Primary School	769	115	8	180	1,072
Ilington C of E Primary School	233	40	5	67	345
Moretonhampstead Primary School	445	40	9	112	606
Widcombe-in-the- Moor Primary School	213	51	12	59	335
Academy Trust	8,162	2,186	111	2,380	12,839

20 Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	26,709	26,709
Current assets	218	1,454	778	2,450
Current liabilities	-	(2,145)	-	(2,145)
Pension scheme liability	-	(4,368)	-	(4,368)
Total net assets	218	(5,059)	27,487	22,646

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

21 Financial commitments

Operating leases

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases which expire as follows:

	2015 £ 000	2014 £ 000
Other than land and buildings		
Within one year	1	1
Within two to five years	83	52
	<u>84</u>	<u>53</u>

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

	2015 £ 000	2014 £ 000
Net income/(expenditure)	5,281	(2,052)
Depreciation	1,036	1,124
Profit on disposal of tangible fixed assets	(5)	-
Capital grants	(3,286)	-
Transfer on conversion	(3,413)	-
Interest receivable	(1)	(2)
FRS 17 expected return on scheme assets	(210)	(184)
FRS 17 interest on defined benefit pension scheme	297	276
FRS17 service cost adjustment	227	176
Decrease in stocks	10	3
(Increase)/decrease in debtors	(1,002)	152
Increase in creditors	973	511
	<u>(93)</u>	<u>4</u>
Net cash (outflow) inflow from operating activities		

23 Returns on investments and servicing of finance

	2015 £ 000	2014 £ 000
Interest received	1	2
Net cash inflow from returns on investments and servicing of finance	<u>1</u>	<u>2</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

24 Capital expenditure and financial investment

	2015 £ 000	2014 £ 000
Purchase of tangible fixed assets	(2,444)	(392)
Capital grants	3,286	-
Sale of tangible fixed assets	15	-
Net cash inflow (outflow) from capital expenditure and financial investment	857	(392)

25 Analysis of changes in net funds

	At 1 September 2014 £ 000	Cash flows £ 000	At 31 August 2015 £ 000
Cash at bank and in hand	160	795	955

26 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.

27 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 Devon County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £152,000 (2014 - £nil) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

27 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in FRS 17 and 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 and the implications for the academy in terms of the anticipated contribution rates.

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 2015 was £549,000 (2014 - £463,000), of which employer's contributions totalled £417,000 (2014 - £348,000) and employees' contributions totalled £132,000 (2014 - £115,000). The agreed contribution rates for future years are 14.8% plus a fixed annual contribution of £71,000 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.

Principal actuarial assumptions

	At 31 August 2015 %	At 31 August 2014 %
Rate of increase in salaries	4.50	4.50
Rate of increase for pensions in payment/inflation	2.70	2.70
Discount rate for scheme liabilities	4.00	3.90
Inflation assumptions (CPI)	2.70	2.70
RPI increases	3.60	3.50

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

27 Pension and similar obligations (continued)

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.1%	0.0%	- 0.1%
	£ 000	£ 000	£ 000
Adjustment to discount rate			
Present value of total obligation	7,859	8,035	8,215
Projected service cost	646	661	677
<hr/>			
Adjustment to pension increases and deferred revaluation	+ 0.1%	0.0%	- 0.1%
	£ 000	£ 000	£ 000
Present value of total obligation	8,186	8,035	7,888
Projected service cost	676	661	646
<hr/>			
Adjustment to rate of salary growth	+ 0.1%	0.0%	- 0.1%
	£ 000	£ 000	£ 000
Present value of total obligation	8,066	8,035	8,004
Projected service cost	661	661	661
<hr/>			
Adjustment to mortality age rating assumption	+ 1 Year	None	- 1 Year
	£ 000	£ 000	£ 000
Present value of total obligation	8,260	8,035	7,816
Projected service cost	678	661	645
<hr/>			

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

	At 31 August 2015	At 31 August 2014
Retiring today		
Males retiring today	22.80	22.70
Females retiring today	26.10	26.00
Retiring in 20 years		
Males retiring in 20 years	25.10	24.90
Females retiring in 20 years	28.40	28.30
<hr/>		

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

27 Pension and similar obligations (continued)

The Trust's share of the assets and liabilities in the scheme were:

	At 31 August 2015 £ 000	At 31 August 2014 £ 000
Equities	2,099	1,947
Gilts	182	182
Alternative assets	67	60
Infrastructure	110	92
Other bonds	181	133
Property	393	317
Cash	85	67
Target return portfolio	550	474
Total market value of assets	3,667	3,272
Present value of scheme liabilities - funded	(8,035)	(7,168)
Deficit in the scheme	(4,368)	(3,896)

The expected rates of return were:

	At 31 August 2015 %	At 31 August 2014 %
Equities	6.00	6.70
Gilts	6.00	3.00
Alternative assets	6.00	5.90
Infrastructure	6.00	3.60
Other bonds	6.00	3.60
Property	6.00	5.90
Cash	6.00	2.90
Target return portfolio	6.00	5.90

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was (£10,000) (2014 - £290,000).

The expected rates of return for 2015 are set equal to the discount rate (As per the forthcoming FRS102 disclosure requirements).

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

27 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2015 £ 000	2014 £ 000
Current service cost	(644)	(524)
Total operating charge	(644)	(524)

Analysis of pension finance income/(costs)

	2015 £ 000	2014 £ 000
Expected return on pension scheme assets	210	184
Interest on pension liabilities	(297)	(276)
Pension finance costs	(87)	(92)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£1,735,000) (2014 - (£1,689,000)).

Movements in the present value of defined benefit obligation

	2015 £ 000	2014 £ 000
At 1 September	7,168	5,611
Current service cost	644	524
Interest cost	297	276
Employee contributions	132	115
Actuarial (gains)/losses	(174)	759
Benefits paid	(233)	(117)
Liabilities assumed on conversion	201	-
At 31 August	8,035	7,168

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

	2015 £ 000	2014 £ 000
At 1 September	3,272	2,913
Expected return on assets	210	184
Actuarial losses	(220)	(171)
Employer contributions	417	348
Employee contributions	132	115
Benefits paid	(233)	(117)
Assets acquired on conversion	89	-
At 31 August	3,667	3,272

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

27 Pension and similar obligations (continued)

The estimated value of employer contributions for next period is £422,000 (2014 - £356,000).

History of experience adjustments

	2015 £ 000	2014 £ 000	2013 £ 000	2012 £ 000
Present value of defined benefit obligations	(8,035)	(7,168)	(5,611)	(4,658)
Fair value of share of scheme assets	3,667	3,272	2,913	2,234
Deficit in scheme	(4,368)	(3,896)	(2,698)	(2,424)
Experience adjustments arising on scheme assets	(220)	(171)	197	44
Experience adjustments arising on scheme liabilities	-	(166)	-	-

Comparative figures have not been restated as permitted by FRS 17.

28 Related party transactions

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

There were no related party transactions during the year.

29 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2015 the trust received £36,000 and disbursed £22,000 from the fund. An amount of £14,000 is included in other creditors relating to undistributed funds that are repayable to EFA.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2015 (continued)

30 Conversion to an Academy Trust

On 1 September 2014 the Moretonhampstead Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to South Dartmoor Academy from the Devon County Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the SOFA as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Leasehold land and buildings	-	-	3,498	3,498
Cash at bank and in hand	14	-	16	30
Creditors: amounts falling due within one year	(3)	-	-	(3)
LGPS pension deficit	-	(112)	-	(112)
Net assets/(liabilities)	11	(112)	3,514	3,413