

South Dartmoor Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2014

Registration number: 07561204

South Dartmoor Academy

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 10
Governance Statement	11 to 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16 to 17
Independent Reporting Accountant's Report on Regularity	18 to 19
Statement of Financial Activities incorporating Income and Expenditure Account	20 to 21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Financial Statements	24 to 46

South Dartmoor Academy

Reference and Administrative Details

Directors (Trustees) Mr N Banwell, Head

Ms H Bates (resigned 31 July 2014)
Mr H G Bellamy, Principal
Mr G Cock, Parent Governor
Ms T Docking, Head of Teaching and Learning
Ms B Dunball, Chair of Governors
Mrs K Edwards, Head
Ms Z Ellis, Parent Governor
Ms B Garland, Chair of Governors
Mr A F Handley, Parent Governor
Mr D Harris, Foundation Governor
Mr T Hassell, Parent Governor (Chair)
Mr M Hibbs, Chair of Governors
Mr B W Hodge, Trust Governor (resigned 12 May 2014)
Ms S Humphries
Ms J L Jones, Parent Governor
Ms S Khan, Foundation Governor
Mr P C McCormick, Chair of Governors
Ms R J Shaw, Head
Ms J E Simpson, Foundation Governor
Mr R Steemson, LA Governor
Ms F Tonepohl, Chair of Governors
Ms P Walton, Community Governor
Mr G Woods, Parent Governor
Mr R Chatfield (appointed 31 July 2014)

Senior Management Team Mr H Bellamy, Principal South Dartmoor
Ms R Shaw, Head Teacher Ashburton and Ilsington
Mr N Banwell, Head Teacher Buckfastleigh
Mrs K Edwards, Head Teacher Widecombe
Mr I Robinson, Business Manager

Principal and Registered Office South Dartmoor Community College
Balland Lane
Ashburton
Devon
TQ13 7EW

South Dartmoor Academy

Reference and Administrative Details

Company 07561204
Registration Number

Auditors Francis Clark LLP
Statutory Auditor
Sigma House
Oak View Close
Edginswell Park
Devon
TQ2 7FF

Bankers Lloyds TSB
19 East Street
Ashburton
Devon
TQ13 7AF

Solicitors Browne Jacobson
1 Manor Court
Dix's Field
Exeter
Devon
EX1 1UP

South Dartmoor Academy

Directors' Report for the Year Ended 31 August 2014

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014.

Structure, governance and management

The Academy Trust comprises of one secondary school, South Dartmoor Community College, and four primary schools, Ashburton Primary School, Buckfastleigh Primary School, Ilsington Church of England Primary School and Widecombe-in-the-Moor Primary School.

Constitution

The academy (incorporated on 11 March 2011 and opened as an Academy on 1 April 2011) is a charitable company limited by guarantee and is an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The company registration number is 07561204.

The Directors indicated on the Reference and Administrative Details act as the Trustees for the charitable activities of South Dartmoor Academy. Consequently, this is a report of the Directors rather than the Governors.

Details of the Directors who served throughout the period, except as noted, are included in the Reference and Administrative Details.

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.

Directors' indemnities

Directors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty or which was committed by the Directors 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 Directors in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000.

Principal activities

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;

South Dartmoor Academy

Directors' Report for the Year Ended 31 August 2014

b) in relation to Ilington 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.

Within the 5 schools of the Academy we provide education for young people of all abilities from 4 - 18 years of age. All the schools seek to help young people to develop their physical, academic, spiritual and moral inquisitiveness. We seek to help them to "build their learning power". This helps young people become better learners. It encourages them to develop their portable learning power and prepares the young people 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.

All of the schools have well developed assessment and monitoring processes to ensure that the students are making appropriate progress through challenging target-setting.

The performance of each school in externally 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 multischool academy. An OFSTED inspection was carried out at South Dartmoor Community College during the 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.

All 5 schools within the Academy continue to work closely together, and we aim in the future to see increasing continuity for the students across the phases encouraging and challenging them toward even greater success.

All the schools within the Academy offer extensive out of school activities with an increasing range offered in the Secondary phase due in part to the economies of scale.

Following an agreement with the Local Authority, the Academy took over the full time management of the Ashmoor Sports Centre. Investment was made into the infrastructure of the Sports Centre, and new classes and public memberships were introduced. The Ashmoor Sports Centre continues to go from strength to strength, with public use significantly increased under South Dartmoor stewardship. In addition, opportunity has been taken to use the Sports Centre as part of the Academy provision for Pupil Premium students, with free gym membership being offered to these students for the full academic year.

South Dartmoor Academy

Directors' Report for the Year Ended 31 August 2014

Method of recruitment and appointment or election of Directors

The recruitment of Directors to the multi-school Academy remains true to the details set out in the Articles of Association.

The Secretary and Chair monitor that we have an appropriate balance of members and new Directors are nominated by each of the school's Governing Bodies ensuring we have at least 2 parent members overall and we have a representative upholding the designated religious character of Ilington Church of England Primary School.

Extensive work has been carried out over the year ensuring that the Academy schools are following a consistent set of policies where relevant. This activity will continue through the coming year.

Organisational structure

There is a Board of Members as set out in the Articles of Association who meet as "critical friends" of the multischool academy and oversee that proper governance is taking place within the Members meetings. The key decisions relating to cross-Academy issues are taken by the Directors as to the overall senior management of the 5 schools.

Most of the day to day financial, personnel and site management of each individual Academy is delegated to each of the 5 schools governing bodies.

A Responsible Officer (an Academy Director) was in place across the Academy with the remit of providing internal audit of the schools and reports to the Directors and external Auditors (Francis Clark LLP).

Each of the School Principals are accountable for their own school budgets.

An Academy Business Manager is in place who oversees Financial Management, Premises Management, Catering Provision, Personnel Services, Legal Services and Resource Provision across all schools in the Academy.

The Principal of South Dartmoor Community College is the Accounting Officer for the whole of the Multi-Academy Trust.

Risk management

The major risks to which the Academy Trust is exposed, as identified by the governors, have been reviewed, and systems or procedures have been established to manage those risks. The risk register as it currently stands was part of the documentation submitted to the auditors at year end. This register was reviewed during the year and is up to date as at the year end. Another review of the risk register and associated actions will take place in Spring 2015.

The major risks relate to funding and future cashflows of each of the Academies. Risks relating to staffing issues and site calamities have been mitigated through the use of appropriate insurances.

Also where issues relating to the "good name" of each school are concerned we mitigate the potential issues through having media support through an external agency.

Internal Controls are managed through the Business Manager and monitored by the Responsible Officer and external auditors. The internal control systems and the exposure to risks are considered on a regular basis by each of the Accounting Officers and their senior managers, and where appropriate shared with the governors.

South Dartmoor Academy

Directors' Report for the Year Ended 31 August 2014

Connected organisations, including related party relationships

During the Academic Year 2013-14 all the schools within the multi-school academy have undertaken charitable fund raising activities. Of particular note are South Dartmoor Community College's continued fundraising efforts to provide a dormitory to our partner school in Kenya, the Imprezza Academy. A delegation of pupils and staff from the school visited Kenya in October 2013 to attend the opening of the dormitory, and to work with the staff and students of the Imprezza Academy.

Objectives and activities

Objects and aims

The prime purpose of the South Dartmoor Multi-Academy Trust is to provide education for all the 4 - 19 year olds in its charge. Currently there are over 2,200 pupils at the five Academies supported by over 300 professional and support staff.

Objectives, strategies and activities

The main objective for the 2013-14 Academic Year remained as previously, for the 5 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 reported by parents of children entering Year 7 at South Dartmoor Community College.

Public benefit

The Directors confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy's aims and objectives, and in planning its future activities. All of the activities which focus on the education in the widest sense of the 2,200 plus students, include close collaboration with their parents and guardians and use the human resources across the community. The schools contribute well to the cultural and sporting life of the community.

South Dartmoor Academy

Directors' Report for the Year Ended 31 August 2014

Strategic Report

Achievements and performance

Ashburton Primary School showed an improved 2 levels Progress for the year 6 students for Reading, Writing and Mathematics combined.

Buckfastleigh Primary School saw 90% of the year 6 pupils achieve two levels of progress at Year 6.

Ilington Primary School saw a dip in Year 6 2 Levels Progress in 2014, with an achievement of 86% against 100% in 2013. Steps are already in hand to address this reduction in performance.

Widecombe Primary School saw a dip in Year 6 2 Levels Progress in 2014, with an achievement of 55% against 100% in 2013. As with Ilington Primary, steps are in hand to address this reduction.

It should be noted the both Ilington and Widecombe Primaries are very small schools, which extenuates any statistical variations.

During the academic year, the Academy was approached by Moretonhampstead Primary to discuss their joining the South Dartmoor Academy Trust. Extensive due diligence was undertaken by both parties to ensure that the primary school understood and was committed to the ethos of the Academy, and that their joining the Academy would not cause any undue financial strain on the existing South Dartmoor schools. With both parties satisfied that Moretonhampstead Primary would be a valuable addition to the Academy, agreement was reached in July 2014, and the Primary school joined the Academy on 1st September 2014.

South Dartmoor Community College recorded record results and A level, and strong results at GCSE. The overall GCSE performance for 5 A* - C including English and Maths was impacted by the national dip in overall English performance.

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.

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

Full details of school performance can be found on the respective websites of the schools within the Academy.

In January 2014, the Academy were notified that it had been successful in bidding for funds to open a new Studio School in September 2015. The school will become part of the South Dartmoor Academy Trust, will be called Atrium Studio, and will be located on the current South Dartmoor Community College site in Ashburton. The school will specialise in the Built Environment.

South Dartmoor Academy

Directors' Report for the Year Ended 31 August 2014

Strategic Report

Going concern

As at 31 August 2014 the Academy had net current liabilities of £506,000, and a cash balance of £160,000. The directors have set a balanced budget for the year ended 31 August 2015 and have prepared cash flow forecasts to this date, which indicate that the Academy can work within its existing cash facility, although the margin over requirements is not large. The levels of funding beyond August 2015 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.

Principal risks and uncertainties

The principal risks to the multi-school Academy continue to be changes to government policies affecting funding, deficit redraft and cashflow issues, changes in the birth rate locally and changes to the perception of the quality of education as each of the establishment which may affect parental choice.

Key Financial Performance Indicators

South Dartmoor Academy are reviewing a set of Financial KPI's focussed on appropriate and controlled expenditure against income received, and achieving pupil numbers required to make the Academy as effective as possible. These KPI's will be reported upon as part of a new set of monthly accounting reports to be provided to the Directors. A summary of these KPI's will be reported against in future Trustees' reports.

Financial review

The Directors originally adopted and have subsequently adapted the Financial Procedures for Academies. The principal sources of funding have been the GAG Fund from the DfES, SEN funding from Devon County Council, the Pupil Premium from the DfES and a small Capital Grant from the DfES to each school. The only substantive trading income comes from the provision of School Meals, and the operation of the Ashmoor Sports Centre. All of this income is used on consumables and staffing.

The financial report for the year clearly shows how expenditure has supported the key objectives of the Academy Trust with over 80% of total expenditure applied to staffing supporting the children's education.

The Academy has adopted a prudent but safe investment policy ensuring that cash flow is not compromised. Currently no reserves are held on investment.

In November 2013, the Academy changed its accounting software. Due to difficulties encountered during this transition period, provision of accurate and timely financial reporting and budget monitoring was impaired. Consequently, financial monitoring was not carried out to an acceptable level, contributing significantly to the year end deficit position.

In January 2014 a theft of up to £10,000 cash occurred at the Academy. The Education Funding Agency were notified of the circumstances surrounding the theft, and the steps that the Academy have taken to prevent a recurrence. The matter is currently being progressed by the Police.

South Dartmoor Academy

Directors' Report for the Year Ended 31 August 2014

Strategic Report

Financial and risk management objectives and policies

The 'financial instruments' that are dealt with by the South Dartmoor multi-school Academy are largely bank balances, cash and trade creditors, with limited trade (and other) debtors, and there are minimal risks and uncertainties facing the company. This information is not material to the assessment of the Trust's assets, liabilities, financial position and its results and therefore we do not intend to make a detailed disclosure. Within the financial figures accompanying this report there are references to our exposure to the defined benefit pension schemes.

Reserves policy

The level of Academy reserves are as follows at year end:

Unrestricted £235,000

Restricted general (£692,000)

The Academy reserves are therefore in a net deficit position at the end of the financial year.

Given the deficit position of the Academy, the Directors have formulated a medium term plan containing a range of actions to tackle the deficit and return the Academy to a surplus position.

Investment policy

Any investments made by the organisation on its cash balances over the financial year were made by the Academy Business Manager in consultation with our Bank Manager. No funds are currently held on investment.

South Dartmoor Academy

Directors' Report for the Year Ended 31 August 2014

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

The plans for the future periods are contained within the individual academy Development Plans and expressed through the budget provisions for 2014-15.

Funds held as Custodian Trustee on behalf of others

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

Auditor

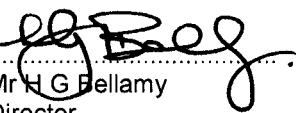
In so far as the Directors are aware:

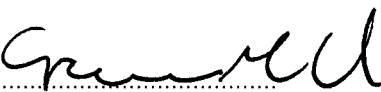
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of auditor

The auditors, Francis Clark LLP, are willing to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

Approved by order of the Board of Trustees on 18/12/2014 and signed on its behalf by:


.....
Mr H G Bellamy
Director


.....
Mr G Cock
Director

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 Governing Body has delegated the day-to-day responsibility to Mr H G Bellamy, 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 Governing Body any material weaknesses or breakdowns in internal control.

Governance

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

Director	Meetings attended	Out of a possible
Mr H G Bellamy	5	6
Mr N Banwell	5	6
Mr G Cock	5	6
Ms T Docking	1	4
Ms B Dunball	6	6
Ms Z Ellis	5	6
Mrs K Edwards	6	6
Ms B Garland	5	6
Mr A F Handley	5	6
Mr T Hassell	6	6
Mr B W Hodge	4	4
Mr D Harris	1	6
Mr M Hibbs	6	6
Ms S Humphries	6	6
Ms J L Jones	3	6
Ms S Khan	6	6
Mr P C McCormick	6	6
Ms R J Shaw	6	6
Mr R Steemson	3	6
Ms F Tonepohl	4	6
Mr R Chatfield	0	6

South Dartmoor Academy

Governance Statement (continued)

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to aid the financial decisions of the main committee. The Finance Sub-Committee has formerly met four times during the year. Attendance at meetings during the year was as follows:

Members of the Committee	Meetings attended	Out of a possible
Mr N Banwell	4	4
Mr H G Bellamy	4	4
Mrs K Edwards	4	4
Mr A F Handley	3	4
Mr T Hassell	3	4
Mr M Hibbs	4	4
Ms R J Shaw	4	4
Ms F Tonepohl	4	4
	4	4
Mr P C McCormick	4	4
Mr B W Hodge	3	3
	4	4

The Audit Committee is a sub-committee of the main Governing Body. Its purpose is to provide assurance over the suitability of, and compliance with, the financial systems and controls. Attendance at meetings during the year was as follows:

Director	Meetings attended	Out of a possible
Mr H G Bellamy	2	2
Mr M Hibbs	2	2
Ms S Khan	2	2
Mr P C McCormick	2	2
Mr B W Hodge	1	1

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of T=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 ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

South Dartmoor Academy

Governance Statement (continued)

Capacity to handle risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and General Purposes 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.

During the year an Academy director fulfilled the role of responsible officer, but the Directors reviewed the need for a specific internal audit function and since the year end have appointed an external firm of accountants to fulfill this role.

Review of effectiveness

As Accounting Officer, Mr H G Bellamy, Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

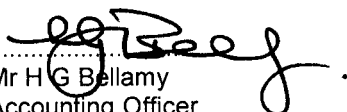
- the work of the responsible officer ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors on 18/12/2014 and signed on its behalf by:



Mr G Cock
Director



Mr H G 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 Trust Board 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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Trust Board 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 Governing Body and the EFA. If any instances are identified after the date of this statement, these will be notified to the Governing Body and EFA:

- due to a difficult transition between accounting systems during the year, accurate and timely financial reporting and budget monitoring was impaired. This led to an unplanned deficit at the year end;
- during the year the Academy identified a significant theft of cash, and the matter was notified to both the EFA and the police.


Mr H G Bellamy, Principal
Accounting officer

South Dartmoor Academy

Statement of Directors' Responsibilities

The Directors (who are the Directors of the charitable company for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Directors 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 on 18/12/2014 and signed on its behalf by:



Mr G Cock
Director

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 2014, 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).

This report is made solely to the charitable company's Directors, 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 Directors 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 Directors 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 Directors' Responsibilities (set out on page 15), the Directors (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 Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 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 Annual Accounts Direction 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 disclosure in note 1 of the financial statements concerning the charitable company's deficit position, and its future cashflows. 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.

South Dartmoor Academy

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



.....
Christopher Hicks BA FCA DChA (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 2014

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 Authority (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2013 to 31 August 2014 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 Trust Board and the EFA. Our review work has been undertaken so that we may state to the Trust Board and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the Trust Board and the EFA, for our review work, for this report, or for the opinion 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 dated 31 March 2011 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 2013 to 31 August 2014 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 Annual Accounts Direction 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 2013 to 31 August 2014 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, contributing to an unplanned deficit at the year end.
- the Academy suffered a cash loss through theft which is currently being progressed by the police.

Francis Clark LLP

Francis Clark LLP
Reporting Accountant

Sigma House
Oak View Close
Edginswell Park
Devon
TQ2 7FF

Date: 18 December 2014

South Dartmoor Academy

Statement of Financial Activities for the Year Ended 31 August 2014 (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 2014 £ 000	Total 2013 £ 000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Other voluntary income		14	270	40	324	352
Activities for generating funds	3	665	149	-	814	1,198
Investment income	4	2	-	-	2	6
<i>Incoming resources from charitable activities:</i>						
Funding for the Trust's educational operations	5	-	11,235	54	11,289	11,557
Total incoming resources		681	11,654	94	12,429	13,113
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		5	217	-	222	338
Cost of generating funds		488	24	-	512	546
<i>Charitable activities:</i>						
Trust's educational operations		212	12,320	1,126	13,658	13,120
Governance costs	8	-	74	-	74	56
Total resources expended	6	705	12,635	1,126	14,466	14,060
Net outgoing resources before transfers		(24)	(981)	(1,032)	(2,037)	(947)
Net expenditure for the year		(24)	(981)	(1,032)	(2,037)	(947)
Other recognised gains and losses						
Actuarial loss on defined benefit pension schemes	25	-	(930)	-	(930)	(99)

South Dartmoor Academy

Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2014 £ 000	Total 2013 £ 000
Net movement in deficit		(24)	(1,911)	(1,032)	(2,967)	(1,046)
Reconciliation of funds						
Funds/(deficit) brought forward at 1 September 2013		<u>259</u>	<u>(2,677)</u>	<u>21,891</u>	<u>19,473</u>	<u>20,519</u>
Funds/(deficit) carried forward at 31 August 2014		<u>235</u>	<u>(4,588)</u>	<u>20,859</u>	<u>16,506</u>	<u>19,473</u>

All of the academy's activities derive from continuing operations during the above two financial periods.

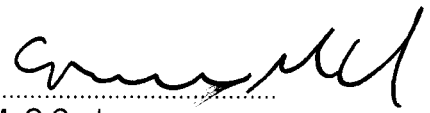
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

South Dartmoor Academy

(Registration number: 07561204)
Balance Sheet as at 31 August 2014

	Note	2013 £ 000	2012 £ 000
Fixed assets			
Tangible assets	12	20,908	21,625
Current assets			
Stocks	13	58	61
Debtors	14	445	597
Cash at bank and in hand		160	546
		<u>663</u>	<u>1,204</u>
Creditors: Amounts falling due within one year	15	<u>(1,169)</u>	<u>(658)</u>
Net current (liabilities)/assets		<u>(506)</u>	<u>546</u>
Total assets less current liabilities		<u>20,402</u>	<u>22,171</u>
Net assets excluding pension liability		20,402	22,171
Pension scheme liability	25	<u>(3,896)</u>	<u>(2,698)</u>
Net assets including pension liability		<u>16,506</u>	<u>19,473</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(692)	21
Restricted fixed asset fund		20,859	21,891
Restricted pension fund		<u>(3,896)</u>	<u>(2,698)</u>
		16,271	19,214
Unrestricted funds			
Unrestricted general fund		<u>235</u>	<u>259</u>
Total funds		<u>16,506</u>	<u>19,473</u>

The financial statements on pages 20 to 46 were approved by the Trustees, and authorised for issue on 12/12/2014 and signed on their behalf by:


.....
Mr G Cock
Director

South Dartmoor Academy

Cash Flow Statement for the Year Ended 31 August 2014

	Note	2014 £ 000	2013 £ 000
Net cash inflow from operating activities	20	4	454
Returns on investments and servicing of finance	21	2	6
Capital expenditure and financial investment	22	<u>(392)</u>	<u>(135)</u>
(Decrease)/increase in cash in the year	23	<u>(386)</u>	<u>325</u>

Reconciliation of net cash flow to movement in net funds

(Decrease)/increase in cash in the year	(386)	325
Net funds at 1 September 2013	<u>546</u>	<u>221</u>
Net funds at 31 August 2014	<u>160</u>	<u>546</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

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 one year from the date of approval of the financial statements.

As at 31 August 2014 the Academy had net current liabilities of £506,000 and a cash balance of £160,000. The directors have set a balanced budget for the year ended 31 August 2015 and have prepared cash flow forecasts to this date, which indicate that the Academy can work within its existing cash facility, although the margin over requirements is not large. The levels of funding beyond August 2015 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.

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.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

1 Accounting policies (continued)

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 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.

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 2014

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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

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 2014

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 governors.

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.

2 Voluntary income

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

2 Voluntary income (continued)

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2014 £ 000	Total 2013 £ 000
Educational trips and visits	2	239	-	241	343
Other donations	12	31	40	83	9
	<u>14</u>	<u>270</u>	<u>40</u>	<u>324</u>	<u>352</u>

3 Activities for generating funds

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2014 £ 000	Total 2013 £ 000
Hire of facilities	118	2	120	38
Catering income	392	-	392	416
School shop sales	77	3	80	146
Recharges and reimbursements	-	109	109	407
Other income	78	35	113	191
	<u>665</u>	<u>149</u>	<u>814</u>	<u>1,198</u>

4 Investment income

	Unrestricted funds £ 000	Total 2014 £ 000	Total 2013 £ 000
Bank Interest Received	<u>2</u>	<u>2</u>	<u>6</u>

5 Funding for Trust's educational operations

	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2014 £ 000	Total 2013 £ 000
DfE/EFA capital grants				
Devolved Formula Capital	-	54	54	49
Capital Maintenance Fund	-	-	-	120
	<u>-</u>	<u>54</u>	<u>54</u>	<u>169</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

5 Funding for Trust's educational operations (continued)

	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2014 £ 000	Total 2013 £ 000
DfE/EFA revenue grants				
General Annual Grant (GAG)	9,937	-	9,937	9,982
Pupil Premium	367	-	367	321
16 - 19 Bursary	36	-	36	34
PE and Sports Grant	34	-	34	-
Studio School Grant	300	-	300	-
School Sports Partnership	117	-	117	-
Year 7 Catch Up Grant	18	-	18	-
	<u>10,809</u>	<u>-</u>	<u>10,809</u>	<u>10,337</u>
Other government grants				
SEN/High Needs Income	318	-	318	542
Ashmoor Start-Up Grant	-	-	-	140
Autism Grant	72	-	72	126
Local Area Partnership	32	-	32	73
Local Learning Community	-	-	-	135
Other Government Grants	4	-	4	11
Other Capital Grants	-	-	-	24
	<u>426</u>	<u>-</u>	<u>426</u>	<u>1,051</u>
Total grants	<u>11,235</u>	<u>54</u>	<u>11,289</u>	<u>11,557</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

6 Resources expended

	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2014 £ 000	Total 2013 £ 000
Costs of generating voluntary income	-	-	222	222	338
Costs of activities for generating funds	214	-	298	512	546
Academy's educational operations					
Direct costs	8,315	-	754	9,069	8,495
Allocated support costs	<u>2,068</u>	<u>1,833</u>	<u>688</u>	<u>4,589</u>	<u>4,625</u>
	10,383	1,833	1,442	13,658	13,120
Governance costs including allocated support costs	<u>28</u>	<u>-</u>	<u>46</u>	<u>74</u>	<u>56</u>
	<u>10,625</u>	<u>1,833</u>	<u>2,008</u>	<u>14,466</u>	<u>14,060</u>

Net incoming/outgoing resources for the year include:

	2014 £ 000	2013 £ 000
Operating leases - other	18	11
Previous auditor - other audit services	-	5
Current auditor - audit fees	20	7
Current auditor - other audit services	<u>26</u>	<u>3</u>

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

Resources expended	Total £	Items above £5,000	Reason
Unrecoverable debts	23,000	14,000	Irrecoverable debtor

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

7 Charitable activities - Academy's educational operations

	Total 2014 £ 000	Total 2013 £ 000
Direct costs		
Teaching and educational support staff costs	8,315	7,725
Educational supplies	231	371
Examination fees	150	201
Staff development	330	64
Educational consultancy	-	89
Other direct costs	43	45
	<u>9,069</u>	<u>8,495</u>
Allocated support costs		
Support staff costs	1,892	1,834
FRS 17 service cost adjustment	176	110
Depreciation	1,109	1,185
Maintenance of premises and equipment	338	231
Cleaning	46	26
Rent and rates	94	95
Energy costs	151	164
Insurance	95	76
Recruitment and support	35	39
Security & transport	69	115
Bank interest and charges	6	6
Expected return on scheme assets	(184)	(126)
Interest on defined benefit pension scheme	276	191
Professional fees	94	373
Other support costs	392	306
	<u>4,589</u>	<u>4,625</u>
	<u><u>13,658</u></u>	<u><u>13,120</u></u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

8 Governance costs

	Restricted funds £ 000	Total 2014 £ 000	Total 2013 £ 000
Auditors' remuneration			
Previous auditor - other audit services	-	-	5
Current auditor - audit of financial statements	20	20	7
Current auditor - other audit services	26	26	3
Support costs	28	28	41
	<u>74</u>	<u>74</u>	<u>56</u>

9 Staff costs

	2014 £ 000	2012 £ 000
Staff costs during the year were:		
Wages and salaries	8,354	7,966
Social security costs	686	568
Pension costs	1,346	1,182
Supply teacher costs	239	165
Compensation payments	-	33
	<u>10,625</u>	<u>9,914</u>

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

	2013 No	2012 No
Charitable Activities		
Teachers	226	243
Administration and management	146	119
	<u>372</u>	<u>362</u>

The number of employees whose emoluments (excludes pension contributions) fell within the following bands was:

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

9 Staff costs (continued)

	2013 No	2012 No
£60,001 - £70,000	3	2
£100,001 - £110,000	-	1
£110,001 - £120,000	<u>1</u>	<u>-</u>

3 (2013 - 3) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £35,000 (2013 - £33,000). 1 (2013 - 0) of the above employees participated in the Local Government Pension Scheme, pension contributions amounted to £11,000 (2013 - £Nil).

10 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration (includes pension contributions) in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

Mr N Banwell (Head):	£60,000 - £65,000	(2013 - £60,000 - £65,000)
Mrs K Edwards (Head):	£55,000 - £60,000	(2013 - £50,000 - £55,000)
Ms T Docking (Head of Teaching and Learning):	£40,000 - £45,000	(2013 - £30,000 - £35,000)
Ms J L Jones (Parent Governor):	£Nil	(2013 - £5,000 - £10,000)
Ms R J Shaw (Head):	£65,000 - £70,000	(2013 - £60,000 - £65,000)
Ms L Sutton (Head of Teaching and Learning):	£Nil	(2013 - £0 - £5,000)
Mr H G Bellamy (Principal):	£130,000 - £135,000	(2013 - £115,000 - £120,000)

During the year ended 31 August 2014, travel and expenses totalling £1,047 (2013 - £200) were reimbursed to 3 trustees (2013 - 1).

Related party transactions involving the trustees are set out in note 26.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2014 was £1,946 (2013: £1,908).

The cost of this insurance is included in the total insurance cost.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

12 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 2013	16,684	4,114	2,838	47	804	24,487
Additions	<u>232</u>	<u>20</u>	<u>131</u>	<u>-</u>	<u>9</u>	<u>392</u>
At 31 August 2014	<u>16,916</u>	<u>4,134</u>	<u>2,969</u>	<u>47</u>	<u>813</u>	<u>24,879</u>
Depreciation						
At 1 September 2013	688	143	1,374	12	645	2,862
Charge for the year	<u>286</u>	<u>60</u>	<u>594</u>	<u>9</u>	<u>160</u>	<u>1,109</u>
At 31 August 2014	<u>974</u>	<u>203</u>	<u>1,968</u>	<u>21</u>	<u>805</u>	<u>3,971</u>
Net book value						
At 31 August 2014	<u>15,942</u>	<u>3,931</u>	<u>1,001</u>	<u>26</u>	<u>8</u>	<u>20,908</u>
At 31 August 2013	<u>15,996</u>	<u>3,971</u>	<u>1,464</u>	<u>35</u>	<u>159</u>	<u>21,625</u>

13 Stock

	2014 £ 000	2013 £ 000
Books and stationery	7	10
Catering	10	11
Clothing	<u>41</u>	<u>40</u>
	<u>58</u>	<u>61</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

14 Debtors

	2014 £ 000	2013 £ 000
Trade debtors	29	85
Prepayments	104	331
Accrued grant and other income	201	60
VAT recoverable	111	121
	<u>445</u>	<u>597</u>

15 Creditors: amounts falling due within one year

	2014 £ 000	2013 £ 000
Trade creditors	560	287
Other taxation and social security	165	187
Other creditors	-	3
Pension scheme creditor	152	-
Accruals	168	119
Deferred income	124	62
	<u>1,169</u>	<u>658</u>

	2014 £ 000
Deferred income at 1 September 2013	62
Resources deferred in the period	68
Amounts released from previous periods	<u>(62)</u>
Deferred income at 31 August 2014	<u>68</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

16 Funds

	Balance at 1 September 2013 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2014 £ 000
Restricted general funds					
GAG	(157)	9,937	(10,849)	136	(933)
Pupil premium	-	367	(367)	-	-
SEN /High Needs Income	-	318	(318)	-	-
16 - 19 Bursary	4	36	(40)	-	-
Standards Funds	-	17	-	-	17
Out of school income	10	249	(241)	-	18
Ashmoor Start-Up Grant	136	-	-	(136)	-
Autism Grant	17	72	(89)	-	-
Local Area Partnership	-	32	(32)	-	-
Local Learning Community	10	66	(76)	-	-
Other	1	15	(13)	-	3
Reimbursements	-	63	(63)	-	-
PE and Sports	-	37	(33)	-	4
Studio School	-	300	(101)	-	199
School Sports Partnership	-	121	(121)	-	-
Year 7 Catch Up	-	18	(18)	-	-
Sports academy	-	6	(6)	-	-
	<u>21</u>	<u>11,654</u>	<u>(12,367)</u>	<u>-</u>	<u>(692)</u>
Restricted fixed asset funds					
Fixed assets transferred on conversion	21,292	-	(1,043)	-	20,249
DfE/EFA Capital grants	305	54	(66)	-	293
Capital funds on conversion	198	-	(7)	-	191
Capital Expenditure from GAG	74	-	(4)	-	70
Minibus Fund	22	-	(4)	-	18
Widecombe Capital Funds	-	8	(2)	-	6
Golf course donation	-	32	-	-	32
	<u>21,891</u>	<u>94</u>	<u>(1,126)</u>	<u>-</u>	<u>20,859</u>
Restricted pension funds					
Pension reserve	<u>(2,698)</u>	<u>-</u>	<u>(268)</u>	<u>(930)</u>	<u>(3,896)</u>
Total restricted funds	19,214	11,748	(13,761)	(930)	16,271

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

16 Funds (continued)

	Balance at 1 September 2013 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2014 £ 000
Unrestricted funds					
Unrestricted general funds	259	681	(705)	-	235
Total funds	<u>19,473</u>	<u>12,429</u>	<u>(14,466)</u>	<u>(930)</u>	<u>16,506</u>

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 2014

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £ 000
South Dartmoor Community College	(777)
Ashburton Primary School	88
Buckfastleigh Primary School	132
Widecombe-in-the-Moor Primary School	24
Ilslington C of E Primary School	<u>76</u>
Total before fixed assets and pension reserve	(457)
Fixed asset funds	20,859
Pension reserve	<u>(3,896)</u>
Total	<u>16,506</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

16 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	6,511	1,637	161	2,191	10,500
Ashburton Primary School	644	85	21	155	905
Buckfastleigh Primary School	701	115	18	152	986
Ilstington C of E Primary School	239	33	17	70	359
Widecombe-in-the-Moor Primary School	220	50	14	55	339
Academy Trust	<u>8,315</u>	<u>1,920</u>	<u>231</u>	<u>2,623</u>	<u>13,089</u>

17 Analysis of net assets between funds

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	20,908	20,908
Current assets	235	328	100	663
Current liabilities	-	(1,020)	(149)	(1,169)
Pension scheme liability	-	(3,896)	-	(3,896)
Total net assets	<u>235</u>	<u>(4,588)</u>	<u>20,859</u>	<u>16,506</u>

18 Capital commitments

	2014 £ 000	2013 £ 000
Contracted for, but not provided in the financial statements	<u>-</u>	<u>20</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

19 Financial commitments

Operating leases

At 31 August 2014 the Trust had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £ 000	2013 £ 000
Other		
Within one year	1	1
Within two to five years	52	9
	<u>53</u>	<u>10</u>

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

	2014 £ 000	2013 £ 000
Net expenditure	(2,037)	(947)
Depreciation	1,109	1,185
Interest receivable	(2)	(6)
FRS 17 expected return on scheme assets	(184)	(126)
FRS 17 interest on defined benefit pension scheme	276	191
FRS17 service cost adjustment	176	110
Decrease/(increase) in stocks	3	(61)
Decrease/(increase) in debtors	152	(150)
Increase in creditors	511	258
Net cash inflow from operating activities	<u>4</u>	<u>454</u>

21 Returns on investments and servicing of finance

	2013 £ 000	2012 £ 000
Interest received	<u>2</u>	<u>6</u>
Net cash inflow from returns on investments and servicing of finance	<u>2</u>	<u>6</u>

22 Capital expenditure and financial investment

	2014 £ 000	2013 £ 000
Purchase of tangible fixed assets	<u>(392)</u>	<u>(135)</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

23 Analysis of changes in net funds

	At 1 September 2013 £ 000	Cash flows £ 000	At 31 August 2014 £ 000
Cash at bank and in hand	546	(386)	160

24 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.

25 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 (2013 - £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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

25 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.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

25 Pension and similar obligations (continued)

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 2014 was £463,000 (2013 - £422,000), of which employer's contributions totalled £348,000 (2013 - £323,000) and employees' contributions totalled £115,000 (2013 - £99,000). The agreed contribution rates for future years are 14.8% plus a fixed annual contribution of £68,000 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 2014 %	At 31 August 2013 %
Rate of increase in salaries	4.50	5.10
Rate of increase for pensions in payment/inflation	2.70	2.90
Discount rate for scheme liabilities	3.90	4.70
Inflation assumptions (CPI)	2.70	2.90
RPI increases	3.50	3.70

Sensitivity analysis

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

	+ 0.1% £ 000	0.0% £ 000	- 0.1% £ 000
Adjustment to discount rate			
Present value of total obligation	7,012	7,168	7,328
Projected service cost	535	548	561
Adjustment to pension increases and deferred revaluation			
	+ 0.1% £ 000	0.0% £ 000	- 0.1% £ 000
Present value of total obligation	7,295	7,168	7,045
Projected service cost	561	548	535
Adjustment to rate of salary growth			
	+ 0.1% £ 000	0.0% £ 000	- 0.1% £ 000
Present value of total obligation	7,203	7,168	7,133
Projected service cost	548	548	548

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

25 Pension and similar obligations (continued)

	+ 1 Year	None	- 1 Year
	£ 000	£ 000	£ 000
Adjustment to mortality age rating assumption			
Present value of total obligation	6,921	7,168	7,417
Projected service cost	<u>529</u>	<u>548</u>	<u>567</u>

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 2014	At 31 August 2013
Retiring today		
Males retiring today	22.70	20.60
Females retiring today	26.00	24.60
Retiring in 20 years		
Males retiring in 20 years	24.90	22.60
Females retiring in 20 years	<u>28.30</u>	<u>26.50</u>

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

	At 31 August 2014	At 31 August 2013
	£ 000	£ 000
Equities	1,947	1,748
Gilts	182	379
Alternative assets	60	-
Infrastructure	92	-
Other bonds	133	-
Property	317	262
Cash	67	87
Target return portfolio	<u>474</u>	<u>437</u>
Total market value of assets	3,272	2,913
Present value of scheme liabilities - funded	<u>(7,168)</u>	<u>(5,611)</u>
Deficit in the scheme	<u>(3,896)</u>	<u>(2,698)</u>

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

25 Pension and similar obligations (continued)

The expected rates of return were:

	At 31 August 2014 %	At 31 August 2013 %
Equities	6.70	7.00
Gilts	3.00	3.50
Alternative assets	5.90	-
Infrastructure	3.60	-
Other bonds	3.60	4.40
Property	5.90	6.00
Cash	2.90	.50
Target return portfolio	<u>5.90</u>	<u>5.00</u>

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 £290,000 (2013 - £324,000).

Amounts recognised in the statement of financial activities

	2014 £ 000	2013 £ 000
Current service cost	<u>(524)</u>	<u>(433)</u>
Total operating charge	<u>(524)</u>	<u>(433)</u>

Analysis of pension finance income/(costs)

	2014 £ 000	2013 £ 000
Expected return on pension scheme assets	184	126
Interest on pension liabilities	<u>(276)</u>	<u>(191)</u>
Pension finance costs	<u>(92)</u>	<u>(65)</u>

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 (£1,788,000) (2013 - (£858,000)).

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

25 Pension and similar obligations (continued)

Movements in the present value of defined benefit obligation

	2014 £ 000	2013 £ 000
At 1 September	5,611	4,658
Current service cost	524	433
Interest cost	276	191
Employee contributions	115	99
Actuarial losses	759	296
Benefits paid	(117)	(66)
At 31 August	<u>7,168</u>	<u>5,611</u>

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

	2014 £ 000	2013 £ 000
At 1 September	2,913	2,234
Expected return on assets	184	126
Actuarial (losses)/gains	(171)	197
Employer contributions	348	323
Employee contributions	115	99
Benefits paid	(117)	(66)
At 31 August	<u>3,272</u>	<u>2,913</u>

The estimated value of employer contributions for next period is £356,000 (2013 - £324,000).

History of experience adjustments

	2014 £'000	2013 £'000	2012 £'000
Present value of defined benefit obligations	(7,168)	(5,611)	(4,658)
Fair value of share of scheme assets	3,272	2,913	2,234
Deficit in scheme	<u>(3,896)</u>	<u>(2,698)</u>	<u>(2,424)</u>

	2014 £ 000	2013 £ 000	2012 £ 000
Experience adjustments arising on scheme assets	(171)	197	44
Experience adjustments arising on scheme liabilities	<u>(166)</u>	<u>-</u>	<u>-</u>

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

South Dartmoor Academy

Notes to the Financial Statements for the Year Ended 31 August 2014

26 Related party transactions

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

During the year the academy made the following related party transactions:

Ilslington Country House Hotel

(A business in which Mr T Hassell has an interest)

Hire of facilities purchased £3,472. At the balance sheet date the amount due to Ilslington Country House Hotel was £Nil (2013 - £Nil).

C R Tonepohl Plumbing & Heating

(Owned by husband of Ms F Tonepohl)

Purchase of services totalling £759. At the balance sheet date the amount due to C R Tonepohl Plumbing & Heating was £Nil (2013 - £Nil).

27 Post balance sheet events

On 1 September 2014 Moretonhampstead Primary School joined the multi academy trust.