

# South Dartmoor Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2013

Registration number: 07561204



## **South Dartmoor Academy**

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## **South Dartmoor Academy**

### **Reference and Administrative Details**

#### **Trustees (Directors)** Mr N Banwell, Head

Ms H Bates (appointed 12 November 2012)  
Mr H G Bellamy, Principal  
Mr G Cock, Parent Governor  
Ms T Docking, Head of Teaching and Learning (appointed 12 November 2012)  
Ms B Dunball, Chair of Governors  
Ms 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 (appointed 12 November 2012)  
Mr T Hassell, Parent Governor (Chair)  
Mr M Hibbs, Chair of Governors  
Mr B W Hodge, Trust Governor  
Ms S Humphries (appointed 12 November 2012)  
Ms J L Jones, Parent Governor (appointed 12 November 2012)  
Ms S Khan, Foundation Governor  
Ms S Lewry, Community Governor (resigned 11 November 2012)  
Mr P C McCormick, Chair of Governors  
Ms V P Page, Foundation Governor (resigned 11 November 2012)  
Ms R J Shaw, Head  
Mr R Steemson, LA Governor (appointed 18 March 2013)  
Ms L Sutton, Head of Teaching and Learning (resigned 11 November 2012)  
Ms F Tonepohl, Chair of Governors  
Ms P Walton, Community Governor (deceased 17 March 2013)

#### **Senior Management** Hugh Bellamy, Principal South Dartmoor

##### **Team**

Rachel Shaw, Head Teacher Ashburton and Ilsington  
Nick Banwell, Head Teacher Buckfastleigh  
Kate Edwards, Head Teacher Widecombe  
Ian 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  
Sigma House  
Oak View Close  
Edginswell Park  
Devon  
TQ2 7FF

**Bankers** Lloyds TSB  
19 East Street  
Ashburton  
Devon  
TQ13 7AF

**Solicitors** Foot Anstey  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
Devon  
PL4 0BN



## **South Dartmoor Academy**

### **Directors' Report for the Year Ended 31 August 2013**

The Directors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013.

#### **Structure, governance and management**

##### ***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 trustees who served throughout the year, except as noted, 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 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.



## **South Dartmoor Academy**

### **Directors' Report for the Year Ended 31 August 2013**

#### ***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;

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.

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 Academic Years 2010-11, 2011-12 and 2012-13 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. OFSTED inspections were carried out at three member schools during the year, with Widecombe Primary School being awarded an 'OUTSTANDING' rating, and both Ashburton and Buckfastleigh Primaries being rated as 'GOOD'.

Since April 2011 the schools have increasingly worked 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.



## **South Dartmoor Academy**

### **Directors' Report for the Year Ended 31 August 2013**

Over the last few years South Dartmoor Community College has been disappointed at the lack of use by the community of the LEA run Ashmoor Centre. Therefore, following extensive discussions with the local authority, South Dartmoor Academy took over the Ashmoor Centre in October 2012. Since this point, significant investment has taken place in both the infrastructure of the Centre, and in the provision of community and school activities. A far greater number of fitness classes are now offered, and local sports clubs are making full use of the facilities on offer. Individual memberships have increased significantly, and the number of walk-in users of the Centre has shown a similar increase. In the first 11 months of operation by the Academy, the Ashmoor Sports Centre has been transformed from a loss making entity to one that makes a very small profit, and has further plans for continued expansion.

#### ***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 the Board of Governors of each of the 5 schools.

There is a Responsible Officer (Brian Hodge) across the Academy who provides internal audit of the schools and reports to the Directors and external Auditors (Francis Clark LLP).

Each of the Headteachers and the Principal of SDCC are the Accounting Officers for their own 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.



## **South Dartmoor Academy**

### **Directors' Report for the Year Ended 31 August 2013**

#### ***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 is currently being reviewed as part of an annual process.

The major risks relate to funding and the continued solvency 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.

#### ***Connected organisations, including related party relationships***

During the Academic Year 2012-13 all the schools within the multi-school academy have undertaken charitable fund raising activities. Of particular note are South Dartmoor Community College's fundraising efforts to provide a dormitory to our partner school in Kenya, the Imprezza Academy.



## **South Dartmoor Academy**

### **Directors' Report for the Year Ended 31 August 2013**

#### **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 2012-13 Academic Year has been 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.

##### ***Achievements and performance***

All four primary schools have shown improved KS2 stage in 2013 from 2012. Buckfastleigh and Ashburton had an OFSTED inspection during the year and both were reported as "Good" schools. Widecombe Primary School also had an OFSTED report and were delighted to be recognised as an 'Outstanding' school. The OFSTED reports made reference to the positive influences that working with the other schools in the multi-school Academy has had and continues to have on improvements at all schools.

South Dartmoor Community College had recorded record results at GCSE level for the third year running.

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 the school performance can be found on the website [www.southdartmoor.devon.sch.uk](http://www.southdartmoor.devon.sch.uk).

##### ***Going concern***

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



## **South Dartmoor Academy**

### **Directors' Report for the Year Ended 31 August 2013**

#### ***Key non-financial performance indicators***

South Dartmoor Academy are currently implementing 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 measured and 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 Trust's reserves policy relates to the 5 schools remaining jointly solvent. The Directors are conscious not to build too great financial reserves and therefore have agreed budgets that manage sensible reserve levels. The Trust seeks to mitigate solvency risk by closely monitoring expenditure and predicted changes in student numbers, and ensuring that appropriate insurances are held against unforeseen changes. Cash flow is monitored and predicted across the Academy as a whole and this has enabled some capital investment to be made using the multi-school academy reserves without compromising balances but yet ensuring best value for money.

The Academy has adopted a prudent but safe investment policy ensuring that cash flow is not compromised.

#### ***Principal risks and uncertainties***

The principal risks to the multi-school Academy continue to be changes to government policies affecting funding, 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.

#### ***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.



## **South Dartmoor Academy**

### **Directors' Report for the Year Ended 31 August 2013**

#### ***Reserves policy***

The level of unrestricted reserves held across the multi-school academy are £259,000.

As the Academy is funded on an annual basis for the students within the establishments we seek to obtain best value for money in making maximum provision for their education. Reserves are minimised to maintain solvency although there is some small amount which have been designated specifically for future planned capital projects.

We are still lacking appropriate Science Laboratory provision at South Dartmoor Academy as defined by the DfES recommendations. The Directors therefore made the decision late in the year to utilise a small amount of the reserve for a capital investment into two temporary Science laboratories. The supply of this building has been confirmed, and it is anticipated that, subject to planning permission, it will be in use early in 2014.

The only fund across the Academy establishments which is materially in deficit is the South Dartmoor Academy GAG fund and this is mainly due to capital funding having been made in advance of funds to be made available in the 2013-14 academic year. This deficit will be partially eliminated through the setting of a correcting budget for 2013-14.

The multi-school Academy Trust's current free reserves, being the income funds that are freely available for its general purposes, are £165,000 (i.e. it will not include restricted funds or any part of unrestricted funds not readily available for spending, specifically income funds which could only be realised by disposing of fixed assets held for charitable use).

#### ***Investment policy***

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. The details of current investments are included in the performance and financial achievements part of the Year End report.

#### **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 future periods are contained within the individual academy Development Plans and expressed through the budget provisions for 2013-14.

#### **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



## South Dartmoor Academy

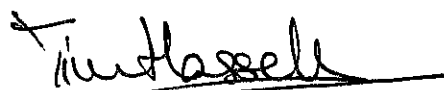
### Directors' Report for the Year Ended 31 August 2013

- 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.

Approved by order of the board on 4 December 2013 and signed on its behalf by:



Mr H S Bellamy  
Trustee



Mr T Hassell  
Trustee



## South Dartmoor Academy

### Governance Statement

#### Scope of responsibility

As directors, 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 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Banwell	3	3
Ms H Bates	1	3
Mr H G Bellamy	3	3
Mr G Cock	1	3
Ms T Docking	2	3
Ms B Dunball	2	3
Ms K Edwards	3	3
Ms Z Ellis	3	3
Ms B Garland	1	3
Mr A F Handley	3	3
Mr D Harris	0	3
Mr T Hassell	3	3
Mr M Hibbs	3	3
Mr B W Hodge	2	3
Ms S Humphries	3	3
Ms S Khan	3	3
Ms J L Jones	2	3
Mr P C McCormick	1	3
Ms R J Shaw	3	3
Mr R Steemson	1	2
Ms F Tonepohl	2	3



## South Dartmoor Academy

### Governance Statement

The Finance and General Purposes 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 twice during the year. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr N Banwell	1	2
Mr H G Bellamy	2	2
Ms K Edwards	2	2
Mr A F Handley	2	2
Mr T Hassell	2	2
Mr M Hibbs	1	2
Ms R J Shaw	1	2
Ms F Tonepohl	1	2

In addition to the Directors listed above, the following also attended the meetings of the Finance and General Purposes Committee. Attendance was as follows:

Mr I Robinson	2	2
Ms C Kennett	2	2
Ms V Kernick	1	2
Mr B Hodge	2	2

#### 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 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 2013 and up to the date of approval of the annual report and financial statements.

#### 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 2013 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;



## South Dartmoor Academy

### Governance Statement

- 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.

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Directors have appointed Brian Hodge as responsible officer (RO)

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the RO to date.

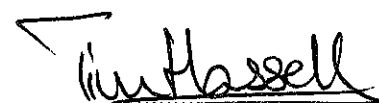
#### Review of effectiveness

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

Approved by order of the members of the Governing Body on 4/12/2013 and signed on its behalf by:



Mr T Hassell  
Trustee



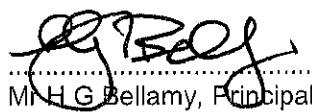
## **South Dartmoor Academy**

### **Statement on Regularity, Propriety and Compliance**

As accounting officer of South Dartmoor Academy I have considered my responsibility to notify the academy trust Governing Body 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust Governing Body 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 no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



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 company 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 4/12/2013 and signed on its behalf by:



Mr T Hassell  
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 2013, 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. 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 2013 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.

#### **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:



## South Dartmoor Academy

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

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

Sigma House  
Oak View Close  
Edginswell Park  
Devon  
TQ2 7FF

*Francis Clark LLP*

Date: *4 December 2013*



## **South Dartmoor Academy**

### **Independent Auditor's Assurance Report on Regularity to South Dartmoor Academy and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 3 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, 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 2012 to 31 August 2013 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 Governing Body's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the 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 2013 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 Auditor's Assurance Report on Regularity to South Dartmoor Academy and the Education Funding Agency

#### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....

Christopher Hicks (Senior Statutory Auditor)

For and on behalf of Francis Clark LLP, Chartered Accountants

Sigma House  
Oak View Close  
Edginswell Park  
Devon  
TQ2 7FF

Francis Clark LLP

Date: 4 December 2013



# South Dartmoor Academy

## Statement of Financial Activities for the Year Ended 31 August 2013 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2013 £ 000	Total 2012 £ 000
	Note					
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income						
Transfer on conversion	3	-	-	-	-	23,020
Other voluntary income	3	9	343	-	352	285
Activities for generating funds	4	786	407	5	1,198	107
Investment income	5	6	-	-	6	4
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	6	-	11,364	193	11,557	17,551
Total incoming resources		801	12,114	198	13,113	40,967
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		-	338	-	338	-
Cost of generating funds		546	-	-	546	84
<i>Charitable activities:</i>						
Academy's educational operations		109	11,785	1,226	13,120	19,571
Governance costs	9	-	56	-	56	34
Total resources expended	7	655	12,179	1,226	14,060	19,689
Net incoming/(outgoing) resources before transfers		146	(65)	(1,028)	(947)	21,278
Gross transfers between funds		-	(100)	100	-	-
Net income/(expenditure) for the year		146	(165)	(928)	(947)	21,278
<b>Other recognised gains and losses</b>						
Actuarial loss on defined benefit pension schemes	26	-	(99)	-	(99)	(759)
Net movement in funds/(deficit)		146	(264)	(928)	(1,046)	20,519
<b>Reconciliation of funds</b>						



## South Dartmoor Academy

### Statement of Financial Activities for the Year Ended 31 August 2013 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Unrestricted	Restricted	Restricted	Total	Total
	Funds	General	Fixed	2013	2012
Note	£ 000	Funds	Asset	£ 000	£ 000
	£ 000	£ 000	Funds		
Funds/(deficit) brought forward at 1 September 2012	113	(2,413)	22,819	20,519	-
Funds/(deficit) carried forward at 31 August 2013	259	(2,677)	21,891	19,473	20,519

All of the Academy'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.

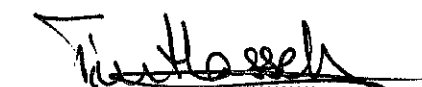


# South Dartmoor Academy

(Registration number: 07561204)  
Balance Sheet as at 31 August 2013

	Note	31 August 2013 £ 000	31 August 2012 £ 000
<b>Fixed assets</b>			
Tangible assets	13	21,625	22,675
<b>Current assets</b>			
Stocks	14	61	-
Debtors	15	597	447
Cash at bank and in hand		546	221
		<u>1,204</u>	<u>668</u>
Creditors: Amounts falling due within one year	16	<u>(658)</u>	<u>(400)</u>
Net current assets		<u>546</u>	<u>268</u>
Total assets less current liabilities		<u>22,171</u>	<u>22,943</u>
Net assets excluding pension liability		22,171	22,943
Pension scheme liability	26	<u>(2,698)</u>	<u>(2,424)</u>
Net assets including pension liability		<u>19,473</u>	<u>20,519</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		21	11
Restricted fixed asset fund		21,891	22,819
Restricted pension fund		<u>(2,698)</u>	<u>(2,424)</u>
		<u>19,214</u>	<u>20,406</u>
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>259</u>	<u>113</u>
Total funds		<u>19,473</u>	<u>20,519</u>

The financial statements on pages 20 to 46 were approved by the Directors, and authorised for issue on 4/12/2013 and signed on their behalf by:



Mr T Hassell  
Trustee



## South Dartmoor Academy

### Cash Flow Statement for the Year Ended 31 August 2013

	Note	31 August 2013 £ 000	31 August 2012 £ 000
Net cash inflow from operating activities	21	454	778
Cash transferred on conversion to an academy trust		-	(292)
Returns on investments and servicing of finance	22	6	4
Capital expenditure and financial investment	23	<u>(135)</u>	<u>(269)</u>
Increase in cash in the year	24	<u>325</u>	<u>221</u>

#### Reconciliation of net cash flow to movement in net funds

Increase in cash in the year	325	221
Net funds at 1 September 2012	<u>221</u>	<u>-</u>
Net funds at 31 August 2013	<u>546</u>	<u>221</u>

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 2013**

### **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 company has considerable reliance on continued Government funding through the EFA. Although there is no assurance that Government funding will continue at its current level for the period covered by the going concern review the Directors have a reasonable expectation that the Academy will have adequate resources to continue its activities for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Directors' Responsibilities.

#### **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.

#### **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.



## **South Dartmoor Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2013**

#### **1 Accounting policies (continued)**

##### ***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.

##### **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:



## South Dartmoor Academy

### Notes to the Financial Statements for the Year Ended 31 August 2013

#### 1 Accounting policies (continued)

Asset class	Depreciation method and rate
Freehold property	50 years
Long term leasehold property	50 years
Motor vehicles	25% reducing balance
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 2013**

#### **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 directors.

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 General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2013.



# South Dartmoor Academy

## Notes to the Financial Statements for the Year Ended 31 August 2013

### 3 Voluntary income

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2013 £ 000	Total 31 August 2012 £ 000
Transfer on conversion	-	-	-	23,020
<b>Other voluntary income</b>				
Educational trips and visits	-	343	343	-
Donations - local authority asset transfer	-	-	-	285
Other donations	9	-	9	-
	<u>9</u>	<u>343</u>	<u>352</u>	<u>285</u>
Total voluntary income	<u>9</u>	<u>343</u>	<u>352</u>	<u>23,305</u>

### 4 Activities for generating funds

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2013 £ 000	Total 31 August 2012 £ 000
Hire of facilities	38	-	-	38	8
Catering income	416	-	-	416	58
School shop sales	146	-	-	146	-
Recharges and reimbursements	-	407	-	407	-
Other sales	186	-	5	191	41
	<u>786</u>	<u>407</u>	<u>5</u>	<u>1,198</u>	<u>107</u>

### 5 Investment income

	Unrestricted funds £ 000	Total 2013 £ 000	Total 31 August 2012 £ 000
Bank Interest Received	<u>6</u>	<u>6</u>	<u>4</u>



## South Dartmoor Academy

### Notes to the Financial Statements for the Year Ended 31 August 2013

#### 6 Funding for Academy's educational operations

	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2013 £ 000	Total 31 August 2012 £ 000
<b>DfE/EFA capital grants</b>				
Devolved Formula Capital	-	49	49	-
Capital Maintenance Fund	-	120	120	-
	-	169	169	-
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	9,982	-	9,982	14,076
Pupil Premium	321	-	321	-
16 - 19 Bursary	34	-	34	-
Start-Up Grants	-	-	-	125
School Standards Fund	-	-	-	480
Other DfE/EFA Grants	-	-	-	144
	10,337	-	10,337	14,825
<b>Other government grants</b>				
SEN/High Needs Income	542	-	542	713
Ashmoor Start-Up Grant	140	-	140	-
Autism Grant	126	-	126	-
Local Area Partnership	73	-	73	-
Local Learning Community	135	-	135	-
Other Government Grants	11	-	11	756
Other Capital Grants	-	24	24	-
Internal Catering Income	-	-	-	445
Sales to Students	-	-	-	126
Other	-	-	-	686
	1,027	24	1,051	2,726
<b>Total grants</b>	<b>11,364</b>	<b>193</b>	<b>11,557</b>	<b>17,551</b>



# South Dartmoor Academy

## Notes to the Financial Statements for the Year Ended 31 August 2013

### 7 Resources expended

	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2013 £ 000	Total 31 August 2012 £ 000
Costs of generating voluntary income	-	-	338	338	-
Costs of activities for generating funds	215	-	331	546	84
<b>Academy's educational operations</b>					
Direct costs	7,725	-	770	8,495	13,379
Allocated support costs	1,944	1,777	904	4,625	6,192
	9,669	1,777	1,674	13,120	19,571
Governance costs including allocated support costs	30	-	26	56	34
	9,914	1,777	2,369	14,060	19,689

### Net incoming/outgoing resources for the year include:

	31 August 2013 £ 000	31 August 2012 £ 000
Operating leases	11	-
Previous auditor - audit fees	-	7
Previous auditor - other audit services	16	10
Current auditor - audit fees	7	-
Current auditor - other audit services	3	-



# South Dartmoor Academy

## Notes to the Financial Statements for the Year Ended 31 August 2013

### 8 Charitable activities - Academy's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2013 £ 000	Total 31 August 2012 £ 000
<b>Direct costs</b>					
Teaching and educational support staff costs	11	7,714	-	7,725	10,497
Depreciation	-	-	-	-	1,093
Educational supplies	31	340	-	371	386
Examination fees	-	201	-	201	303
Staff development	-	64	-	64	80
Educational consultancy	-	89	-	89	-
Other direct costs	1	44	-	45	1,020
	<u>43</u>	<u>8,452</u>	<u>-</u>	<u>8,495</u>	<u>13,379</u>
<b>Allocated support costs</b>					
Support staff costs	-	1,834	-	1,834	2,736
FRS 17 service cost adjustment	-	110	-	110	-
Depreciation	-	-	1,185	1,185	583
Maintenance of premises and equipment	10	180	41	231	475
Cleaning	4	22	-	26	55
Rent and rates	8	87	-	95	186
Energy costs	25	139	-	164	186
Insurance	-	76	-	76	140
Recruitment and support	-	39	-	39	54
Security and transport	2	113	-	115	106
Catering	-	-	-	-	89
Bank interest and charges	-	6	-	6	6
Expected return on scheme assets	-	(126)	-	(126)	-
Interest on defined benefit pension scheme	-	191	-	191	-
Professional fees	2	371	-	373	517
Other support costs	15	291	-	306	1,059
	<u>66</u>	<u>3,333</u>	<u>1,226</u>	<u>4,625</u>	<u>6,192</u>
	<u>109</u>	<u>11,785</u>	<u>1,226</u>	<u>13,120</u>	<u>19,571</u>



## South Dartmoor Academy

### Notes to the Financial Statements for the Year Ended 31 August 2013

#### 9 Governance costs

	Restricted funds £ 000	Total 2013 £ 000	Total 31 August 2012 £ 000
Legal and professional fees	-	-	1
<b>Auditors' remuneration</b>			
Previous auditor - audit of financial statements	-	-	7
Previous auditor - other audit services	16	16	10
Current auditor - audit of financial statements	7	7	-
Current auditor - other audit services	3	3	-
Support costs	30	30	16
	<u>56</u>	<u>56</u>	<u>34</u>

#### 10 Staff costs

	2013 £ 000	31 August 2012 £ 000
<b>Staff costs during the year were:</b>		
Wages and salaries	7,966	10,980
Social security costs	568	776
Pension costs	1,182	1,489
Supply teacher costs	165	-
Compensation payments	33	-
	<u>9,914</u>	<u>13,245</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:



## South Dartmoor Academy

### Notes to the Financial Statements for the Year Ended 31 August 2013

#### 10 Staff costs (continued)

	31 August 2013 No	31 August 2012 No
<b>Charitable Activities</b>		
Teachers	143	229
Administration and management	219	111
	<u>362</u>	<u>340</u>

The number of employees whose emoluments fell within the following bands was:

	31 August 2013 No	31 August 2012 No
£60,001 - £70,000	2	-
£100,001 - £110,000	1	1

3 (2012 - 1) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £33,000 (2012 - £14,800).

#### 11 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration 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	(2012 - £75,000 - £80,000)
Ms K Edwards (Head):	£50,000 - £55,000	(2012 - £65,000 - £70,000)
Ms T Docking (Head of Teaching and Learning):	£30,000 - £35,000	(2012 - £Nil)
Ms J L Jones (Parent Governor):	£5,000 - £10,000	(2012 - £Nil)
Ms L Sutton (Head of Teaching and Learning):	£0 - £5,000	(2012 - £Nil)
Ms R J Shaw (Head):	£60,000 - £65,000	(2012 - £80,000 - £85,000)
Mr H G Bellamy (Principal):	£115,000 - £120,000	(2012 - £160,000 - £165,000)

The 2012 remuneration figures relate to the 17 month period ended 31 August 2012.

During the year ended 31 August 2013, travel and expenses totalling £200 (2012 - £Nil) were reimbursed to 1 trustees (2012 - 0).

Related party transactions involving the trustees are set out in note 27.



## South Dartmoor Academy

### Notes to the Financial Statements for the Year Ended 31 August 2013

#### 12 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 2013 was £1,908 (2012: £1,800).

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

#### 13 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
<b>Cost</b>						
At 1 September 2012	16,598	4,114	2,815	25	800	24,352
Additions	86	-	23	22	4	135
At 31 August 2013	16,684	4,114	2,838	47	804	24,487
<b>Depreciation</b>						
At 1 September 2012	402	84	808	5	378	1,677
Charge for the year	286	59	566	7	267	1,185
At 31 August 2013	688	143	1,374	12	645	2,862
<b>Net book value</b>						
At 31 August 2013	15,996	3,971	1,464	35	159	21,625
At 31 August 2012	16,196	4,030	2,007	20	422	22,675

#### 14 Stock

	31 August 2013 £ 000	31 August 2012 £ 000
Books and stationery	10	-
Catering	11	-
Clothing	40	-
	61	-



# South Dartmoor Academy

## Notes to the Financial Statements for the Year Ended 31 August 2013

### 15 Debtors

	31 August 2013 £ 000	31 August 2012 £ 000
Trade debtors	85	71
Prepayments	331	280
Accrued grant and other income	60	-
VAT recoverable	121	96
	<u>597</u>	<u>447</u>

### 16 Creditors: amounts falling due within one year

	31 August 2013 £ 000	31 August 2012 £ 000
Trade creditors	287	21
Other taxation and social security	187	311
Other creditors	3	-
Accruals	119	68
Deferred income	62	-
	<u>658</u>	<u>400</u>

	31 August 2013 £ 000
Resources deferred in the period	<u>62</u>



# South Dartmoor Academy

## Notes to the Financial Statements for the Year Ended 31 August 2013

### 17 Funds

	Balance at 1 September 2012 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2013 £ 000
<b>Restricted general funds</b>					
GAG	4	9,982	(10,043)	(100)	(157)
Pupil premium	-	321	(321)	-	-
SEN /High Needs Income	-	542	(542)	-	-
16 - 19 Bursary	-	34	(30)	-	4
Standards Funds	1	-	(1)	-	-
Out of school income	5	343	(338)	-	10
Ashmoor Start-Up Grant	-	140	(4)	-	136
Autism Grant	-	126	(109)	-	17
Local Area Partnership	-	73	(73)	-	-
Local Learning Community	-	135	(125)	-	10
Reimbursements	-	407	(407)	-	-
Sixth Form	-	6	(6)	-	-
Project 14	-	5	(5)	-	-
Other	1	-	-	-	1
	<u>11</u>	<u>12,114</u>	<u>(12,004)</u>	<u>(100)</u>	<u>21</u>
<b>Restricted fixed asset funds</b>					
Fixed assets transferred on conversion	22,447	-	(1,155)	-	21,292
DfE/EFA Capital grants	174	169	(62)	24	305
Capital funds on conversion	198	-	-	-	198
Capital Expenditure from GAG	-	-	(2)	76	74
Minibus Fund	-	24	(2)	-	22
Widcombe Capital Funds	-	5	(5)	-	-
	<u>22,819</u>	<u>198</u>	<u>(1,226)</u>	<u>100</u>	<u>21,891</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(2,424)</u>	<u>-</u>	<u>(175)</u>	<u>(99)</u>	<u>(2,698)</u>
Total restricted funds	20,406	12,312	(13,405)	(99)	19,214
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>113</u>	<u>801</u>	<u>(655)</u>	<u>-</u>	<u>259</u>
Total funds	<u>20,519</u>	<u>13,113</u>	<u>(14,060)</u>	<u>(99)</u>	<u>19,473</u>



## South Dartmoor Academy

### Notes to the Financial Statements for the Year Ended 31 August 2013

#### 17 Funds (continued)

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 2013

#### Prior Year Adjustment

	£ 000
Fixed assets transferred on conversion - as previously reported	23,382
Prior year adjustment	(935)
Fixed assets transferred on conversion - as restated	<u>22,447</u>

At 31 August 2012 all properties occupied by the Academy Trust were included at valuation, on the assumption that the property was either owned outright, or was the subject of at least a 125 year lease. However, on conversion to academy status, 1 property was in fact occupied under a Supplemental Agreement, and therefore the basis of valuation was incorrect. The impact of the adjustment is to reduce the transfer on conversion by £956,000, and to reduce the depreciation charge for the period ended 31 August 2012 by £21,000, being a reduction in net assets of £935,000.

#### Analysis of academies by fund balance

Fund balances at 31 August 2013 were allocated as follows:

	Total £ 000
South Dartmoor Community College	42
Ashburton Primary School	70
Buckfastleigh Primary School	74
Widcombe-in-the-Moor Primary School	27
Ilington C of E Primary School	<u>67</u>
Total before fixed assets and pension reserve	280
Fixed assets transferred on conversion	21,891
Pension reserve	<u>(2,698)</u>
Total	<u>19,473</u>



# South Dartmoor Academy

## Notes to the Financial Statements for the Year Ended 31 August 2013

### 17 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	5,985	1,574	298	2,415	10,272
Ashburton Primary School	641	88	24	160	913
Buckfastleigh Primary School	657	117	33	186	993
Ilington C of E Primary School	232	37	7	65	341
Widcombe-in-the-Moor Primary School	210	48	9	89	356
Academy Trust	<u>7,725</u>	<u>1,864</u>	<u>371</u>	<u>2,915</u>	<u>12,875</u>

### 18 Analysis of net assets between funds

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	21,625	21,625
Current assets	259	679	266	1,204
Current liabilities	-	(658)	-	(658)
Pension scheme liability	-	(2,698)	-	(2,698)
Total net assets	<u>259</u>	<u>(2,677)</u>	<u>21,891</u>	<u>19,473</u>

### 19 Capital commitments

	31 August 2013 £ 000	31 August 2012 £ 000
Contracted for, but not provided in the financial statements	<u>20</u>	<u>-</u>



# South Dartmoor Academy

## Notes to the Financial Statements for the Year Ended 31 August 2013

### 20 Financial commitments

#### *Operating leases*

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

#### Operating leases which expire:

	31 August 2013 £ 000	31 August 2012 £ 000
<b>Other</b>		
Within one year	1	-
Within two to five years	9	48
	<u>10</u>	<u>48</u>

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

	31 August 2013 £ 000	31 August 2012 £ 000
Net (expenditure)/income	(947)	21,278
Depreciation	1,185	1,677
Cash transferred on conversion to an academy trust	-	292
Donated capital and capital grants	-	(24,083)
Interest receivable	(6)	(4)
FRS 17 expected return on scheme assets	(126)	-
FRS 17 interest on defined benefit pension scheme	191	-
FRS17 service cost adjustment	110	-
Increase in stocks	(61)	-
Increase in debtors	(150)	(447)
Increase in creditors	258	400
Pension scheme adjustments	-	1,665
Net cash inflow from operating activities	<u>454</u>	<u>778</u>

### 22 Returns on investments and servicing of finance

	31 August 2013 £ 000	31 August 2012 £ 000
Interest received	<u>6</u>	<u>4</u>
Net cash inflow from returns on investments and servicing of finance	<u>6</u>	<u>4</u>



## South Dartmoor Academy

### Notes to the Financial Statements for the Year Ended 31 August 2013

#### 23 Capital expenditure and financial investment

	31 August 2013 £ 000	31 August 2012 £ 000
Purchase of tangible fixed assets	<u>(135)</u>	<u>(269)</u>

#### 24 Analysis of changes in net funds

	At 1 September 2012 £ 000	Cash flows £ 000	At 31 August 2013 £ 000
Cash at bank and in hand	<u>221</u>	<u>325</u>	<u>546</u>

#### 25 Members' liability

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

#### 26 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 August 2012.

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.



## **South Dartmoor Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2013**

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

##### **The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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.

##### **Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.



## **South Dartmoor Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2013**

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

##### **Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy 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 academy has set out above the information available on the scheme.

##### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £422,000 (2012 - £566,000), of which employer's contributions totalled £323,000 (2012 - £433,000) and employees' contributions totalled £99,000 (2012 - £133,000). The agreed contribution rates for future years are 19.7% for employers and 5.5% to 11.4% 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.



# South Dartmoor Academy

## Notes to the Financial Statements for the Year Ended 31 August 2013

### 26 Pension and similar obligations (continued)

#### Principal actuarial assumptions

	At 31 August 2013 %	At 31 August 2012 %
Rate of increase in salaries	5.10	4.10
Rate of increase for pensions in payment/inflation	2.90	1.90
Discount rate for scheme liabilities	4.70	3.90
Inflation assumptions (CPI)	2.90	1.90
RPI increases	<u>3.70</u>	<u>2.70</u>

#### 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
<b>Adjustment to discount rate</b>			
Present value of total obligation	5,465	5,611	5,762
Projected service cost	<u>449</u>	<u>463</u>	<u>478</u>

	+ 1 Year £ 000	None £ 000	- 1 Year £ 000
<b>Adjustment to mortality age rating assumption</b>			
Present value of total obligation	5,407	5,611	5,818
Projected service cost	<u>442</u>	<u>463</u>	<u>484</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 2013	At 31 August 2012
<b>Retiring today</b>		
Males retiring today	20.60	20.50
Females retiring today	24.60	24.50
<b>Retiring in 20 years</b>		
Males retiring in 20 years	22.60	22.50
Females retiring in 20 years	<u>26.50</u>	<u>26.40</u>

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



# South Dartmoor Academy

## Notes to the Financial Statements for the Year Ended 31 August 2013

### 26 Pension and similar obligations (continued)

	At 31 August 2013 £ 000	At 31 August 2012 £ 000
Equities	1,748	1,340
Gilts	379	313
Property	262	134
Cash	87	112
Other	437	335
Total market value of assets	2,913	2,234
Present value of scheme liabilities - funded	(5,611)	(4,658)
Deficit in the scheme	(2,698)	(2,424)

The expected rates of return were:

	At 31 August 2013 %	At 31 August 2012 %
Equities	7.00	6.30
Gilts	3.50	2.80
Other bonds	4.40	3.90
Property	6.00	5.30
Cash	.50	.50
Other	5.00	4.70

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 £324,000 (2012 - £202,000).



## South Dartmoor Academy

### Notes to the Financial Statements for the Year Ended 31 August 2013

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

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

	31 August 2013 £ 000	31 August 2012 £ 000
Current service cost	(433)	(439)
Total operating charge	<u>(433)</u>	<u>(439)</u>

##### Analysis of pension finance income/(costs)

	31 August 2013 £ 000	31 August 2012 £ 000
Expected return on pension scheme assets	126	158
Interest on pension liabilities	(191)	(264)
Pension finance costs	<u>(65)</u>	<u>(106)</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 (£1,617,000) (2012 - (£1,518,000)).

##### Movements in the present value of defined benefit obligation

	31 August 2013 £ 000	31 August 2012 £ 000
At 1 September	4,658	3,100
Current service cost	433	439
Interest cost	191	264
Employee contributions	99	133
Actuarial losses	296	803
Benefits paid	<u>(66)</u>	<u>(81)</u>
At 31 August	<u>5,611</u>	<u>4,658</u>

##### Movements in the fair value of academy's share of scheme assets

	31 August 2013 £ 000	31 August 2012 £ 000
At 1 September	2,234	1,547
Expected return on assets	126	158
Actuarial gains	197	44
Employer contributions	323	433
Employee contributions	99	133
Benefits paid	<u>(66)</u>	<u>(81)</u>
At 31 August	<u>2,913</u>	<u>2,234</u>

The estimated value of employer contributions for next period is £324,000 (2012 - £293,000).



## South Dartmoor Academy

### Notes to the Financial Statements for the Year Ended 31 August 2013

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

##### History of experience adjustments

Amounts for the current period are as follows:

	31 August 2013 £ 000	31 August 2012 £ 000
Experience adjustments arising on scheme assets	197	44
Experience adjustments arising on scheme liabilities	-	-

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

#### 27 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.

There were no related party transactions in the year.