

Diocese of Salisbury Academy Trust  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
Year ended 31 August 2023

Company Registration Number:  
08656655 (England and Wales)

# Diocese of Salisbury Academy Trust

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# Diocese of Salisbury Academy Trust

## Reference and Administrative Details

### Members

K Fitzsimmons (appointed 1 September 2023)

K Gorham

A MacRow-Wood

D Pain

R Tong (appointed 25 January 2023)

J Tubbs (resigned 31 August 2023)

### Trustees

G Exon (resigned 4 October 2022)

J Grinstead

T Hitchings

P Jarman

M Lacey

A Millin

D Noble (resigned 4 October 2022)

G Pugh

S Thornton

R Tong (Chair)

J Tubbs

E Weavers

### Company Secretary

N Summerill

### Senior Leadership Team

M Lacey            Chief Executive Officer

J Hicks            Director of Education

D Parker           Chief Finance & Operations Officer

N Summerill      Business Support Administrator

# Diocese of Salisbury Academy Trust

## Reference and Administrative Details

### Company Name

Diocese of Salisbury Academy Trust

### Principal and Registered Office

Diocesan Education Centre

The Avenue

Wilton

Salisbury

Wiltshire

SP2 0FG

### Company Registration Number

08656655 (England and Wales)

### Independent Auditor

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

### Bankers

Lloyds Bank Plc

38 Blue Boar Row

Salisbury

Wiltshire

SP1 1DB

### Solicitors

Browne Jacobson LLP

1 Manor Court

Dix's Field

Exeter

Devon

EX1 1UP

# Diocese of Salisbury Academy Trust

## Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates 24 primary academies in the Diocese of Salisbury, across Wiltshire and Dorset. Its academies have a combined pupil capacity of 5347 and had a roll of 4217 in the school census in October 2023.

### Structure, Governance and Management

#### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of the Diocese of Salisbury Academy Trust (DSAT) are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as the Diocese of Salisbury Academy Trust (DSAT).

Details of the Trustees who served throughout the year and to the date the accounts are approved are included in the Reference and Administration 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 they cease to be a member.

#### Trustees' Indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

#### Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- The Members shall appoint up to three Trustees
- The Diocesan Board of Education shall appoint Trustees, to ensure that the total number of Trustees appointed be a majority of the total number of Trustees
- The total number of staff including the Chief Executive Officer shall not exceed one third of the total number of Trustees

# Diocese of Salisbury Academy Trust

## Trustees' Report

### Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include familiarisation with the work of the Trust, time with lead officers and a chance to meet staff and pupils in some of our academies. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by other bodies.

### Organisational Structure

The Board of Trustees normally meets four times per year, with each committee meeting three times per year. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board may, from time to time, establish working groups to perform specific tasks over a limited timescale.

There are four committees as follows:

- The Standards and Ethos Committee – this meets three times per year to monitor, evaluate and review policy, practice, and performance in relation to curriculum planning, communications, target setting and assessment and relevant pastoral issues.
- Resources Committee – this meets at least three times per year and is responsible for monitoring, evaluating, and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting and drafting the annual budget including setting staffing levels.
- Audit and Risk Committee – this meets three times per year to review internal controls, receive internal and external audit reports and to maintain an overview of the risk register.
- Remuneration Committee – this meets at least annually to approve pay recommendations for Headteachers and other senior leaders.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Trust using budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day-to-day management of the Trust to the Chief Executive and Senior Leadership Team (SLT). The SLT comprises the Chief Executive (CEO), Chief Finance and Operations Officer (CFOO), Director of Education (DE), and the Business Support Administrator (BSA).

# Diocese of Salisbury Academy Trust

## Trustees' Report

### Organisational Structure (continued)

The governance functions and authorities within the Trust are detailed in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Chief Executive and Headteachers are responsible for the appointment of staff, through appointment panels – again, responsibilities are outlined in the Scheme of Delegation.

The Academy Trust comprises 24 primary schools. Each school has its own local governance group known as an Academy Standards and Ethos Committee (ASEC). Again, their responsibilities are outlined in the Scheme of Delegation. The Chairs of Governors meet regularly with the Chair of the Trust Board and as part of Hub Committees.

The CEO is the Accounting Officer.

### Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the SLT comprise the key management personnel of the Trust in charge of directing and controlling, running, and operating the Trust on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year, with the exception of the CEO.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings. The Trustees benchmark against pay levels in other Trusts. They do so in conjunction with their HR provider. Staff are paid according to an agreed range and progression is judged annually based on a rigorous programme of performance management.

### Trade union facility time

There were no trade union officials employed by the Academy Trust during the year.

### Related Parties and other Connected Charities and Organisations

The Trust is connected to the Principal Sponsor of the academy, the Diocesan Board of Education, who appoint the Members and a majority of Trustees. The Diocesan Board of Education provides services to the Trust's schools as they do to all schools within the Diocese.

# Diocese of Salisbury Academy Trust

## Trustees' Report

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials
- Regular staff surveys in relation to wellness and the workings of the school/Trust
- Regular updates to all staff members, via email bulletins, including covering both financial and non-financial performance
- A staff benefits package available through the Trust website
- On-going collaborative professional learning activities
- Joint INSET activity where possible
- The DSAT Wellness Group and Strategy
- Frequent visits to schools by all members of the executive team

The Trust welcomes applications for employment from disabled persons; the treatment of employees who become disabled and the training, career development and promotion of disabled persons are of paramount importance to us as a diocesan Trust. Our recruitment materials all include a clear statement of intent with regard to matters of equality.

### Objectives and Activities

Objects and Aims

The Company's objects are specifically restricted to the advancement for the public benefit of education in the United Kingdom, specifically to, but without prejudice, the generality of the foregoing by establishing, maintaining, carrying on, managing, and developing Academies which shall offer a broad and balanced curriculum, and which shall include:

- Church of England academies designated as such which shall be conducted in accordance with the principles, practices, and tenets of the Church of England both generally and specifically in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Board of Education; and
- other Academies with or without a designated religious character
- but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

The principal object and activity of the Charitable Company is the operation of the Diocese of Salisbury Academy Trust, to provide free education and care for pupils of different abilities.

The Trust vision statement is *'Beyond expectations for all of God's children.'*

Our vision is for the growth of thriving Christian learning communities, providing everyone with the opportunity to achieve more than they ever thought possible. Christian service is at the heart of all we do, as we help young people to develop excitement in learning and to live life to the full. We value everyone equally and demonstrate this through our words, actions, community life and the quality of the opportunities we provide.

# Diocese of Salisbury Academy Trust

## Trustees' Report

Objects and Aims (continued)

*Children at the heart of all we do*

Our young people will be inspired to develop academically and spiritually, aspiring beyond their own and others' expectations.

*Faithfulness to our Christian tradition*

We put God's love into action through our values of love, reconciliation, hope, forgiveness, peace, grace, justice, and joy. Working with our parishes and communities, we encourage an understanding of the significance of faith through teaching, worship, and prayer.

*Striving for excellence*

We love learning and are passionate about the high standards we can achieve in all aspects of life.

*Collaboration*

We build strong partnerships, learning with and from others as we challenge ourselves to reach new heights. We give of our best and expect the best from one another.

*Celebrating success*

We celebrate the achievements of every individual and share our successes widely.

Objectives, Strategies and Activities

*Strategic Priorities*

1. For every child to attend an excellent, deeply Christian school, which serves the common good of all in our communities
2. To inspire our children with quality teaching of an ambitious, aspirational, and inclusive curriculum, that enables them all to find their place in, and make a difference to the world
3. For leaders, staff, and governors, at every level to thrive personally, professionally, and spiritually
4. To make effective use of resources, such that all flourish

Full details of the Strategic Plan are published on the Trust's website [www.dsat.org.uk/strategic-plan/](http://www.dsat.org.uk/strategic-plan/).

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioner'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.

The Academy Trust aims to advance for the public benefit, education in the Diocese of Salisbury. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development schools, offering a broad and balanced curriculum.

The Academy Trust has taken in academies in a range of contexts, including a number who have previously struggled academically and financially.

# Diocese of Salisbury Academy Trust

## Trustees' Report

### Strategic Report

#### Achievements and Performance

- The Trust had eight inspections during the year, and all were rated good, including improvements from special measures and requires improvement judgements. These were at Milldown, St Peter's, Wilton, Archbishop Wake, Spetisbury, Dunbury, Wimborne St Giles and Beaminster St Mary's.
- Wimborne St Giles also had a good SIAMS inspection, as did St James'.
- During the year, Durweston CE Primary School joined the Forum Hub in November 2022.
- St Peter's, our new Free School in 2018, has been approved to expand by four classrooms to go to two forms of entry from September 2024. The Resource Base at Wilton has been expanded to 20 places phased from September 2023.
- Assessment results were generally pleasing across the Trust and above national indicators on many levels (2023 national figures in brackets). Combined attainment in Year 6 was just below national.
- Y6 combined attainment in Reading, Writing and Maths – 57% (59%)
- Y6 Reading – 72% (73%); Y6 Writing – 72% (71%); Y6 Maths – 69% (73%)
- Y2 Reading – 75% (68%); Y2 Writing – 67% (60%); Y2 Maths 79% (70%)
- Y1 Phonics – 80% (79%)
- Reception Good Level of Development - 70% (65%)
- The gap for disadvantaged children reduced by 4% to 18% at Key Stage 2 which is below national figures.
- The quality of teaching and learning across the Trust continues to improve through the work of senior leaders and the improvement team, as well as the work of our Trust Lead Teachers.
- The on-going comprehensive Collaborative Professional Learning (CPL) programme has made a significant difference to the development of teaching, learning and the curriculum.
- The Trust Board has significantly increased its direct engagement with schools through the development of its Link Trustees, who visit schools in their link Hubs and play an active role in Hub Committees.
- Hub Committees have continued to be developed and are increasingly effective. They have been evaluated at the end of 2022-23 and further adjustments to the Scheme of Delegation will be in place from January 2024.
- A new Headteacher was appointed at St James' from September 2022 and from January 2023 at Marden Vale. St Andrew's has a new Headteacher from September 2023. The Trust is investing in and developing its team of Headteachers and other leaders.
- The Trust is making full use of its School Condition Allocation (SCA) grant for necessary improvements across its schools, including the removal of old modular buildings at Marden Vale and Spetisbury.

# Diocese of Salisbury Academy Trust

## Trustees' Report

### Achievements and Performance (continued)

- The Academy Improvement Team has worked effectively to support schools and to continue the journey of improvement, including undertaking significant curriculum development work. The work of this team is enhanced by the input of Headteachers, Trust Lead Teachers and other practitioners as required, significantly expanding capacity across the Trust.
- The Trust has utilised the Trust Capacity Fund (TCAF) grant to bring about enhancements to the Academy Improvement Team, including the appointment of a new Regional Director from January 2023. Software systems have also been enhanced and are beginning to be used much more effectively.
- At the start of the financial year, the Trust appointed a new Head of Governance and Compliance and, from June 2023, a new Estates Manager, who have both made a significant impact on the development of these areas of activity.
- The Trust has strong relationships with Teaching School Hubs and TeachFirst, along with other providers such as the Church of England Foundation for Educational Leadership, looking to secure high quality recruitment and retention into our schools, and the growth of an increasingly skilled workforce.
- Future financial planning is strong across the Trust.

### Key Performance Indicators

#### Strategic Plan

#### *Schools*

1. All schools are evaluated as being at least good (Excellence/Refinement) within 24 months of joining the Trust, evidenced in time by both OFSTED and SIAMS

#### *Pupils*

2. Aggregate outcomes are above national averages, with gaps closing for disadvantaged pupils and those with SEND
3. Attendance is above national averages and suspension rates below

#### *Staff*

4. Absence rates reduce year-on-year and staff levels of satisfaction increase
5. Staff engagement with collaborative professional learning increases; recruitment, retention and promotion rates increase

#### *Resources*

6. The Trust maintains a healthy financial position in line with the Reserves Policy

# Diocese of Salisbury Academy Trust

## Trustees' Report

### Key Performance Indicators (continued)

In relation to our Strategic Plan over the past year, the following achievements have been identified:

#### *Priority 1: Improving*

On-going strong outcomes in inspections – eight good Ofsted inspections with two good SIAMs.

Results at or above national levels in many areas. Others broadly in-line. The Academy Improvement Team strengthened by new recruitment and additional use of Headteachers and Trust Lead Teachers. Programme for Church School Flourishing now being delivered across the Trust. Case studies show flourishing schools.

#### *Priority 2: Inspiring*

Significant work on-going in relation to curriculum development. Safeguarding curriculum strengthened. Staff are inspired through high quality professional learning. Steps forward made in relation to personal development and character education. IT Strategy is now clearly in place and EdTech group driving forward infrastructure changes and curriculum development.

#### *Priority 3: Thriving*

Wellness Strategy now clearly established and ideas beginning to be shared. Staff survey has provided significant information to guide future progress in schools. CPL Strategy and Career Pathways are more firmly established and drive the progress of staff. Governance Strategy strengthened, successful peer review, and quality of professional learning significantly improved.

#### *Priority 4: Resourcing*

Capacity funding has enabled the development of a stronger Services team. Growth Strategy is moving into a new phase with four new schools moving towards us. Significant progress made in understanding our estate and preparing for climate and sustainability initiatives. Administrative systems are becoming stronger and more consistent across the Trust.

### Financial KPIs (Key Performance Indicators)

The main financial performance indicator is the level of reserves held at the balance sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £666,677 was carried forward, representing 3% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2023 (including those in our nurseries) was 4,320 (2022: 4,022). It is anticipated that this number will continue to rise with the additional schools joining the Trust.

Another key financial performance indicator is staffing costs (excluding restricted pension fund adjustments) as a percentage of total expenditure. For 2023 this was 78%, compared to 77% in 2022.

# Diocese of Salisbury Academy Trust

## Trustees' Report

### Going Concern

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

### Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2023 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2023, the Trust received total income of £28,696,260 (2022: £23,712,952) and incurred total expenditure of £29,006,619 (2022: £26,685,766). The excess of expenditure over income for the year was £310,359 (2022: £2,972,814).

As at 31 August 2023, the net book value of fixed assets was £4,110,439 (2022: £4,174,469) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The balance of the new joiners' budget share (£56,642) was transferred across on conversion and is shown as unrestricted funds.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

Key financial policies reviewed during the year include the Finance Manual which lays out the framework for financial management, including financial responsibilities of the Board, officers, Headteachers, managers, budget holders and other staff, as well as delegated authority for spending.

# Diocese of Salisbury Academy Trust

## Trustees' Report

### Reserves Policy

The Trust published its Reserves Policy in December 2021:

1. Individual academies within the Trust are expected to set a balanced budget each year.
2. The Board, CEO and CFOO will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserve as described in this policy. This step requires analysis of the reason for any shortfall, the availability of any other source of funding before using resources and evaluation of the time that the funds will be required and replenished.
3. Headteachers can request the Trust Board for access to reserves for a specific purpose, but it is up to the Board whether requests are granted as they have the responsibility of securing the financial stability of the Trust as a whole. Uses that will be considered include, but are not limited to:
  - a. Contribution to in year budget deficits arising from changes in pupil numbers.
  - b. Contribution to capital projects.
  - c. Investment in future educational initiatives.
  - d. In the event of an academy requesting to access more than their identified share of the reserves, the Board may approve the use of a repayment plan.
  - e. Authorisation to use reserves of any kind will be reported to the Resources Committee.

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately equivalent to one month of operating expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance (alternative reasons might be relevant e.g. fall in pupil numbers resulting in losing a class but not wanting to lose a teacher, a rise in pupil numbers meaning not enough funding to teach the pupils etc.). Total reserves of the Trust amount to £4,397,881 (2022: £2,650,240), although £2,322,913 (2022: £645,150) of this is invested in fixed assets or represents non-GAG restricted funds. The remaining £2,074,968 (2022: £2,005,090) (representing £1,378,291 (2022: £1,227,161) unrestricted funds and £696,677 (2022: £777,929) unspent GAG and other restricted income) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents one month of normal recurring expenditure.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

# Diocese of Salisbury Academy Trust

## Trustees' Report

### Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the CEO and CFOO within strict guidelines approved by the Board of Trustees.

### Principal Risks and Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

**Financial** – the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 93% of the Academy's incoming resources were Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. As with most other Trusts, DSAT schools are facing increasing challenges accessing external support and resources for those children who need it most.

**School Improvement** – the Trust continues to work hard to improve schools, often from a low base when joining the Trust and in some of the traditionally most vulnerable schools in the diocese. The Academy Improvement Team works hard alongside Trust leaders to mitigate this risk and to ensure that children receive the absolute best opportunities for success.

**Failures in governance and/or management** – the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** – the continuing success of the Trust is dependent on continuing to attract pupil numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that pupil success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety, and discipline.

# Diocese of Salisbury Academy Trust

## Trustees' Report

### Principal Risks and Uncertainties (continued)

Staffing – the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. Recruitment is particularly challenging in the current climate and the Trust is working hard to attract candidates to its schools.

Fraud and mismanagement of funds – the Trust has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Trust Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis. Trustees have assessed the major risks to which the Academy Trust is exposed and specifically those relating to its finances, teaching, buildings, and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere.

The Trust ensures that its school buildings are safe, well maintained and complies with relevant regulations. The Trust is exposed to the risks of damage or loss due to vandalism, fire, theft, or natural incidents such as flooding and takes precautionary measures to mitigate them. Where significant financial risk remains, the Trust has adequate insurance cover to protect against loss.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Resources Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 26 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust can meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

# Diocese of Salisbury Academy Trust

## Trustees' Report

### Fundraising

The Trust is open to fundraising opportunities but will only do so where this conforms to recognised standards. The Trust applies for grants from government sources and other recognised Trusts and bodies. Each school is also encouraged to have its own Parent Teacher Association.

### Plans for Future Periods

The Academy Trust will continue to strive to provide an excellent education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff to deliver its objectives.

The Academy Trust will continue to collaborate with its strategic partners to improve the educational opportunities for pupils in the wider community.

The Academy Trust will seek to sponsor additional schools and allow voluntary converters to join the Academy Trust from both the primary and secondary sectors, in line with its growth strategy. Allowing voluntary schools to join is fundamental to the ethos of the Academy Trust in collaboration and sharing best practice. As discussed earlier in the report, three schools will be joining the Trust on 1st December 2023, with a further school in early 2024.

Full details of our plans for the future are given in our Strategic Plan, which is available on our website or from our Business Support Administrator.

### Funds Held as Custodian Trustee on Behalf of Others

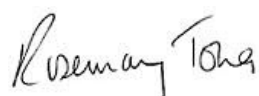
The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

### Auditor

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2023 and signed on the board's behalf by:



Rosemary Tong  
Chair of Trustees

# Diocese of Salisbury Academy Trust

## Governance Statement

### Scope of Responsibility

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

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

### Governance

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

Name of trustee	Meetings attended	Total meetings held whilst in post
Graham Exon (resigned 4 October 2022)	1	1
John Grinstead	4	4
Tom Hitchings	3	4
Patrick Jarman	3	4
Mark Lacey	4	4
Anne Millin	4	4
David Noble (resigned 4 October 2022)	0	1
Giles Pugh	4	4
Sian Thornton	3	4
Rosemary Tong	4	4
Joy Tubbs	2	4
Lizzie Weavers	4	4

The Trust Board membership has remained largely consistent during the year. As part of our succession planning, Tom Hitchings and Sian Thornton were appointed at the end of the previous year. David Noble stood down as a Trustee in October 2022, as did Graham Exon who also relinquished the Chair. The Chair is now Rosemary Tong who was an existing Trustee. There is currently one vacancy.

The Trust Board has continued to review its practice and works effectively through its committee structure.

# Diocese of Salisbury Academy Trust

## Governance Statement

### Governance (continued)

The Trust continues to review its Scheme of Delegation. The Academy Standards and Ethos Committees function at school level, and Hub Committees are becoming increasingly effective as a means of governance across a local area. The Scheme of Delegation is available on the Trust's website.

The Trust Board is continuing to improve its data and information systems and receives increasingly timely reports from officers. It has strong relationships with advisors for safeguarding and health and safety, enabling it to fulfil its responsibilities in this regard.

The Trust Board has ensured an on-going focus on curriculum development, collaborative professional learning, and well-being. The Board has continued to exercise its responsibilities thoroughly during this time and supported the excellent work of its executive team and Headteachers.

The Trust will be continuing to self-review its work over the course of the next academic year. Having actively taken part in a peer review programme with two other Trusts over the past two years, the Board and CEO will be looking to review financial systems and the strategic direction of the Trust over the coming months.

### *Conflicts of interest*

To manage conflicts of interest, the Trust maintains an up-to-date and complete register of interests which is referred to at the start of every meeting to identify whether there are any new interests. The list is revisited regularly to ensure that any contracts awarded do not result in any conflict or to ensure this is managed appropriately where an issue might arise.

### *Governance reviews*

The Board regularly takes action to review its effectiveness and that of the wider Trust. In addition to on-going self-evaluation, the Trust has taken part in a two-year review cycle alongside two other Trusts. This has involved in-depth reviews of school improvement and the effectiveness of the governance scheme of delegation at all levels of the Trust, including the Trust Board itself. It will be commissioning a further external review in the next 12 months.

# Diocese of Salisbury Academy Trust

## Governance Statement

### Governance (continued)

The Trust Board has met four times during the year and held a number of strategic meetings to consider its future plans. It operates much of its business through a series of committees, namely the Standards and Ethos Committee, the Resources Committee, the Audit and Risk Committee and the Remuneration Committee. These committees generally meet three times per year.

The Standards and Ethos Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor educational outcomes and ensure that the vision and ethos of the Trust is lived out in its academies.

Attendance at meetings in the year was as follows:

Name of trustee	Meetings attended	Total meetings held whilst in post
Anne Millin	3	3
Sian Thornton	3	3
Rosemary Tong	3	3
Lizzie Weavers	3	3

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure a suitable allocation of financial and human resources across the Trust, including capital allocations.

Attendance at meetings in the year was as follows:

Name of trustee	Meetings attended	Total meetings held whilst in post
John Grinstead	3	3
Tom Hitchings	3	3
Patrick Jarman	3	3
Giles Pugh	3	3
Rosemary Tong	2	3

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. Its purpose is to review outcomes of internal and external audits, monitoring the implementation of recommendations and managing the risk register of the Trust.

Attendance at meetings in the year was as follows:

Name of trustee	Meetings attended	Total meetings held whilst in post
Patrick Jarman	3	3
Giles Pugh	3	3
Rosemary Tong	2	3

# Diocese of Salisbury Academy Trust

## Governance Statement

### Governance (continued)

The Remuneration Committee is a sub-committee of the main Board of Trustees. Its purpose is to make decisions about the remuneration of senior executives and Headteachers within the Trust, as well as to monitor the implementation of the pay policy across the wider Trust.

Attendance at meetings in the year was as follows:

Name of trustee	Meetings attended	Total meetings held whilst in post
Patrick Jarman	2	2
Anne Millin	2	2
Rosemary Tong	2	2

### Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the public funds received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Robust financial governance and budget management.
- Value for money purchasing.
- Reviewing controls and managing risk.
- Considering allocation of resources.
- Avoiding inappropriate allocation of time/resources to areas where few improvements can be achieved.
- Making comparisons with similar academies using data provided by the ESFA and the Government.
- Challenging proposals and examining their effectiveness and efficiency.
- Deploying staff effectively.
- Reviewing quality of curriculum provision and quality of teaching.
- Reviewing quality of children's learning to enable children to achieve nationally expected progress.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

# Diocese of Salisbury Academy Trust

## Governance Statement

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the resultant impact, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in Diocese of Salisbury Academy Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating, and managing the Academy Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has appointed Griffin Accountancy to undertake internal scrutiny work in addition to the checks and balances applied by its own staff.

# Diocese of Salisbury Academy Trust

## Governance Statement

The Risk and Control Framework (continued)

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

- Testing of payroll systems.
- Testing of purchase systems.
- Testing of control account/bank account reconciliations.

On a termly basis, the internal auditor reports to the Board of Trustees, through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered the schedule of work as planned, and has provided details of any material control issues, arising as a result of their work. These reports are discussed at Audit and Risk Committee throughout the year who monitor that the actions arising are completed in a timely manner.

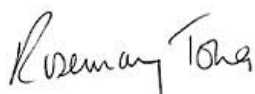
Review of Effectiveness

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- The work of the internal auditor
- The work of the external auditor
- The financial management and governance self-assessment process
- The school resource management adviser review and integrated curriculum financial planning review
- The work of the executive leaders within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer is aware of the outcomes of internal audit and other reviews, always ensuring that plans are put in place and delivered, to address weaknesses and ensure continuous improvement of the system. There have been no material weaknesses identified but the Trust has taken steps to enhance a number of its processes

Approved by order of the members of the Board of Trustees on 12 December 2023 and signed on its behalf by:



Rosemary Tong  
Chair of Trustees



Mark Lacey  
Accounting Officer

# Diocese of Salisbury Academy Trust

## Statement of Regularity, Propriety and Compliance

As Accounting Officer of Diocese of Salisbury Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 Academy Trust Handbook 2022.

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



Mark Lacey  
Accounting Officer  
12 December 2023

# Diocese of Salisbury Academy Trust

## Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

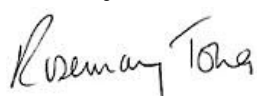
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 12 December 2023 and signed on its behalf by:



Rosemary Tong  
Chair of Trustees

# Diocese of Salisbury Academy Trust

## Independent Auditor's Report on the Financial Statements to the Members of Diocese of Salisbury Academy Trust

### Opinion

We have audited the financial statements of Diocese of Salisbury Academy Trust ('the charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

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 2023 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2022 to 2023.

### Basis for opinion

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

# Diocese of Salisbury Academy Trust

## Independent Auditor's Report on the Financial Statements to the Members of Diocese of Salisbury Academy Trust

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. It includes the Reference and Administrative Details, the Trustees' Report (including the Strategic Report), and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

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

We have nothing to report in respect of the following matters in relation to which 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

# Diocese of Salisbury Academy Trust

## Independent Auditor's Report on the Financial Statements to the Members of Diocese of Salisbury Academy Trust

### Responsibilities of the Trustees

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy Trust, and the sector in which it operates. These include but are not limited to compliance with the Companies Act 2006, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019, the Academy Trust Handbook 2022, and the Academies Accounts Direction 2022 to 2023.
- We obtained an understanding of how the Academy Trust is complying with these frameworks through discussions with management.

# Diocese of Salisbury Academy Trust

## Independent Auditor's Report on the Financial Statements to the Members of Diocese of Salisbury Academy Trust

- We enquired with management whether there were any instances of non-compliance with laws and regulations or whether they had knowledge of actual or suspected fraud. These enquiries are corroborated through follow-up audit procedures including but not limited to a review of legal and professional costs, correspondence, and a review of board minutes.
- We assessed the susceptibility of the Academy Trust's financial statements to material misstatement, including the risk of fraud and management override of controls. We designed our audit procedures to respond to this assessment, including the identification and testing of any related party transactions and the testing of journal transactions that arise from management estimates, that are determined to be of significant value or unusual in their nature.
- We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the sector in which the Academy Trust operates in, and their practical experience through training and participation with audit engagements of a similar nature.

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

### Use of our report

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

*Michaela Johns*

M Johns FCCA (Senior statutory auditor)

For and on behalf of Hopper Williams & Bell Limited

Statutory Auditor

Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

18 Dec 2023

Date .....

# Diocese of Salisbury Academy Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Diocese of Salisbury Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 20 June 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diocese of Salisbury Academy Trust during the period 1 September 2022 to 31 August 2023 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 Diocese of Salisbury Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Diocese of Salisbury Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Diocese of Salisbury Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Diocese of Salisbury Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Diocese of Salisbury Academy Trust's funding agreement with the Secretary of State for Education dated 26 November 2013 and the Academy Trust Handbook, extant from 1 September 2022, 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 2022 to 2023. 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 period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

# Diocese of Salisbury Academy Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Diocese of Salisbury Academy Trust and the Education & Skills Funding Agency

### Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration as to whether prior approval was sought from the Secretary of State where it is required by the Academy Trust Handbook (effective from 1 September 2022) (ATH).
- Review of any special payments to staff, including compromise agreements, to consider whether prior approval was sought where required by the ATH and that any payments are in line with the severance guidance published by ESFA.
- Consideration as to whether any borrowings have been made in accordance with the ATH.
- Review of any 'minded to' letters or Notices to Improve which have been issued to the Academy Trust.
- Review of any transactions with related parties to ensure that they have been carried out in accordance with the ATH.
- Review of governance arrangements to determine whether the requirements of the ATH have been met.
- Review of the Academy Trust's internal controls, including whether the general control environment has regard to the regularity of underlying transactions, including fraud management.
- Review of the Academy Trust's procurement policies to determine effectiveness and testing a sample of purchases to confirm that the policies have been correctly implemented.
- Identifying any conditions associated with specialist grant income and determining whether it has been spent as the purposes intended.

# Diocese of Salisbury Academy Trust

## Independent Reporting Accountant's Assurance Report on Regularity to Diocese of Salisbury Academy Trust and the Education & Skills 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 period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Michaela Johns*

M Johns FCCA  
Reporting Accountant  
Hopper Williams & Bell Limited  
Chartered Accountants  
Highland House, Mayflower Close, Chandlers Ford, Eastleigh SO53 4AR

18 Dec 2023  
Date .....

# Diocese of Salisbury Academy Trust

## Statement of Financial Activities for the year ended 31 August 2023 (including Income and Expenditure Account)

	Note	Un- restricted funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2022/23 Total £	2021/22 Total (Restated) £
Income and endowments from:							
Donations and capital grants	2	103,442	1,222,582	-	1,263,889	2,589,913	1,634,980
Transfer from local authority on conversion	28	56,642	-	(125,000)	-	(68,358)	(831,408)
Other trading activities	4	353,527	-	-	-	353,527	293,377
Investments	5	16,132	-	-	-	16,132	1,359
Charitable activities:							
Funding for the academy trust's educational operations	3	686,278	25,118,768	-	-	25,805,046	22,614,644
<b>Total</b>		<b>1,216,021</b>	<b>26,341,350</b>	<b>(125,000)</b>	<b>1,263,889</b>	<b>28,696,260</b>	<b>23,712,952</b>
Expenditure on:							
Charitable activities:							
Grants	7	-	-	-	704,462	704,462	474,812
Academy trust educational operations	8	1,064,891	26,265,817	364,000	607,449	28,302,157	26,210,954
<b>Total</b>		<b>1,064,891</b>	<b>26,265,817</b>	<b>364,000</b>	<b>1,311,911</b>	<b>29,006,619</b>	<b>26,685,766</b>
Net income / (expenditure)		151,130	75,533	(489,000)	(48,022)	(310,359)	(2,972,814)
Transfers between funds	18	-	(156,785)	-	156,785	-	-
Other recognised gains / (losses):							
Actuarial gains on defined benefit pension schemes	26	-	-	2,058,000	-	2,058,000	15,876,000
Net movement in funds		151,130	(81,252)	1,569,000	108,763	1,747,641	12,903,186
Reconciliation of funds							
Total funds brought forward		1,227,161	777,929	(3,816,000)	4,461,150	2,650,240	(10,252,946)
Total funds carried forward		1,378,291	696,677	(2,247,000)	4,569,913	4,397,881	2,650,240

The notes on pages 34 to 63 form part of these financial statements.

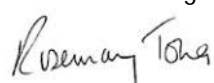
# Diocese of Salisbury Academy Trust

## Balance Sheet as at 31 August 2023

Company Number 08656655

	Note	2023 £	2023 £	<i>Restated</i> 2022 £	2022 £
Fixed assets					
Tangible assets	14		4,110,439		4,174,469
Current assets					
Debtors: Amounts falling due within one year	15	2,150,191		1,702,766	
Debtors:					
Amounts falling due after more than one year	15	1,122,000		933,250	
Cash at bank and in hand		3,563,949		3,273,299	
		<u>6,836,140</u>		<u>5,909,315</u>	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(3,179,698)</u>		<u>(2,684,294)</u>	
Net current assets			<u>3,656,442</u>		<u>3,225,021</u>
Total assets less current liabilities			7,766,881		7,399,490
Creditors:					
Amounts falling due after more than one year	17		<u>(1,122,000)</u>		<u>(933,250)</u>
Net assets excluding pension liability			6,644,881		6,466,240
Defined benefit pension scheme liability	26		(2,247,000)		(3,816,000)
Total net assets			<u>4,397,881</u>		<u>2,650,240</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	18	4,569,913		4,461,150	
Restricted income fund	18	696,677		777,929	
Pension reserve	18	<u>(2,247,000)</u>		<u>(3,816,000)</u>	
Total restricted funds			3,019,590		1,423,079
Unrestricted income funds	18		1,378,291		1,227,161
Total funds			<u>4,397,881</u>		<u>2,650,240</u>

The financial statements on pages 31 to 63 were approved by the Trustees and authorised for issue on 12 December 2023 and are signed on their behalf by:



Rosemary Tong  
Chair of Trustees

The notes on pages 34 to 63 form part of these financial statements.

# Diocese of Salisbury Academy Trust

## Statement of Cash Flows for the year ended 31 August 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	490,470	912,406
Cash flows from investing activities	22	(199,820)	(11,521)
Change in cash and cash equivalents in the reporting period		<u>290,650</u>	<u>900,885</u>
Cash and cash equivalents at 1 September 2022		3,273,299	2,372,414
Cash and cash equivalents at 31 August 2023	23	<u>3,563,949</u>	<u>3,273,299</u>

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

#### Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Academy Trust and are rounded to the nearest £1.

#### Going Concern

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

#### Income

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

- Donations

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

- Grants

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

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

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

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Income (continued)

- Other Income

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

- Donated goods, facilities and services

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

- Transfer on conversion

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds, restricted pension funds, and restricted fixed asset funds.

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Expenditure

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

- Charitable Activities

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

- Grant expenditure

These are costs incurred on improvements to diocesan property occupied by the Academy Trust.

All resources expended are inclusive of irrecoverable VAT.

### Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

As described in note 14, the Academy Trust occupies academy land and buildings under supplementary agreements with the Salisbury Diocesan Board of Education (SDBE). In accordance with the Academies Accounts Direction, the Academy Trust has considered whether it should recognise academy land and buildings as a fixed asset on its balance sheet. The Academy Trust has determined that the conditions required to conclude that it has control over the premises which it occupies under supplementary agreements with SDBE are not met and consequently the Academy Trust has not recognised the value of land and buildings occupied under supplementary agreements as a fixed asset on its balance sheet. Costs incurred which enhance or permanently add to the school land or buildings owned by SDBE are not capitalised and all such costs are expensed.

The supplementary agreements permit the Academy Trust to occupy the premises on a rolling basis, with a two-year notice period. In accordance with the Academies Accounts Direction, the Academy Trust's occupation of the premises has been recognised in the Statement of Financial Activities as a notional donation from SDBE (since it pays no actual rent), and a matching notional rental expense, of £1,017,314 (2022: £903,875). The Academy Trust has recognised the use of premises for the remaining notice period and has recognised a future notional donation as a debtor in the balance sheet, with a corresponding entry for the future notional rental expense as a creditor. The value of the donation has been estimated based on the rateable value of the buildings.

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Tangible Fixed Assets (continued)

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

Leasehold Land and Buildings	2%-5% straight line
Furniture and Equipment	10%-20% straight line
Computer Equipment	25% straight line

No depreciation has been provided on long leasehold land as it is similar to freehold land, which does not require depreciation.

Where the Academy Trust can identify the value of major components of freehold or leasehold buildings based upon additions following conversion to academy status, the Academy Trust reviews whether one or more such components have significantly different patterns of consumption of economic benefits. In such cases, the Academy Trust allocates the cost of the asset to its major components and depreciates each component separately over its useful life.

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

### Liabilities

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

### Provisions

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

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

### Leased Assets

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

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Financial Instruments

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

#### *Financial assets*

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

#### *Cash at bank*

Cash at bank is classified as a basic financial instrument and is measured at face value. An investment is treated as a cash equivalent when it has a short maturity of three months or less from the date of acquisition.

#### *Financial liabilities*

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

### Taxation

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

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

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

### Fund Accounting

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

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

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

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### Critical accounting estimates and areas of judgement

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

### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The assumptions used are disclosed in note 26.

### *Critical areas of judgement*

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

Under the Church Supplemental Agreement between the Academy Trust and the Salisbury Diocesan Board of Education the Academy Trust is given rent free use of certain land and buildings. The Academy Accounts Direction requires that an appropriate notional donation of rent is recognised in the financial statements. The rent has been estimated based on the rateable value of the land and buildings.

## 2 Donations and capital grants

	Unrestricted funds	Restricted funds	2022/23 Total	(Restated) 2021/22 Total
	£	£	£	£
Capital grants	-	1,263,889	1,263,889	571,407
Other donations	103,442	1,222,582	1,326,024	1,063,573
	<u>103,442</u>	<u>2,486,471</u>	<u>2,589,913</u>	<u>1,634,980</u>
<i>Total 2022</i>	<i>(3,648)</i>	<i>1,638,628</i>	<i>1,634,980</i>	

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2022/23 Total £	(Restated) 2021/22 Total £
DfE / ESFA grants				
General Annual Grant (GAG)	-	19,836,911	19,836,911	18,145,314
Pupil Premium	-	1,467,461	1,467,461	1,310,090
UIFSM	-	560,541	560,541	502,518
Rates reclaim	-	109,018	109,018	98,582
PE and sports grant	-	417,483	417,483	388,124
Other DfE grants	-	1,232,447	1,232,447	543,470
	-	23,623,861	23,623,861	20,988,098
Other government grants				
Local authority grants	-	950,208	950,208	725,394
Other government grants	-	544,699	544,699	171,405
	-	1,494,907	1,494,907	896,799
Other income from the Academy Trust's educational operations				
Catering income	152,171	-	152,171	164,961
Nursery income	314,166	-	314,166	367,737
Other income	219,941	-	219,941	197,049
	686,278	-	686,278	729,747
	686,278	25,118,768	25,805,046	22,614,644
<i>Total 2022</i>	<i>729,747</i>	<i>21,884,897</i>	<i>22,614,644</i>	

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Hire of facilities	103,683	-	103,683	104,490
Consultancy	11,604	-	11,604	21,863
Fees received	238,240	-	238,240	167,024
	353,527	-	353,527	293,377
<i>Total 2022</i>	<i>353,527</i>	<i>-</i>	<i>353,527</i>	

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 5 Investment income

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Short term deposits	16,132	-	16,132	1,359
<i>Total 2022</i>	<i>1,359</i>	<i>-</i>	<i>1,359</i>	

### 6 Expenditure

	Non Pay Expenditure			Total	(Restated) Total
Staff costs	Premises	Other	2022/23	2021/22	
£	£	£	£	£	
Grants	-	704,462	-	704,462	474,812
Academy's educational operations:					
Direct costs	17,595,058	-	1,769,968	19,365,026	17,972,368
Allocated support costs	3,539,080	2,683,874	2,714,177	8,937,131	8,238,586
	<u>21,134,138</u>	<u>3,388,336</u>	<u>4,484,145</u>	<u>29,006,619</u>	<u>26,685,766</u>
<i>Total 2022</i>	<i>19,726,018</i>	<i>3,103,203</i>	<i>3,856,545</i>	<i>26,685,766</i>	

Net income/(expenditure) for the period includes:

	2022/23	2021/22
	£	£
Operating lease rentals	55,678	64,114
Depreciation	279,982	286,134
Fees payable to auditor for:		
Audit	21,000	22,500
Other services	5,500	1,500

### 7 Analysis of grant expenditure

	Unrestricted funds £	Restricted funds £	2022/23 Total £	2021/22 Total £
Improvements to diocesan property occupied by the Academy Trust	-	704,462	704,462	474,812
<i>Total 2022</i>	<i>-</i>	<i>474,812</i>	<i>474,812</i>	

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 8 Charitable activities

	2022/23	(Restated) 2021/22
	Total	Total
	£	£
Direct costs – educational operations	19,365,026	17,972,368
Support costs – educational operations	8,937,131	8,238,586
	<u>28,302,157</u>	<u>26,210,954</u>

#### Analysis of support costs:

	Educational operations	2022/23 Total	(Restated) 2021/22 Total
	£	£	£
Support staff costs	3,539,080	3,539,080	3,557,381
Depreciation	279,982	279,982	286,134
Technology costs	540,937	540,937	237,907
Premises costs	2,683,874	2,683,874	2,628,391
Legal costs - other	14,168	14,168	6,265
Other support costs	1,842,965	1,842,965	1,485,361
Governance costs	36,125	36,125	37,147
Total support costs	<u>8,937,131</u>	<u>8,937,131</u>	<u>8,238,586</u>
<i>Total 2022</i>	<u>8,238,586</u>	<u>8,238,586</u>	

Premises costs includes £740,433 (2022: £554,722) in respect of expenditure on capital projects, which were funded by capital grants from the ESFA.

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 9 Staff

#### a) Staff costs

Staff costs during the period were:

	2022/23	2021/22
	£	£
Wages and salaries	15,554,214	13,251,468
Social security costs	1,367,316	1,168,739
Pension costs	3,787,285	4,956,415
	<u>20,708,815</u>	<u>19,376,622</u>
Agency staff costs	425,323	331,142
Staff restructuring costs	-	18,254
	<u>21,134,138</u>	<u>19,726,018</u>

Staff restructuring costs comprise:

Redundancy payments	-	18,254
	<u>-</u>	<u>18,254</u>

#### b) Staff numbers

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

	2022/23	2021/22
	No.	No.
Teachers	308	288
Administration and support	680	614
Management	28	26
	<u>1,016</u>	<u>928</u>

#### c) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs and employer national insurance contributions) exceeded £60,000 was:

	2022/23	2021/22
	No.	No.
£60,001 - £70,000	10	16
£70,001 - £80,000	9	4
£80,001 - £90,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

#### d) Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £424,923 (2022: £344,227).

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 10 Related Party Transactions – Trustees’ remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of Trustees’ remuneration and other benefits was as follows:

		2022/23	2021/22
		£000	£000
Mark Lacey	Remuneration	115-120	105-110
(Staff trustee (CEO))	Employer’s pension contributions paid	30-35	25-30

During the period ended 31 August 2023, travel and subsistence expenses totalling £1,079 were reimbursed or paid directly to one Trustee (2022: £928 to one Trustee).

### 11 Trustees' and officers' insurance

The Academy Trust has opted into the Department for Education’s risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10m. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 12 Central services

The Academy Trust has provided the following central services to its academies during the year:

- Human resources
- Financial services
- Legal services
- Academy improvement services
- Governance support services
- Health and safety services
- Safeguarding services
- Other services as arising

The Academy Trust charges for these services on a flat percentage of GAG income (6%). The actual amounts charged during the year were as follows:

	2022/23	2021/22
	£	£
Archbishop Wake Church of England Primary School	104,795	99,841
Beaminster St Mary's Academy	36,280	33,129
Beechcroft St Pauls Church of England Primary School	61,110	58,889
Blandford St Mary Church of England Primary School	49,459	46,767
Cranborne Church of England First School	27,770	28,404
Dunbury Church of England Academy	43,262	42,572
Durweston Church of England Primary School	30,964	-
Marden Vale Church of England Academy	57,718	58,760
Milldown Church of England Academy	69,339	63,737
Shrewton Church of England Primary Academy	33,227	28,618
Southbroom St James Academy	52,570	54,007
Spetisbury Church of England Primary School	51,529	44,290
St Andrew's Church of England Primary School	79,755	80,410
St Bartholomew's Primary Academy	90,133	82,816
St James Church of England First School	34,965	32,354
St John's Church of England Primary School	60,386	64,437
St Nicholas and St Laurence Church of England Primary School	57,147	9,282
St. Peter's CE Primary Academy	72,596	56,745
The Trinity Church of England Primary Academy	52,842	49,385
Trent Young's Church of England Primary School	37,255	35,961
Trinity Church of England First School	35,133	33,446
Whitesheet Church of England Primary Academy	21,080	21,014
Wilton Church of England Primary School	47,887	46,616
Wimborne St Giles Church of England First School and Nursery	24,525	22,460
	<u>1,231,727</u>	<u>1,093,940</u>

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 13 Prior year adjustments

#### 1) Capital grants

The prior year comparatives have been restated to present Devolved Formula Capital, Condition Improvement Fund, and School Condition Allocation funding as capital grants, in line with the Academies Accounts Direction. In addition, the adjustment reclassifies Devolved Formula Capital and Condition Improvement Fund grants within restricted fixed asset funds. Previously, these grants were classified within restricted funds.

#### 2) Transfer from local authority on conversion

The transfer from Dorset County Council in respect of the conversion of St Nicholas and St Laurence Church of England Primary School to academy status was included within donations, rather than being presented separately within the Statement of Financial Activities, as required by the Academies Accounts Direction. The prior year comparatives have been restated accordingly.

#### 3) Rates relief

From 1 April 2023, the ESFA pays business rates bills on the Academy Trust's behalf direct to the billing authority. Although no longer making the payments, the Academy Trust still accounts for business rates income and expenditure within the financial statements. This adjustment has been made in the year ended 31 August 2023. For consistency, the prior year comparatives have been restated to include rates relief (and matching rates expenditure) of £40,894 in respect of the period from 1 April 2022 to 31 August 2022.

#### 4) Notional rent

The Academy Trust occupies academy land and buildings under supplementary agreements with the Salisbury Diocesan Board of Education (SDBE). In accordance with the Academies Accounts Direction, the Academy Trust's occupation of the premises has been recognised in the Statement of Financial Activities as a notional donation from SDBE (since it pays no actual rent), and a matching notional rental expense. The amounts reported in the financial statements for the year ended 31 August 2022 were understated by £411,331. The comparative figures have been adjusted accordingly.

In the current period, the Academy Trust has recognised the use of premises for the remaining notice period and has recognised a future notional donation of £2,244,000 (2022: £1,866,500) as a debtor in the balance sheet, with a corresponding entry for the future notional rental expense as a creditor. The value of the donation has been estimated based on the rateable value of the buildings. The comparative figures have been adjusted for consistency.

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 13 Prior year adjustments (continued)

The effect of the adjustments is to increase restricted fixed asset funds, and reduce restricted funds, by £124,353 as at 31 August 2022. The adjustments have no effect on the result for the prior year, or on net assets as at 31 August 2022. Totals within the Statement of Financial Activities have been restated as follows:

	As previously reported	Capital grants	Transfer on conversion	Rates relief	Notional rent	As restated
	£	£	£	£	£	£
Transfer on conversion	-		(831,408)			(831,408)
Other donations	(179,166)		831,408		411,331	1,063,573
Capital grants	-	571,407				571,407
Income - charitable activities	23,145,157	(571,407)		40,894		22,614,644
Total expenditure	(26,233,541)			(40,894)	(411,331)	(26,685,766)
Debtors: within one year	769,516				933,250	1,702,766
Debtors: more than one year	-				933,250	933,250
Creditors: within one year	(1,751,044)				(933,250)	(2,684,294)
Creditors: more than one year	-				(933,250)	(933,250)

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 14 Tangible fixed assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 September 2022	3,735,940	820,794	587,956	5,144,690
Acquisitions	146,877	19,427	49,648	215,952
At 31 August 2023	<u>3,882,817</u>	<u>840,221</u>	<u>637,604</u>	<u>5,360,642</u>
<b>Depreciation</b>				
At 1 September 2022	298,875	323,580	347,766	970,221
Charged in year	75,331	89,974	114,677	279,982
At 31 August 2023	<u>374,206</u>	<u>413,554</u>	<u>462,443</u>	<u>1,250,203</u>
<b>Net book values</b>				
At 31 August 2022	3,437,065	497,214	240,190	4,174,469
At 31 August 2023	<u>3,508,611</u>	<u>426,667</u>	<u>175,161</u>	<u>4,110,439</u>

The Academy Trust has entered into supplementary agreements (with a notice period of two years) with the Salisbury Diocesan Board of Education, which is the legal owner of the land and buildings for all the Trust's academies, except for St Peter's CE Primary Academy, which is owned by Wiltshire Council and occupied by the Academy Trust under a 125-year lease. The Academy Trust has concluded that it does not have control over the premises for its remaining academies. Consequently, the premises do not meet the definition of an asset and, other than for St Peter's CE Primary Academy, the Academy Trust has not recognised the value of land and buildings as a fixed asset on its balance sheet.

### 15 Debtors

	<i>(Restated)</i>	
	2022/23	2021/22
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	133,472	22,030
VAT recoverable	211,913	244,312
Other debtors	1,123,019	935,201
Prepayments and accrued income	681,787	501,223
	<u>2,150,191</u>	<u>1,702,766</u>
<b>Amounts falling due after more than one year:</b>		
Other debtors	<u>1,122,000</u>	<u>933,250</u>
<b>Aggregate amounts</b>	<u><u>3,272,191</u></u>	<u><u>2,636,016</u></u>

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

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

	<i>(Restated)</i>	
	2022/23	2021/22
	£	£
Trade creditors	501,383	534,467
Other taxation and social security	295,410	257,793
Other creditors falling due within one year	1,129,525	944,486
Accruals and deferred income	1,253,380	947,548
	<u>3,179,698</u>	<u>2,684,294</u>
	2022/23	2021/22
	£	£
Deferred income at 1 September 2022	376,776	380,623
Released from previous years	(376,776)	(380,623)
Resources deferred in the year	410,031	376,776
Deferred income at 31 August 2023	<u>410,031</u>	<u>376,776</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for grants received, including provisional Universal Infant Free School Meals funding, relating to the following financial year and trips taking place in the forthcoming academic year.

### 17 Creditors: amounts falling due in greater than one year

	<i>(Restated)</i>	
	2022/23	2021/22
	£	£
Other creditors falling due in greater than one year	<u>1,122,000</u>	<u>933,250</u>

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 18 Funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2023 £
<b>Restricted general funds</b>						
General Annual Grant (GAG)	777,929	19,836,911	(19,791,378)	(156,785)	-	666,677
Pupil premium	-	1,467,461	(1,467,461)	-	-	-
UIFSM	-	560,541	(560,541)	-	-	-
Rates reclaim	-	109,018	(109,018)	-	-	-
PE and sports grant	-	417,483	(387,483)	-	-	30,000
Other DfE grants	-	1,232,447	(1,232,447)	-	-	-
Local authority grants	-	950,208	(950,208)	-	-	-
Other government grants	-	544,699	(544,699)	-	-	-
Other educational activities	-	1,222,582	(1,222,582)	-	-	-
	<u>777,929</u>	<u>26,341,350</u>	<u>(26,265,817)</u>	<u>(156,785)</u>	<u>-</u>	<u>696,677</u>
Pension reserve	(3,816,000)	(125,000)	(364,000)	-	2,058,000	(2,247,000)
	<u>(3,038,071)</u>	<u>26,216,350</u>	<u>(26,629,817)</u>	<u>(156,785)</u>	<u>2,058,000</u>	<u>(1,550,323)</u>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	4,174,469	-	(279,982)	215,952	-	4,110,439
ESFA capital grants (DFC)	124,353	470,855	(194,180)	(37,811)	-	363,217
ESFA capital grants (SCA)	162,328	501,538	(546,253)	(21,356)	-	96,257
Other capital grants	-	291,496	(291,496)	-	-	-
	<u>4,461,150</u>	<u>1,263,889</u>	<u>(1,311,911)</u>	<u>156,785</u>	<u>-</u>	<u>4,569,913</u>
<b>Total restricted funds</b>	<u>1,423,079</u>	<u>27,480,239</u>	<u>(27,941,728)</u>	<u>-</u>	<u>2,058,000</u>	<u>3,019,590</u>
<b>Total unrestricted funds</b>	<u>1,227,161</u>	<u>1,216,021</u>	<u>(1,064,891)</u>	<u>-</u>	<u>-</u>	<u>1,378,291</u>
<b>Total funds</b>	<u>2,650,240</u>	<u>28,696,260</u>	<u>(29,006,619)</u>	<u>-</u>	<u>2,058,000</u>	<u>4,397,881</u>

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 18 Funds (continued)

The specific purposes for which the funds are to be applied are as follows:

#### General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share; minimum funding guarantee; education services grant; insurance; rates; and pre-16 high needs funding streams.

#### Other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

#### Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

#### Other educational activities

This includes all other educational income/expenditure.

#### Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the Academy Trust on conversion.

#### Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

#### DfE/ESFA capital grants, including School Condition Allocation (SCA)

This is funding received from the DfE/ESFA specifically for expenditure on capital improvements.

#### Transfers between funds

Transfers to the restricted fixed asset fund represent the cost of fixed asset additions which have been funded from restricted or unrestricted general funds.

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 2023.

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 18 Funds (continued)

#### Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2022/23	(Restated) 2021/22
	£	£
Archbishop Wake Church of England Primary School	226,669	250,090
Beaminster St Mary's Academy	(98,359)	(114,478)
Beechcroft St Pauls Church of England Primary School	95,241	114,675
Blandford St Mary Church of England Primary School	98,047	140,032
Cranborne Church of England First School	102,367	82,982
Dunbury Church of England Academy	98,483	48,529
Durweston Church of England Primary School	36,939	-
Marden Vale Church of England Academy	33,906	(4,614)
Milldown Church of England Academy	142,525	130,613
Shrewton Church of England Primary Academy	224,031	184,980
Southbroom St James Academy	84,665	163,644
Spetisbury Church of England Primary School	53,456	32,704
St Andrew's Church of England Primary School	65,727	46,591
St Bartholomew's Primary Academy	121,266	158,154
St James Church of England First School	34,303	42,928
St John's Church of England Primary School	149,180	163,123
St Nicholas and St Laurence Church of England Primary School	4,174	54,828
St. Peter's CE Primary Academy	163,070	90,347
The Trinity Church of England Primary Academy	82,730	126,448
Trent Young's Church of England Primary School	35,597	20,216
Trinity Church of England First School	42,347	62,537
Whitesheet Church of England Primary Academy	36,044	(1,888)
Wilton Church of England Primary School	194,613	146,440
Wimborne St Giles Church of England First School and Nursery	18,676	19,116
DSAT Services	29,271	47,093
Total before fixed assets and pension reserve	<u>2,074,968</u>	<u>2,005,090</u>
Restricted fixed asset fund	4,569,913	4,461,150
Pension reserve	(2,247,000)	(3,816,000)
Total	<u>4,397,881</u>	<u>2,650,240</u>

The following academy is carrying a net deficit on its portion of the funds as follows:

Beaminster St Mary's Academy	£ <u>98,359</u>
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The Academy Trust is working with the Academy to return it to surplus through regular financial reviews to ensure that budgets are being achieved and to address any financial pressures as they arise with the expectation of returning it to better financial health in the medium term.

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 18 Funds (continued)

#### Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excl. dep- reciation) £	2022/23 Total £	(Restated) 2021/22 Total £
Archbishop Wake	1,524,986	269,904	113,117	515,388	2,423,395	2,337,227
Beaminster St Mary's	457,236	106,470	69,432	175,479	808,617	857,196
Beechcroft St Pauls	955,299	206,748	88,650	261,832	1,512,529	1,496,514
Blandford St Mary	744,901	148,536	55,079	247,283	1,195,799	1,144,701
Cranborne CE First School	361,046	100,472	34,974	168,194	664,686	698,644
Dunbury CE Academy	494,659	123,694	43,601	222,569	884,523	884,565
Durweston CE Primary	466,963	141,754	22,992	122,004	753,713	-
Marden Vale CE Academy	991,396	217,604	86,725	263,737	1,559,462	1,539,037
Milldown CE Academy	1,067,404	138,895	85,803	270,526	1,562,628	1,541,092
Shrewton CE Primary	494,163	116,263	50,687	93,680	754,793	676,627
Southbroom St James	718,884	213,994	83,728	270,716	1,287,322	1,330,805
Spetisbury CE Primary	651,324	139,662	48,994	266,456	1,106,436	1,012,757
St Andrew's CE Primary	1,091,962	302,953	65,610	358,068	1,818,593	1,986,929
St Bartholomew's Primary	1,346,755	134,759	123,045	469,626	2,074,185	1,957,618
St James CE First School	441,696	69,995	52,641	190,665	754,997	733,971
St John's CE Primary School	884,392	247,003	82,525	262,117	1,476,037	1,581,231
St Nicholas and St Laurence	836,646	183,240	62,731	240,225	1,322,842	192,500
St. Peter's CE Primary	1,032,398	124,952	106,537	307,008	1,570,895	1,359,721
The Trinity CE Primary	747,470	118,886	91,010	319,756	1,277,122	1,158,933
Trent Young's CE Primary	486,492	98,342	50,357	196,222	831,413	908,204
Trinity CE First School	486,039	49,062	48,099	226,808	810,008	789,879
Whitesheet CE Primary	198,110	46,404	26,595	159,528	430,637	394,344
Wilton CE Primary School	823,487	144,099	83,677	227,568	1,278,831	1,296,135
Wimborne St Giles	291,350	95,389	41,359	139,076	567,174	521,002
	<u>17,595,058</u>	<u>3,539,080</u>	<u>1,617,968</u>	<u>5,974,531</u>	<u>28,726,637</u>	<u>26,399,632</u>

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 18 Funds (continued)

Restated comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Gains and losses £	Balance at 31 August 2022 £
Restricted general funds						
General Annual Grant (GAG)	341,450	18,145,314	(17,708,835)	-	-	777,929
Pupil premium	-	1,310,090	(1,310,090)	-	-	-
UIFSM	-	502,518	(502,518)	-	-	-
Rates reclaim	-	98,582	(98,582)	-	-	-
PE and sports grant	145,774	363,124	(508,898)	-	-	-
Other DfE grants	-	536,999	(536,999)	-	-	-
Local authority grants	-	533,645	(533,645)	-	-	-
Other government grants	-	348,180	(348,180)	-	-	-
Other educational activities	-	1,099,921	(1,099,921)	-	-	-
	487,224	22,938,373	(22,647,668)	-	-	777,929
Pension reserve	(16,599,000)	(920,000)	(2,173,000)	-	15,876,000	(3,816,000)
	(16,111,776)	22,018,373	(24,820,668)	-	15,876,000	(3,038,071)
Restricted fixed asset funds						
Fixed asset fund	4,447,716	-	(286,127)	12,880	-	4,174,469
ESFA capital grants (DFC)	110,000	148,680	(134,327)	-	-	124,353
ESFA capital grants (SCA/CIF)	159,131	436,472	(420,395)	(12,880)	-	162,328
	4,716,847	585,152	(840,849)	-	-	4,461,150
Total restricted funds	(11,394,929)	22,603,525	(25,661,517)	-	15,876,000	1,423,079
Total unrestricted funds	1,141,983	1,109,427	(1,024,249)	-	-	1,227,161
Total funds	(10,252,946)	23,712,952	(26,685,766)	-	15,876,000	2,650,240

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 19 Analysis of net assets between funds

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	4,110,439	4,110,439
Current assets	1,378,291	4,998,375	-	459,474	6,836,140
Current liabilities	-	(3,179,698)	-	-	(3,179,698)
Non-current liabilities	-	(1,122,000)	-	-	(1,122,000)
Pension scheme liability	-	-	(2,247,000)	-	(2,247,000)
<b>Total net assets</b>	<b>1,378,291</b>	<b>696,677</b>	<b>(2,247,000)</b>	<b>4,569,913</b>	<b>4,397,881</b>

Restated comparative information in respect of the preceding period is as follows:

	Un- restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	4,174,469	4,174,469
Current assets	1,227,161	4,395,473	-	286,681	5,909,315
Current liabilities	-	(2,684,294)	-	-	(2,684,294)
Non-current liabilities	-	(933,250)	-	-	(933,250)
Pension scheme liability	-	-	(3,816,000)	-	(3,816,000)
<b>Total net assets</b>	<b>1,227,161</b>	<b>777,929</b>	<b>(3,816,000)</b>	<b>4,461,150</b>	<b>2,650,240</b>

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 20 Long-term commitments, including operating leases

#### Operating leases

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2022/23	2021/22
	£	£
Amounts due within one year	60,997	26,413
Amounts due between one and five years	55,137	32,673
	<u>116,134</u>	<u>59,086</u>

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

	2022/23	2021/22
	£	£
Net expenditure for the reporting period	(310,359)	(2,972,814)
Adjusted for:		
Depreciation	279,982	286,134
Interest receivable	(16,132)	(1,359)
Defined benefit pension scheme cost less contributions payable	212,000	1,896,000
Defined benefit pension scheme finance cost	152,000	277,000
Transfer from local authority on conversion	68,358	831,408
Cash transferred on conversion	56,642	88,592
Increase in debtors	(636,175)	(53,928)
Increase in creditors	684,154	561,373
Net cash provided by Operating Activities	<u>490,470</u>	<u>912,406</u>

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 22 Cash flows from investing activities

	2022/23	2021/22
	£	£
Dividends, interest and rents from investments	16,132	1,359
Purchase of tangible fixed assets	(215,952)	(12,880)
Net cash used in investing activities	<u>(199,820)</u>	<u>(11,521)</u>

### 23 Analysis of cash and cash equivalents

	2022/23	2021/22
	£	£
Cash at bank and in hand	<u>3,563,949</u>	<u>3,273,299</u>

### 24 Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	Acquisition/ disposal of subsidiaries £	New finance leases £	Other non-cash changes £	At 31 August 2023 £
Cash	3,273,299	290,650	-	-	-	3,563,949
Total	<u>3,273,299</u>	<u>290,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,563,949</u>

### 25 Member 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.

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 26 Pension and similar obligations

The Academy Trust'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 Dorset Council and Wiltshire Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

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

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 26 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £2,145,964 (2022: £1,919,586).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was as follows:

	2023	2022
	£	£
Employer's contributions	1,459,000	1,125,000
Employees' contributions	353,000	282,000
	<u>1,812,000</u>	<u>1,407,000</u>

The agreed contribution rates for future years are 23.6% 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 an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

#### Principal actuarial assumptions

	2023	2022
Rate of increase in salaries	3.7%	3.7%
Rate of increase for pensions in payment/inflation	2.9%	3.0%
Discount rate for scheme liabilities	5.3%	4.3%
Inflation assumption (CPI)	<u>2.9%</u>	<u>3.0%</u>

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

	2023	2022
<i>Retiring today</i>		
Males	21.9	21.9
Females	<u>24.2</u>	<u>24.2</u>
<i>Retiring in 20 years</i>		
Males	22.9	23.1
Females	<u>25.5</u>	<u>25.8</u>

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 26 Pension and similar obligations (continued)

#### Sensitivity analysis

	Increase/(reduction) in defined benefit obligation	
	2023	2022
	£	£
Discount rate +0.1%	(384,000)	(474,000)
Discount rate -0.1%	391,000	482,000
Mortality assumption – 1 year increase	570,000	645,000
Mortality assumption – 1 year decrease	(562,000)	(634,000)
CPI rate +0.1%	374,000	445,000
CPI rate -0.1%	(367,000)	(437,000)

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

	2023	2022
	£	£
Equities	10,002,000	8,335,000
Gilts	2,106,000	-
Corporate bonds	691,000	5,046,000
Property	1,283,000	1,880,000
Cash and other liquid assets	296,000	-
Investment funds	691,000	-
Other	1,381,000	174,000
Total market value of assets	<u>16,450,000</u>	<u>15,435,000</u>

The actual return on scheme assets was a loss of £581,000 (2022: £721,000).

Amount recognised in the Statement of Financial Activities

	2022/23	2021/22
	£	£
Current service cost	1,671,000	3,021,000
Interest income	(690,000)	(251,000)
Interest cost	842,000	528,000
Total amount recognised in the SOFA	<u>1,823,000</u>	<u>3,298,000</u>

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 26 Pension and similar obligations (continued)

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

	2022/23	2021/22
	£	£
At 1 September	19,251,000	31,162,000
Conversion of Academy Trusts	338,000	1,319,000
Current service cost	1,671,000	3,021,000
Interest cost	842,000	528,000
Employee contributions	353,000	282,000
Actuarial gain	(3,329,000)	(16,848,000)
Benefits paid	(429,000)	(213,000)
At 31 August	<u>18,697,000</u>	<u>19,251,000</u>

Changes in the fair value of Academy Trust's share of scheme assets:

	2022/23	2021/22
	£	£
At 1 September	15,435,000	14,563,000
Conversion of Academy Trusts	213,000	399,000
Interest income	690,000	251,000
Actuarial loss	(1,271,000)	(972,000)
Employer contributions	1,459,000	1,125,000
Employee contributions	353,000	282,000
Benefits paid	(429,000)	(213,000)
At 31 August	<u>16,450,000</u>	<u>15,435,000</u>

# Diocese of Salisbury Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2023

### 27 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. The following related party transactions took place in the financial period:

#### Expenditure Related Party Transactions:

##### SDBE (Salisbury Diocesan Board of Education):

- The Trust was charged £32,236 (2022: £34,331) by SDBE and its subsidiary trading company SALED Limited for office rental costs, conference room hire and in respect of the Diocesan Partnership Support Agreement. At the year-end a balance of £nil (2022: £nil) was due to SALED Limited.
- The Academy Trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which SDBE neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academy Trust Handbook 2022, and the related party transaction was approved by the ESFA.
- The rent of the land and buildings owned by SDBE (see note 14) is donated at a market rate and is recognised as income, and a corresponding expense, of £1,017,314 (2022: £903,875) in the Statement of Financial Activities.

### 28 Academy trust with a newly converted academy

On 1 November 2022 Durweston Church of England Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Academy Trust from Dorset County Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Un-restricted funds £	Restricted general funds £	Restricted pension funds £	Restricted fixed asset funds £	Total funds £
Current assets					
Cash - budget surplus on LA funds	56,642	-	-	-	56,642
Pension scheme liability	-	-	(125,000)	-	(125,000)
Net assets/(liabilities)	56,642	-	(125,000)	-	(68,358)