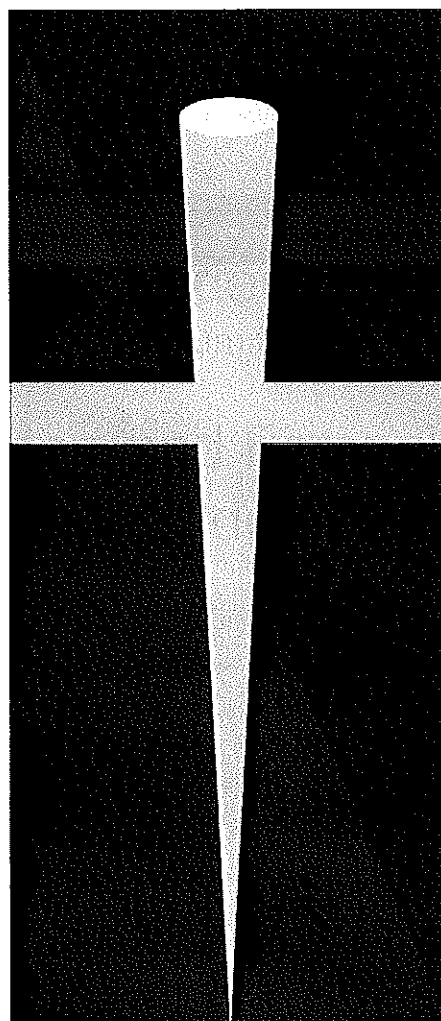


**DS Academies Trust**  
(A Company Limited by Guarantee)

**Annual Report and Financial Statements**  
**Year ended 31/8/15**



**The Diocese of Sheffield Academies Trust**

**Company number: 08745639**

# DS Academies Trust

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## Reference and Administrative Details

### **Members**

H Thomas  
Revd Melanie Fitzgerald  
Rt Revd Peter Burrows

### **Directors**

Andrew Waldron  
Andy Brewerton  
Huw Thomas  
Jim Dugmore  
Mark Wheeler  
Nevine Towers  
Pam Randall  
Peter Ainsworth  
Yvette Hawksworth

<b>Company name:</b>	DS Academies Trust
<b>Principal and Registered office:</b>	95-99 Effingham St, Rotherham, S65 1BL
<b>Company Registration Number:</b>	08745639 (England and Wales)
<b>Independent auditor:</b>	Marriott Gibbs Rees Wallis Ltd 13-17 Paradise Square, Sheffield, S1 2DE
<b>Bankers:</b>	Royal Bank of Scotland, Attercliffe Road, Sheffield
<b>Solicitors:</b>	Lee, Bolton, Monier and Williams, 1 The Sanctuary, London SW1P 3JT

## **Trustees Report**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 01<sup>st</sup> September 2014 to 31 August 2015. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates academy schools for children within the area covered by the Diocese of Sheffield. It has seven academies, all primary schools, six of which are Church of England schools and one a community school.

## **Structure, Governance and Management**

### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of DS Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The DS Academies Trust, though is changing its name in the coming year to The Diocese of Sheffield Academies Trust, and is commonly known by the acronym DSAT.

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

### **Members' Liability**

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

### **Trustees' Indemnities**

A Trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the Academy Trust.

The trust has opted into the government's Risk Protection Arrangement as the means whereby UK government covers risks rather than insurance. Included within the RPA scheme is unlimited coverage for all sums the academy may become legally liable to pay (including claimants' costs and expenses) following death, injury or disease sustained by employees and arising out of and in the course of their employment by the academy and sums the academy may become legally liable to pay (including claimants' costs and expenses) as damages in respect of accidental third party injury or third party property damage. The RPA covers Governors' Liability Expenses to the level of £10,000,000 any one loss and any one membership year.

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

Directors are recruited and appointed to meet identified needs, with recommendations from the Directors made to the members who agree by majority voting to appoint to the Board.

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

New Trustees are inducted by the Board through the support of experienced directors.

### **Organisational Structure**

The Diocese of Sheffield Academies Trust affirms the concept of the parish school that is for and from the parish church and community.



The Trustee Body is responsible for agreeing all policies covering Personnel, Health & Safety, Curriculum and Financial aspects of the work of all academies within the DS Academies Trust. Policies set at individual academy level are reviewed and agreed by Directors.

The full Trustee Body currently meets at least once every half term. This is considered to be a full Board meeting at every occurrence. An annual meeting is held with Headteachers and Chairs of Governors. Regular meetings of Headteachers and of Business Managers are also held.

The day-to-day management of the academies is delegated by the Trustee Body to the respective Governing Body and Head Teacher of each school, as set down in the Trust's scheme of delegation.

The Directors also comprise the Finance and Audit Committee

Huw Thomas - Accounting Officer

Jim Dugmore - Director

Mark Wheeler - Director

Nevine Towers - Finance Director

Yvette Hawksworth - Director

Andrew Waldron - Director

Peter Ainsworth - Director

Andy Brewerton - Director

Pam Randall – Director

Russell Blackwell – Director (resigned 13/04/15)

The Finance committee bears the responsibilities to

- support the aims and ethos of the Trust, focussing on the quality and extent of the provision of premises and equipment
- advise the governing body on strategic priorities for the maintenance and development of the school's premises and grounds, security and Health and Safety, for inclusion in the Developing Excellence/School Improvement Plan
- establish and implement a repairs and maintenance programme, within the budget established by the governing body, and in accordance with the priorities within the Developing Excellence/School Improvement Plan
- review on an annual basis the school's Health and Safety policy, and approve any amendments as necessary
- ensure that the school complies with Health and Safety regulations, in accordance with the Health and Safety policy
- review on an annual basis the school's Lettings policy for use of school premises outside school hours, and determine the level of charges for such lettings
- establish, and keep under review, an Accessibility Plan which meets the requirements of the Disability Discrimination Act 1995 to oversee the preparation and implementation of appropriate contracts, including the cleaning, grounds maintenance and school meals, and ensure Best Value principles are applied
- monitor the quality of service provided by the above in accordance with the agreed contracts
- ensure that premises insurance arrangements are adequate

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

The Trust does not employ key management personnel to facilitate the work of the Trust. The Trust utilises the skills of employees within its academies. The services of the Diocesan Director of Education have been rendered by the Diocese for years leading to 1/9/15 and the Trust has budgeted to reimburse a pro-rata provision of these services thereafter.

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

On 31/08/14, the Academy Trust engaged DRB Management Ltd to perform the Project Management of all conversions due to take place and had also opted to follow the Diocese of Sheffield's tendering process and utilise their preferred solicitors in LBMW to manage all legal aspects of conversions. These are both completely independent organisations from the Diocese of Sheffield and therefore from The DS Academies Trust, and would not be regarded as related parties in any guise. In addition, there are no other related parties which either control or significantly influence the decisions and operations of The DS Academies Trust.

## **Objectives and Activities**

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things:

- that the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum) including English, Mathematics and Science;
- the school shall make provision for the teaching of Religious Education and provide a daily act of collective worship;
- that it provides education for pupils of different abilities;
- it also provides education for pupils who live within the area of the school

The aims of the Trust during the period ended 31 August 2015 are summarised below.

### **Mission Statement:**

The mission of the Diocese is to grow a sustainable network of Christ-like, lively and diverse Christian communities in every place, which are effective in making disciples and in seeking to transform our society and God's world.

The work of the Trust falls within this statement, seeking the transformation of society through the service of education in both church and community academy settings.

### **Objectives, Strategies and Activities**

The Diocese of Sheffield Academies Trust affirms and pursues the goals of the Diocese in relation to schools:

- Securing of excellence for all children, with schools meeting, and exceeding, core expectations
- Promoting strong leadership, matched by the capacity to improve leadership, within our service
- Fellowship leading to excellence, through the sharing of school-to-school development across the Diocese
- A heart for mission, offering our service beyond the Diocese through schools affiliating to and drawing upon our provision, across the wider community

In Church schools we aim to

- Promote the cultivation of Christian distinctiveness in the ethos and practice of our schools. In all our schools we seek to promote and develop shared human values that accord with our Christian principles

### **Core Beliefs and Values**

- At the heart of the Diocese of Sheffield Academies Trust is the goal of providing an excellent education for every child in every academy
- The Trust aims to maintain the distinctive Diocesan identity of church schools and to provide a collegial Diocesan family for schools wishing to convert to academy status. It also provides a means of sponsorship for any schools facing enforced academy conversion
- It operates in accordance with the following principles:
- The Diocese of Sheffield Academies Trust affirms the concept of the parish school that is for and from the parish church and community
- We seek to protect the autonomy of our schools, under effective leadership, and to encourage them to flourish. In educational leadership terms, the trust is committed to the integrity and autonomy of local governing bodies



- The Trust will seek to delegate as much as it can, both in terms of responsibility and resources, to the school and local governing body. We will maintain a central operation that enables the academies to flourish, but with as much as may be delegated to the schools agreed through bespoke schemes of delegation
- The Trust seeks to secure a positive, effective and communicative relationship with each of its schools
- Through working with school leadership and business support, the Trust seeks to foster the wellbeing and development of schools from within. We also aim, with agreement with our schools, to enable and facilitate working across the Trust
- The Trust positively encourages schools to continue to work with those local structures that are effective and worthwhile; this includes maintaining good links with local authority provision

### **Public Benefit**

Consideration has been given to Charity Commission guidance on public benefit when reviewing these objectives, aims and activities. The Trust will continue to provide education to children that:

- is balanced and broadly based
- promotes the spiritual, moral, cultural, mental and physical development of students at the academy
- prepares students for the opportunities, responsibilities and experiences of later life
- promotes, sustains and increases individual and collective knowledge and understanding of study, skills and expertise

## **Strategic Report**

### **Achievements and Performance**

During the year 01<sup>st</sup> September to 31<sup>st</sup> August 2015 the Academy Trust grew from having no academies to having 7.

On 1<sup>st</sup> February 2015, Thrybergh Fullerton, Trinity Croft Dalton and Emmanuel Waterthorpe, and our community primary school, Flanderwell, joined St Mary's Walkley (who had joined 1/9/14), Wickersley St. Albans (joined 1/10/14) and Aston All Saints (joined 1/12/14), making a trust of seven schools.

The Trust secured support for finance and internal audit functions from within its academies, enabling it on 23<sup>rd</sup> February to arrange a scaling down of its relationship with DRB.

Two of the academies came into the Trust as sponsored academies.

### **Key Performance Indicators**

#### **2015 KS2 Attainment and Progress Data**

(all data relates to schools pre conversion)

	Attaining Level 4 or above in R/W/Ma	Making 2 levels progress in Reading	Making 2 levels progress in Writing	Making 2 levels progress in Maths
Aston All Saints C of E (A) Primary	80%	97%	97%	83%
Emmanuel Anglican/Methodist ( A ) Junior	90%	82%	95%	90%
Flanderwell Primary	84%	100%	100%	96%
St Mary's C of E (A) Primary Walkley*	40%*	94%	100%	94%
Thrybergh Fullerton C of E (A) Primary	75%	83%	92%	100%
Trinity Croft C of E (A) Primary	79%	100%	93%	100%
Wickersley St Alban's C of E (A) Primary	100%	100%	100%	97%

\*Cohort size of 10 children counted for assessment (1 child discounted)

#### **Ofsted Inspection Data**

(all data relates to schools pre conversion)

Academy	Inspection date	Inspection Grade
Aston All Saints Church of England Primary School	07-Feb-12	G
Thrybergh Fullerton Church of England Primary School	28-Jun-12	O
Trinity Croft Church of England Primary School	12-Oct-09	G
St Alban's C of E (Aided) Primary School	20-Sep-11	O
Emmanuel Anglican/Methodist Junior School	02-Oct-12	RI
St Mary's Church of England Primary School, Walkley	17-Jun-14	RI
Flanderwell Primary Academy	08-Jun-13	RI



### **Going Concern**

The Trust grew from 7 to 10 directors in October 2014, the three new directors appointed bringing added capacity in Finance and Human Resources expertise, and also secured the support of a Finance Officer from within the Trust. With these colleagues in place, 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.

### **Financial Review**

The Trust has set a budget projected over three years in which it is anticipated it will make a surplus. The principal sources of funding are the retained portions of delegate budgets (the 'top slice'). The trust aims to maintain this at the minimal level of 1.9% with variations made for schools in particular need wherein the Trust may need to resource support.

The principal expenditures have been the support work of Finance and Accounting Officers for the Trust and its academies.

During the coming year it will begin to make the scheduled payments to the Diocese of Sheffield for the support work of the Diocesan Director of Education.

### **Reserves Policy**

Individual academies within the Trust are expected to hold contingency reserves from their annual GAG funding or other income.

The Governors/Trustees require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments.

The Business Manager, in conjunction with the Headteacher, is responsible for ensuring compliance with DS Academy Trust Policies and Procedures.

The Trust requires each academy to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

### **Investment Policy**

The Trust has no investments and retains funds in a central account.

### **Principal Risks and Uncertainties**

The Trust maintains an up-to-date risk register and business continuity plan.

The principal risks and uncertainties facing the Trust are as follows:

#### **Strategic:**

- an academy in the Trust receiving a negative OfSTED outcome – mitigated by shared development between academies and monitoring arrangements for the Trust
- uncontrollable events, e.g. fire, flood – mitigated by renewal of insurance with RPA
- change in Government policy – mitigated by links with the National Society and use of LBMW for advice and support

#### **Financial:**

- inaccurate or insufficient information – mitigated by regular financial reporting to the Trust
- poor cash flow or limited reserves – mitigated by monthly bank reconciliations, budget monitoring and production of cash flow forecasts and academy reserves
- unsuitable financial systems – mitigated by expert advice and training to ensure systems meet Trust requirements

### Plans for Future Periods

The Trust has no direct plans to expand by taking on a further school, though our financial planning indicates an eighth school would be desirable. At present the Trust needs to settle current arrangements. The Trust retains openness towards approaches from schools wishing to join or being required to by the DFE.

The Trust needs to review shared service provision, particularly looking towards consistency and economies of scale in HR and Sickness Absence insurance.

### Auditor

The Trust's auditor is Marriott Gibbs Rees Wallis Ltd.

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the Company Directors, on 2<sup>nd</sup> December 2015 and signed on the Board's behalf by:

[Signed]

A handwritten signature in black ink, appearing to be 'HT', with a small 'x' to its left.

**Huw Thomas**  
Trustee

Date:

# DS Academies Trust : Governance Statement

## Scope of Responsibility

As Trustees we acknowledge that we have overall responsibility for ensuring that The DS Academies 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 Diocesan Director of Education for the Diocese of Sheffield, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management, and in accordance with the requirements and responsibilities assigned to it in the funding agreement between DS Academies 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 **11** times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Andrew Waldron*	7	10
Andy Brewerton	10	11
Huw Thomas	11	11
Jim Dugmore	7	11
Mark Wheeler	11	11
Nevine Towers*	8	10
Pam Randall	5	11
Peter Ainsworth	11	11
Russell Blackwell**	7	7
Yvette Hawksworth*	6	10

\*joined the board

\*\*Russell Blackwell left the Board on 13<sup>th</sup> April 2015

**Review of Governance:** In 2014 the Trust reviewed its governance capacity and invited three new directors to join the Board of Directors to cover the deficit areas of expertise of Finance and HR.

The Director Board functions as the **Finance and General Purposes Committee of the Board of Trustees**. Its purpose is to:

- support the aims and ethos of the Trust, focussing on the quality and extent of the provision of premises and equipment
- advise the governing body on strategic priorities for the maintenance and development of the school's premises and grounds, security and Health and Safety, for inclusion in the Developing Excellence/School Improvement Plan
- establish and implement a repairs and maintenance programme, within the budget established by the governing body, and in accordance with the priorities within the Developing Excellence/School Improvement Plan
- review on an annual basis each school's Health and Safety policy, and approve any amendments as necessary
- ensure that each school complies with Health and Safety regulations, in accordance with the Health and Safety policy
- review on an annual basis each school's Lettings policy for use of school premises outside school hours and determine the level of charges for such lettings

- establish, and keep under review, an Accessibility Plan which meets the requirements of the Disability Discrimination Act 1995 to oversee the preparation and implementation of appropriate contracts, including the cleaning, grounds maintenance and school meals, and ensure Best Value principles are applied
- monitor the quality of service provided by the above in accordance with the agreed contracts
- ensure that premises insurance arrangements are adequate

### **Review of Value for Money**

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. Through the work of the Trust and its Finance Directors, the Accounting Officer for the Academy Trust has delivered improved value for money during the year by reviewing arrangements for financial management of the trust and utilising the capacity within the Trust, consolidating arrangements for audit and reviewing bought-in services procured by individual academies.

The Board has secured value for money through actions such as:

- the commissioning of a building manager contracted to work across all schools, leading to a reduction in cost
- the reassignment of financial responsibility from DRB to colleagues with relevant expertise deployed from within the Trust
- the securing of RPA insurance from 1/9/14, leading to savings on items such as governor liability insurance

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure, to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in DS Academies Trust Academy Trust for the period 1 February 2015 to 31 August 2015 and up to the date of approval of the annual report and financial statements. The process of internal control has been monitored and reviewed by the appointment of two Peer Reviewers. The Reviewers have conducted one visit at each of the academies within the Trust in the year ending 31/08/15. During this visit the Reviewers looked at the two areas with greatest impact on the budget, income from the EFA and expenditure on staffing. Subsequent peer review visits are planned for next financial year.

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 01<sup>st</sup> September 2014 to 31<sup>st</sup> August 2015, and up to the date of approval of the annual report and financial statements. On 14<sup>th</sup> July 2015 the Board approved a full risk register. The risk register is regularly reviewed to ensure that it is up-to-date and contains current risks to the Trust.

### **The Risk and Control Framework**

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



- comprehensive budget setting and budget monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against 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 have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Trust has appointed two Peer Reviewers to carry out roles and duties very similar to those required for internal audit. Nevine Towers and Chris Harris have been appointed to this role. Through the course of the year the Reviewers have conducted a review of internal controls at each of the academies within the Trust to ensure that internal controls are in place and working efficiently and effectively.

The Reviewers have conducted internal testing on the main areas of income and expenditure at each academy. They looked first at the income from the EFA to ensure that this was correctly coded in the system and reconciled on the bank statement. Payments to the payroll provider were checked for accuracy. A selection of staff was also made to ensure that they had been paid the correct amount for their respective grades and hours. Contracts were also checked. Where required, recommendations were made to improve and develop the robustness of the internal controls.

On a termly basis, the Reviewer reports to the Board of Trustees, through the Finance and General Purposes Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

#### 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 Nevine Towers, the Reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

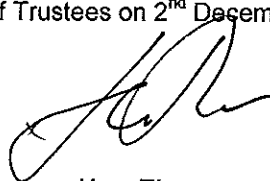
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 2<sup>nd</sup> December 2015 and signed on its behalf by:

x  
Mark Wheeler  
Trustee



Huw Thomas  
Accounting Officer



## DS Academies Trust Statement of Regularity, Propriety and Compliance

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

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

I confirm that 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 EFA.



**Huw Thomas**  
Accounting Officer

Date:

## DS Academies Trust

### Statement of Trustees' Responsibilities

The Trustees who act as governors of DS Academies Trust Academy Trust and are also the Directors of the charitable company for the purposes of company law are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the Board of Trustees on 2<sup>nd</sup> December, 2015, and signed on its behalf by:



**Huw Thomas**  
Trustee

# DS Academies Trust

## Independent Auditor's Report on the Financial Statements to the Members of The DS Academies Trust

We have audited the financial statements of The DS Academies Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### Respective responsibilities of governors and auditor

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 15), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

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

### Opinion on financial statements

In our opinion the financial statements:

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

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

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





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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Governors' Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Tina Havenhand FCCA (Senior statutory auditor)

For and on behalf of Marriott Gibbs Rees Wallis Limited

Statutory Auditor  
13-17 Paradise Square, Sheffield, S1 2DE  
Date

# DS Academies Trust

## Independent Reporting Accountant's Assurance Report on Regularity to The DS Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 21 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by The DS Academies Trust during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

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

### **Approach**

We conducted our engagement in accordance with the Academies: Accounts Direction 2014 to 2015 issued by the EFA. 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:

- The assessment and evaluation of relevant control procedures adopted by the Academy Trust
- Assessing the risk of material irregularity
- Undertaking limited testing of income and expenditure, including identifying and testing funding agreements in placed.



## Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tina Havenhand FCCA

For and on behalf of Marriott Gibbs Rees Wallis Limited

Chartered Certified Accountants and Registered Auditors  
13-17 Paradise Square  
Sheffield  
S1 2DE

Date



**DS Academies Trust**  
**Statement of Financial Activities for the period ended 31**  
**August 2015** (including Income and Expenditure Account and Statement of Total  
Recognised Gains and Losses)

	Notes	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2015 £000	Total 2014 £000
<b>Incoming Resources</b>						
Incoming resources from generated funds:						
Voluntary income	2	41	63	-	104	-
Voluntary income - transfer from Local authority on conversion	8	426	(2,374)	15,007	13,059	-
Activities for generating Funds	3	139	5	-	144	-
Investment income	3	-	-	-	-	-
Incoming resources from charitable activities:						
Funding for the academy trust's educational operations	4	-	4,470	108	4,578	132
<b>Total incoming resources</b>		<b>606</b>	<b>2,164</b>	<b>15,115</b>	<b>17,885</b>	<b>132</b>
<b>Resources expended</b>						
Cost of generating funds:						
Cost of generating voluntary income		-	-	-	-	-
Fundraising trading		-	-	-	-	-
Charitable activities:						
Academy trust educational operations	5	-	4,435	117	4,552	83
Governance costs	7	-	115	-	115	1
<b>Total resources expended</b>	5	<b>-</b>	<b>4,550</b>	<b>117</b>	<b>4,667</b>	<b>84</b>
<b>Net incoming/(outgoing) resources before</b>		<b>606</b>	<b>(2,386)</b>	<b>14,998</b>	<b>13,218</b>	<b>48</b>
Gross Transfers between Funds	15	(165)	139	26	-	-
<b>Net income / (expenditure) for the year</b>		<b>441</b>	<b>(2,247)</b>	<b>15,024</b>	<b>13,218</b>	<b>48</b>
<b>Other recognised gains and losses</b>						
Actuarial (losses) gains on defined benefit pensions scheme	15	-	221	-	221	-
<b>Net movement in funds</b>		<b>441</b>	<b>(2,026)</b>	<b>15,024</b>	<b>13,439</b>	<b>48</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2014	15	-	48	-	48	-
<b>Total funds carried forward at 31 August 2015</b>		<b>441</b>	<b>(1,978)</b>	<b>15,024</b>	<b>13,487</b>	<b>48</b>

All of the academy trust's activities derive from acquisitions in the current financial period.



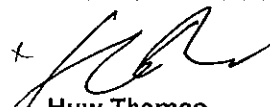
# DS Academies Trust

## Balance Sheet as at 31 August 2015

Company Number: 8745639

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
<b>Fixed Assets</b>					
Tangible assets	12		14,959		-
<b>Current assets</b>					
Debtors	13	270		23	
Cash at bank and in hand		868		49	
		<u>1,138</u>		<u>72</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	(431)		(24)	
<b>Net current assets</b>			<u>707</u>		<u>48</u>
<b>Total assets less current liabilities</b>			<u>15,666</u>		<u>48</u>
<b>Long term liability</b>					
Pensions scheme liability	28		(18)		-
			<u>(2,161)</u>		<u>-</u>
<b>Net assets including pensions liability</b>			<u>13,487</u>		<u>48</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	15	15,024		-	
General fund	15	183		48	
Pensions reserve	15	(2,161)		-	
<b>Total restricted funds</b>			<u>13,046</u>		<u>48</u>
<b>Unrestricted income funds</b>					
General fund	15	441		-	
<b>Total unrestricted funds</b>			<u>441</u>		<u>-</u>
<b>Total funds</b>			<u>13,487</u>		<u>48</u>

The financial statements on pages 20 to 43 were approved by the trustees and authorised for issue on 2<sup>nd</sup> December 2015 and are signed on their behalf by:

  
**Huw Thomas**  
 Trustee



## DS Academies Trust

### Cash Flow Statement for the year ended 31 August 2015

	Notes	2015 £000	2014 £000
Cash Flow from operating activities	19	354	49
Returns on investments and service of finance		-	-
Capital expenditure	20	39	-
Cash transferred on conversion to an academy trust	8	426	-
<b>(Decrease)/Increase in cash in the year</b>	22	<b>819</b>	<b>49</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2014		49	-
<b>Net funds at 31 August 2015</b>		<b>868</b>	<b>49</b>

All of the cash flows are derived from acquisitions in the current financial period.



# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 1 Statement of Accounting Policies

#### Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### ■ Grants Receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Pupil Premium is recognised in the period of entitlement. Where entitlement occurs before income is received the income is accrued.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### ■ Sponsorship Income

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

##### ■ Donations

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

##### ■ Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 1 Statement of Accounting Policies (continued)

#### ▪ Donated goods, facilities and services

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

#### Resources Expended

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

#### ▪ Costs of Generating Funds

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

#### ▪ Charitable Activities

These are costs incurred on the academy trust's educational operations.

#### ▪ Governance Costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### Tangible Fixed Assets

Assets costing £500 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.



# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 1 Statement of Accounting Policies (continued)

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

▪ Long leasehold buildings	125 years
▪ Fixtures, fittings and equipment	5 years
▪ ICT equipment	3 years
▪ Motor Vehicles	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

#### Leased Assets

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

#### 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### Pensions Benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs.



# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 1 Statement of Accounting Policies (continued)

Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs.

The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Education Funding Agency/Department for Education.

#### Conversion to an Academy Trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities for nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the seven schools (Aston All Saints, Emmanuel, Flanderwell, St Mary's, Thrybergh Fullerton, Trinity Croft and Wickersley St Albans), to an 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 Voluntary income – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 8.

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
<b>2 Voluntary Income</b>				
Other Donations	41	63	104	-
	<u>41</u>	<u>63</u>	<u>104</u>	<u>-</u>
<b>3 Activities for Generating Funds</b>				
Hire of Facilities	8	-	8	-
Other Income	131	5	136	-
	<u>139</u>	<u>5</u>	<u>144</u>	<u>-</u>

# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000	Total 2014 £000
<b>4 Funding for the Academy Trusts Educational Operations</b>				
<b>DfE / EFA revenue grants</b>				
General Annual Grant (GAG)	-	3,549	3,549	-
Start Up Grants	-	195	195	132
Capital Grants	-	108	108	-
Other DfE/EFA Grants	-	323	323	-
	-	4,175	4,175	132
<b>Other Government grants</b>				
Local Authority grants	-	350	350	-
Special educational projects	-	53	53	-
	-	403	403	-

	Staff Costs £000	Non Pay Premises £000	Expenditure Other £000	Total 2015 £000	Total 2014 £000
<b>5 Resources Expended</b>					
<b>Academies educational operations</b>					
Direct costs	2,855	66	504	3,425	1
Allocated support costs	529	214	384	1,127	36
	3,384	280	888	4,552	37
<b>Governance costs including allocated support costs</b>					
	-	-	115	115	47
	3,384	280	1,003	4,667	84
			<b>Total</b>	<b>Total</b>	
			<b>2015</b>	<b>2014</b>	
			<b>£000</b>	<b>£000</b>	
<b>Incoming/outgoing resources for the year include:</b>					
<b>Operating Leases:</b>					
Other leases			12	-	
			12	-	



# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

	Total 2015 £000	Total 2014 £000
<b>6 Charitable Activities</b>		
<b>Direct costs - educational operations</b>		
Teaching and educational support staff costs	2,855	-
Depreciation	117	-
Technology costs	46	-
Educational supplies	287	1
Staff development	15	-
Educational consultancy	90	-
Other direct costs	15	-
	<u>3,425</u>	<u>1</u>
<b>Support costs - educational operations</b>		
Support staff costs	529	-
Technology costs	-	1
Recruitment and support	3	-
Maintenance of premises and equipment	91	1
Cleaning	32	-
Rents and rates	30	-
Energy costs	77	-
Insurance	55	-
Transport	35	-
Catering	143	-
Other support costs	132	34
	<u>1,127</u>	<u>36</u>
<b>Total direct and support costs</b>	<u>4,552</u>	<u>37</u>
	<b>Total</b>	<b>Total</b>
	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
<b>7 Governance Costs</b>		
Legal and professional fees	99	-
Auditor's remuneration		
. Audit of financial statements	15	1
. Other audit costs	1	-
Support costs	-	46
	<u>115</u>	<u>47</u>

# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

8 Conversion to an Academy Trust	Unrestricted	Restricted	Restricted	Total
	Funds	General Funds	Fixed Asset Funds	2015
	£000	£000	£000	£000
Tangible fixed assets				
Leasehold land and buildings	-	-	9,123	9,123
Other tangible fixed assets	-	-	5,884	5,884
Budget surplus / (deficit) on LA funds	362	-	-	362
Budget surplus / (deficit) on School funds	64	-	-	64
LGPS pension surplus / (deficit)	-	(2,356)	-	(2,356)
Borrowing obligations	-	(18)	-	(18)
<b>Net assets / (liabilities)</b>	<b>426</b>	<b>(2,374)</b>	<b>15,007</b>	<b>13,059</b>

The above net assets / liabilities includes £426,168 that was transferred as cash. Borrowing obligations of £17,822 were transferred from the Local Authority in relation to two loans to renew lighting at Emmanuel Junior prior to conversion. The repayment of the loans will complete in January 2020.

9 Staff costs	Total	Total
	2015	2014
	£000	£000
Staff costs during the period were:		
Wages and salaries	2,700	-
Social security costs	172	-
Pension costs	454	-
	<u>3,326</u>	-
Supply staff costs	58	-
	<u>3,384</u>	-

### Staff Numbers

Charitable Activities	2015	2014
	No.	No.
Teachers	48	-
Administration and support	71	-
Management	13	-
	<u>132</u>	-



# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 9 (continued) Higher paid staff

	2015	2014
	No.	No.
£70,001-£80,000	<u>1</u>	<u>-</u>
	<u>1</u>	<u>-</u>

The above employee participated in the Teacher Pension Scheme (TPS). During the year ended 31<sup>st</sup> August 2015 employer contributions for this employee amounted to £9,368. (2014: nil)

### 10 Related Party Transactions - Governors' Remuneration and Expenses

The head teacher and other staff trustees only receive remuneration in respect of their roles as head teacher and staff, and not in respect of their services as trustees. The value of trustees' remuneration was as follows:

#### M Wheeler (Principal & Trustee):

Remuneration	£45,000 - £50,000
Employers pensions contributions	£5,000 - £10,000

#### N Towers (Staff Trustee):

Remuneration	£15,000 - £20,000
Employers pensions contributions	£0,000 - £5,000

#### Y Hawksworth (Staff Trustee):

Remuneration	£20,000 - £25,000
Employers pensions contributions	£0,000 - £5,000

During the period ended 31<sup>st</sup> August 2015, no travel and subsistence expenses were reimbursed or paid directly to Trustees, (2014: nil).

Mr M. Wheeler is the Executive Head Teacher of three primary schools, one of which is a Local Authority maintained school (Kilnhurst St Thomas C of E Primary). During the period ended 31<sup>st</sup> August £13,000 of Mr Wheeler's salary costs were recharged to Kilnhurst St Thomas.

### 11 Trustees' and Officers' Insurance

Insurance cover to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business provides cover up to £5,000,000 on any one claim and the cost for the year ended 31<sup>st</sup> August 2015 was included in the DFE's Risk Pooling Arrangement fee of £22,362. (2014: nil)



# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 12 Tangible Fixed Assets

	Leashold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
<b>Cost</b>					
At 1 September 2014	-	-	-	-	-
Transfer on conversion	14,908	16	83	-	15,007
Additions	34	5	30	-	69
Disposals	-	-	-	-	-
At 31 August 2015	14,942	21	113	-	15,076
<b>Depreciation</b>					
At 1 September 2014	-	-	-	-	-
Charged in year	64	9	44	-	117
Disposals	-	-	-	-	-
At 31 August 2015	64	9	44	-	117
<b>Net book values</b>					
At 31 August 2015	14,878	12	69	-	14,959
At 31 August 2014	-	-	-	-	-

#### Land and Buildings

On Conversion of the seven schools into the DS Academies Trust, the academy trust inherited buildings valued at £11.8m and land valued at £3.1m. The valuations were carried out by FHP Property Consultants. There were no disposals of land or buildings during the year.

The arrangements under which the property transferred to the trust are as follows:

Land and Buildings at Flanderwell are owned by Rotherham MBC and leased to the trust over 125 years for £nil consideration.

Land and Buildings at Emmanuel and St Mary's are owned by the Diocese of Sheffield who allow the school to occupy the property under a licence to occupy for £nil consideration. The transfer of this licence to the trust on conversion is evidenced in a supplemental agreement between the academy trust, the Diocese and the Secretary of State.

For Aston All Saints, Thrybergh Fullerton, Trinity Croft and Wickersley St Albans; the site of the school building is owned by the Diocese of Sheffield and made available to the Trust under a supplemental agreement as described above. The playing fields at these four schools are owned by Rotherham MBC and leased to the trust over 125 years for £nil consideration.

#### **Inherited Assets Other than Land and Buildings**

Fixtures and fittings and computer equipment inherited on conversion have been shown at their fair value. The values were £16,000 and £83,000 respectively.

# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

	Total 2015 £000	Total 2014 £000
<b>13 Debtors</b>		
Trade Debtors	39	-
VAT Recoverable	108	17
Prepayments and accrued income	123	6
	<u>270</u>	<u>23</u>
	Total 2015 £000	Total 2014 £000
<b>14 Creditors: Amounts Falling due within 1 year</b>		
Trade creditors	109	16
Taxation and social security	72	-
Other creditors	69	-
Accruals and deferred income	181	8
	<u>431</u>	<u>24</u>
	Total 2015 £000	Total 2014 £000
<b>Deferred</b>		
Deferred Income at 1 September 2014	-	-
Resources deferred in the year	101	-
Amounts released from previous years	-	-
Deferred Income at 31 August 2015	<u>101</u>	<u>-</u>

At the balance sheet date the academy trust was holding funds received in advance for the provision of infant free school meals for the academic year commencing September 2015.





# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 15 Funds

	Balance at 1 September 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2015 £000
<b>Restricted general funds</b>					
General annual Grant (GAG)	-	3,535	(3,473)	139	201
Start Up Grant	48	195	(243)	-	-
Other DfE/EFA Grants	-	381	(381)	-	-
Other	-	427	(427)	-	-
Borrowing Obligations	-	(18)	-	-	(18)
Pensions Reserve	-	(2,356)	(26)	221	(2,161)
	48	2,164	(4,550)	360	(1,978)
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	-	108	(23)	-	85
Capital expenditure from GAG	-	-	(7)	26	19
Assets Inherited from LA	-	15,007	(87)	-	14,920
	-	15,115	(117)	26	15,024
<b>Total restricted funds</b>	<b>48</b>	<b>17,279</b>	<b>(4,667)</b>	<b>386</b>	<b>13,046</b>
<b>Unrestricted funds</b>					
Unrestricted funds	-	606	-	(165)	441
<b>Total unrestricted funds</b>	<b>-</b>	<b>606</b>	<b>-</b>	<b>(165)</b>	<b>441</b>
<b>Total funds</b>	<b>48</b>	<b>17,885</b>	<b>(4,667)</b>	<b>221</b>	<b>13,487</b>

**General Annual Grant (GAG):** this is the academy's principal funding stream from the Education Funding Agency. The funding must be used for the running of the school and for the benefit of the pupils. The use of the grant is governed by the terms and conditions set out in the Funding Agreement. The trust received £3,535,000 of which £201,000 remains unspent.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

**Start Up Grant:** the trust received £195,000 start up grant and school improvement Funding during the period 2014/15 and brought forward an unspent balance of £48,000 from 2013/14.

# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

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

PE Sports Grant of £27,000 to help promote sports and physical activity in schools.

Pupil Premium of £233,000 to help raise attainment amongst pupils considered socially deprived. This funding is allocated on the basis of eligibility for free school meals.

Universal Infant Free School Meals Grant £63,000 to support schools in delivering the offer of free school meals to all pupils in year groups reception, year 1 and year 2.

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

£174,000 Early Years funding, £98,000 Pupil Growth Funding, £49,000 SEN funding and devolved Dedicated Schools Grant £22,000.

**Pension Reserve:** on conversion each school within the trust inherited a share of the Local

Government Pension Scheme (LGPS) liability. The liability for each school as at 31<sup>st</sup> August 2015 is valued as follows:

Aston All Saints Primary – £287,000

Emmanuel Juniors – £302,000

Flanderwell Primary – 443,000

St Mary's Primary - £502,000

Thrybergh Fullerton Primary – £159,000

Trinity Croft Junior and Infants – £104,000

Wickersley St Albans Primary – £364,000

In the year £26,000 pension finance charges were incurred. At 31<sup>st</sup> August the pension deficit for the trust had decreased by £221,000. At 31<sup>st</sup> August the pension deficit stood at £2,161,000.

**DfE/EFA Capital Grants:** the trust received the following capital grants from the EFA:

Devolved Formula Capital funding of £42,031 for building improvements and ICT.

Academies Capital Improvement Funding of £58,740 was received by Wickersley St Albans for boiler replacement work. £29,000 of work has been complete as at 31<sup>st</sup> August and a further £12,000 has been committed with the contractor for October 2015.

**Unrestricted Funds:** the academy trust held £606,000 in income of which £425,000 related to surplus balances transferred on conversion. Further income was generated from the recharge of ICT services to other schools within the learning community, lettings and insurance claims.

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

A total of £165,000 was transferred to fund expenditure within Restricted Funds.



# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 16 Analysis of Net Assets between Funds

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	14,959	14,959
Current assets	441	632	65	1,138
Current liabilities	-	(431)	-	(431)
Long Term Liabilities	-	(18)	-	(18)
Pensions scheme liability	-	(2,161)	-	(2,161)
<b>Total net assets</b>	<b>441</b>	<b>(1,978)</b>	<b>15,024</b>	<b>13,487</b>

### 17 Capital Commitments

	2015 £000	2014 £000
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Contracted for, but not provided in the financial statements	12	-
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### 18 Financial Commitments

	2015 £000	2014 £000
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#### Operating Leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

#### Other

Expiring within two and five years inclusive	<u>11</u>	<u>-</u>
	<u>11</u>	<u>-</u>



# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

19 Reconciliation of Net Income to Net Cash Inflow from Operating Activities	2015	2014
	£000	£000
Net Income	13,218	48
Depreciation	117	-
Capital grants from DfE and other Capital Income	(108)	-
Net Assets transferred on conversion to an academy trust	(13,059)	-
FRS17 pension cost less contributions payable	(27)	-
FRS 17 pension finance income	53	-
(increase)/decrease in debtors	(247)	(23)
increase/(decrease) in creditors	407	24
<b>Net Cash Inflow from Operating Activities</b>	<b>354</b>	<b>49</b>

### 20 Capital Expenditure and Financial Investment

Purchase of Tangible fixed assets	(69)	-
Capital grants from DfE / EFA	108	-
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>39</b>	<b>-</b>

### 21 Cash Transferred on Conversion to an academy trust

Cash transferred on conversion	426	-
<b>Net cash inflow on conversion to an academy trust</b>	<b>426</b>	<b>-</b>

### 22 Analysis of Changes in Net Funds

	At 1 September		At 31st August
	2014	Cash flows	2015
	£000	£000	£000
Cash in hand and at Bank	49	819	868
	<b>49</b>	<b>819</b>	<b>868</b>

# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 24 Analysis of academies by fund balance

Fund balances as at 31st August 2015 were allocated as follows:

	Total 2015 £000	Total 2014 £000
Aston All Saints Primary	(15)	-
Emmanuel Junior	82	-
Flanderwell Primary	136	-
St Mary's Primary	119	-
Thrybergh Fullerton Primary	83	-
Trinity Croft Junior and Infant	109	-
Wickersley St Albans Primary	59	-
Central Services	51	48
<b>Total before fixed asset and pension reserve</b>	<b>624</b>	<b>48</b>
Restricted fixed asset fund	15,024	-
Pension reserve	(2,161)	-
<b>Total</b>	<b>13,487</b>	<b>48</b>

### 25 Analysis of academies by cost

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 (excluding Depreciation)	Total 2015	Total 2014
	£000	£000	£000	£000	£000	£000
Aston All Saints Primary	456	69	52	121	698	-
Emmanuel Junior	301	79	49	75	504	-
Flanderwell Primary	458	74	42	166	740	-
St Mary's Primary	504	97	59	133	793	-
Thrybergh Fullerton Primary	237	45	20	68	370	-
Trinity Croft Junior and Infant	224	38	15	59	336	-
Wickersley St Albans Primary	675	105	50	154	984	-
Central Services	0	10	0	115	125	84
<b>Academy Trust</b>	<b>2,855</b>	<b>517</b>	<b>287</b>	<b>891</b>	<b>4,550</b>	<b>84</b>



# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 26 Central Services

The academy trust has provided the following central services to its academies during the year:

Legal services  
Insurance services  
Finance and Accountancy  
Audit of Financial Accounts

The trust charges for these services on the following basis:

Each academy contributes 1.9% of its GAG Allocation

The actual amounts charged during the year were as follows:

	Total 2015 £000	Total 2014 £000
Aston All Saints Primary	11	-
Emmanuel Junior	8	-
Flanderwell Primary	10	-
St Mary's Primary	13	-
Thrybergh Fullerton Primary	5	-
Trinity Croft Junior and Infant	5	-
Wickersley St Albans Primary	13	-
	<u>65</u>	<u>-</u>

The Trust engaged DRB Management Ltd to perform the Project Management of all 7 conversions during the year. They also utilised their preferred solicitors in LBMW to manage all legal aspects of conversions.

Start Up Grant funding of £195,000 was received during the year of which £76,000 was spent centrally through DRB Management Ltd and the remaining £119,000 was transferred to individual schools.

### 27 Members Liability

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

# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 28 Pension and Similar Obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Yorkshire Pension Authority. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31<sup>st</sup> March 2013. Contributions amounting to £48,569 were payable to the schemes at 31 August 2015 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%



# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 28 Pension and Similar Obligations (continued)

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £198,471.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £264,000, of which employer's contributions totalled £215,000 and employees' contributions totalled £49,000. The agreed employer contribution rates for future years range from 12.5% to 15.8%.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

On conversion the Academy Trust inherited a pensions deficit from the South Yorkshire Pensions Authority of £2.356m. The Trust has entered into an agreement with the trustees to make additional contributions per annum in addition to normal funding levels. It is anticipated that the additional contributions will be paid over 23 years.

### Principal actuarial assumptions

	At 31 August 2015	At 31 August 2014
Rate of increase in salaries	3.99%	3.84%
Rate of increase for pensions in payment/inflation	2.24%	2.09%
Discount rate for scheme liabilities	4.00%	3.51%
Inflation assumption (CPI)	2.24%	2.09%





# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 28 Pension and Similar Obligations (continued)

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

	At 31 August 2015	At 31 August 2014
<i>Retiring today</i>		
Males	23.0	23.0
Females	25.6	25.6
<i>Retiring in 20 years</i>		
Males	25.3	25.3
Females	28.4	28.4

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

	Expected return at 31 August 2015	Fair value at 31 August 2015 £000
Equities	7.79%	678
Government Bonds	1.07%	163
Other Bonds	1.54%	67
Property	6.61%	132
Cash/Liquidity	0.21%	21
Other	2.79%	81
Investment Expenses	0.02%	
<b>Total market value of assets</b>		<b>1,142</b>
Present value of scheme liabilities		
- Funded		(3,303)
<b>Surplus/(deficit) in the scheme</b>		<b>(2,161)</b>

The actual return on scheme assets was £21,000

### Amounts recognised in the statement of financial activities

	2015 £000
Current service cost (net of employee contributions)	27
Past service cost	(0)
<b>Total operating charge</b>	<b>27</b>

# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 28 Pension and similar obligations (continued)

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

	2015 £000
Expected return on pension scheme assets	36
Interest on pension liabilities	(89)
<b>Pension finance income/(costs)</b>	<b>(53)</b>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £221,000 gain.

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

	2015 £000
<b>At 1 September</b>	
Current service cost	188
Interest cost	89
Employee contributions	49
Actuarial (gain)/loss	(261)
Benefits paid	(7)
Past Service cost	-
Curtailments and settlements	-
<b>At 31 August</b>	<b>58</b>

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

	2015 £000
<b>At 1 September</b>	
Expected return on assets	36
Actuarial gain/(loss)	(40)
Employer contributions	215
Employee contributions	49
Benefits paid	-
<b>At 31 August</b>	<b>260</b>

The estimated value of employer contributions for the year ended 31 August 2016 is £281,000



# DS Academies Trust

## Notes to the Financial Statements for the period to 31 August 2015

### 28 Pension and similar obligations (continued)

The history of experience adjustments is as follows:

	2015 £000
Present value of defined benefit obligations	(3,303)
Fair value of share of scheme assets	1,142
Deficit in the scheme	<u>(2,161)</u>
Experience adjustments on share of scheme assets Amount £000*	(24)
Experience adjustments on scheme liabilities: Amount £000*	0

### 29 Related Party Transactions

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

No related party transactions took place during the period ended 31<sup>st</sup> August 2015.

