

Company Registration Number: 08130468 (England & Wales)

SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

M Christopher
E Gregory (on behalf of Bath & Wells Diocese Board of Education)
P McGuigan (Chair)
K Fitzsimmons (appointed 27 June 2023)
A Cooke
J Triffit (resigned 29 June 2023)
N Rees (resigned 29 June 2023)

Trustees

D Middleton, Chair (appointed 27 June 2023)
J Rundle (appointed 27 June 2023)
R Beavis (appointed 27 June 2023)
S McDonald (appointed 27 June 2023)
D Roberts (appointed 27 June 2023)
A D Morris (resigned 29 June 2023)
J Ponsonby (resigned 22 October 2023)
N Rees, Chair (resigned 31 May 2023)^{1,4}
C Plewes (resigned 29 June 2023)^{2,3,4}
R Davey (resigned 29 June 2023)²
R Sullivan (resigned 29 June 2023)²
C Bedding (resigned 29 June 2023)²
G Colls (resigned 29 June 2023)¹
I Macfarlane (resigned 29 June 2023)¹
J Triffit (resigned 29 June 2023)²
S Jones (resigned 29 June 2023)²
S Lusher (resigned 29 June 2023)⁴
T Bartley (resigned 29 June 2023)^{1,3}

¹ Finance & Resources Committee
² Teaching, Learning & Improvement Committee
³ Pay & Remuneration Committee
⁴ Audit & Risk

Company registered number 08130468

Company name Sherborne Area Schools' Trust

Principal and registered office The Gryphon School
Bristol Road
Sherborne
Dorset
United Kingdom
DT9 4EQ

Company secretary P Knell

Accounting officer C Sinclair (resigned 31 March 2023)
B Hooper (appointed 1 April 2023)

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Trust management team

B Hooper, CEO
S Smith, Director of Education
C Watson, Director of Human Resources
P Knell, Director of Finance & Operations
R Stacey, Director of Business Operations

Independent auditors

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Bankers

Lloyds Bank
9 High Street
Yeovil
Somerset
BA20 1RN

Solicitors

Veale Wasbrough Vizards
Narrow Quay House
Narrow Way
Bristol
BS1 4QA

**SHERBORNE AREA SCHOOLS' TRUST
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**TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2023. The annual report serves the purpose of both a Trustees' report and a Directors' report under company law.

Sherborne Area Schools' Trust (SAST) is a multi-academy trust, formed in June 2017, serving Dorset and South Somerset. SAST now has 13 primary schools, and 5 secondary schools – three of which have sixth forms, and one is alternative provision. The Trust has a pupil capacity of 7,037 and had a roll of 5,767 in the school census on 1st October 2022.

STRUCURE, GOVERNANCE AND MANAGEMENT

Constitution

The Sherborne Area Schools Trust (SAST or the 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 Trust. The Trustees of SAST are also the directors of the Charitable Company for the purposes of company law.

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.

Trustees' Liability

Each Trustee 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 Trustee, or within one year after he/she ceases to be a Trustee, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they cease to be a trustee.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the 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 of a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust.

In accordance with normal commercial practice the Trust has opted into the Department for Education's Risk Protection Arrangement to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

Method of recruitment and appointment or election of Trustees

There were five trustees including two Foundation Trustees as of 31st August 2023. The Articles of Association (45-80) of the Trust detail the arrangements for Trustees:

- The number of Trustees shall be not less than five
- The Members shall appoint no fewer than 3 Trustees
- The Members will ensure that the number of Foundation Trustees appointed does not exceed 50% of the total number of Trustees
- The Members will ensure that the total number of Trustees employed by the Trust is no more than one third of the total

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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The Diocese of Salisbury Board of Education, and the Diocese of Bath & Wells Board of Education, as corporate members, may appoint Trustees under article 50A to ensure Foundation Trustees represent 50% of the total number of Trustees.

New Trustees are appointed under the requirements of the Articles of Association. The Trustees are appointed on the basis of the skills balance required for the Trust including strategic leadership, business management, finance, law or educational improvement. There is a full selection process including interviews and meetings with prospective Trustees.

All Trustees, Governors and professionals working for the Trust will accept and embrace their professional responsibility to care for every child and young person within the partnership. They will be open to change, treating all within the wider SAST community with dignity and respect at all times. They will follow the seven principles of public life (the Nolan principles).

The term of office for Trustees is four years. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. Trustees elect a Chair and Vice Chair annually.

Policies and Procedures adopted for the Induction and Training of Trustees

The Trust is committed to ensuring that all Trustees and Local Governors are given the induction, training and information required to support their role to provide challenge and support to the Executive Leadership, the headteachers and the school leadership teams.

All Trustees have access to policies, plans, evaluation reports, all external performance information, agendas, reports, minutes, and accompanying papers. Trustees are welcome to visit each School in liaison with the headteachers.

Organisational Structure

The Sherborne Area Schools' Trust (SAST) is the corporate body for running the affairs of all the schools in the Trust. The Secretary of State for Education has entered into an agreement with the Sherborne Area Schools' Trust to run the schools in the Trust and therefore the Trust Board is responsible for the standards and operation of all schools in the Trust.

There is a balance as to the responsibilities delegated to schools and those that remain the direct responsibility of the Trust. We aim to continually evaluate, improve, and develop through strong, effective, and accountable leadership at all levels. The aim is to establish clear, simple, and effective accountability including slim and streamlined governance. The Scheme of Delegation details the roles and responsibilities of the Members, the Trustees, the Local Governing Bodies, the CEO (who is the Accounting Officer) and the school headteachers. All Schools are accountable to the Board of Trustees for standards and achievement.

There are three levels of governance:

1. **Members:-** Members appoint the Trustees to run the Trust, and are the only people able to amend the Articles of Association of the SAST. There are 6 members of which 1 will be the Diocese of Salisbury in a corporate capacity and 2 other have foundation status. Members have a strategic vision, with a range of skills such as academic/education, financial, legal, corporate business and creative/cultural.
2. **Board of Trustees -** Trustees determine policy and make decisions for the Trust. The Trust Board is the statutory Governing Body of each School. There were five Trustees as at 31st August 2023, including two with foundation status. The Trustees are appointed on the basis of the skills balance required for the Trust including finance, legal, HR, project/business management, education, estates etc. The Board of Trustees meets at least four 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

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**TRUSTEES REPORT (CONTINUED)
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- for ratification. It monitors the activities of the Committees through the minutes of their meetings.
3. Local Governing Body (LGB):- Each school has a LGB with agreed delegation to respond to the context, status, needs and resources of its school community and its connections to the wider world. The LGB will focus on teaching and learning, standards and achievement, community, and safeguarding. There are up to 12 Local Governors in each School and its composition reflects its previous VC, VA, or community status.

The Board of Trustees has four central Trust Committees: one for Teaching, Learning and Improvement, one for Finance and Resources, one for People, and one for Audit & Risk.

- The Teaching, Learning and Improvement Committee terms of reference focus on performance and standards, educational development, safeguarding, and other compliance items.
- The Finance and Resources Committee terms of reference focus on finance and the management of internal resources.
- The Audit & Risk Committee terms of reference focus on internal scrutiny, risk, and compliance.
- The People Committee terms of reference focus on staffing items including wellbeing, performance management, and pay & remuneration.

There is an Executive Team which runs SAST in accordance with Board's strategy, objectives, and policies. This includes the CEO, Education Director, HR Director, Operations Director, and Finance Director, who are appointed by the Board of Trustees.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider that the Board of Trustees and the Executive Team collectively provide the direction, control, and operation of the Trust on a day-to-day basis. All Trustees give their time freely and no trustee received remuneration in the year in respect of their role as a Trustee.

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

The pay of key management personnel is reviewed annually. The SAST People Committee has the following responsibilities related to pay and remuneration.

4. To determine the Pay Policy for the Trust.
5. To ratify appropriate salary ranges and starting salaries for lead practitioners, and members of the leadership group.
6. To ratify annual pay progress for teachers as set out in the Pay Policy, taking account of any recommendations made by the school headteachers in accordance with the approved pay policy and appraisal evidence.
7. To approve applications to be paid on the Upper Pay Range.
8. To approve annual pay progression for the CEO, taking account of the recommendation made by the CEO Appraisal Panel, following the annual review.
9. To determine the application of national inflationary increases as required.
10. To monitor and review the performance and pay of all headteachers in the Trust.

The annual appraisal of the CEO is conducted by a minimum of three Trustees with an independent external advisor. The annual appraisals of the school headteachers are conducted by the CEO and/or Education Director. The Trustees benchmark against pay levels in other Academies of a similar size.

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Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	4.37

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	4
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£6,647.53
Provide the total pay bill	£28,793,825
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.02%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	34.88%
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Related Parties and other Connected Charities and Organisations

SASTCO Limited and the Gryphon Sports Centre

The Sherborne Area Schools' Trust Company Limited (a trading subsidiary company of SAST limited by guarantee) took over the management of the Gryphon Sports Centre from West Dorset District Council for community access in November 2017.

The Company's objects are to carry on business by providing or assisting in the facilities and services for recreation, sporting or other leisure time activities in order to improve the conditions of life for the public at large and such other activities as the directors shall in their absolute discretion determine. There are five directors including one independent director who is not an employee or Trustee of SAST.

The Gryphon Foundation

The Gryphon Foundation (also known as The Digby and Newland and Foster Educational Foundations) was established in 2011. Its objects are:

- (a) the advancement of the education of pupils of The Gryphon School, Sherborne, Dorset ("the School") by providing and assisting in the provision of facilities and special benefits for education at the School (not normally provided by the local education authority);
- (b) to fund prizes for the pupils at Prize Giving and Celebration of Achievement events at the School;

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- (c) the provision of grants, exhibitions or bursaries for the further or higher education of present or past pupils of the School up to and including the age of 25 (save in exceptional circumstances), including assistance to enable them to enter a profession, trade or calling;
- (d) otherwise promoting the education of the beneficiaries of the Charity.

The objects of the Charity shall be furthered in such manner as the Trustees determine and the selection of beneficiaries of the Charity shall be at the Trustees' discretion.

The Schools have Parent Teacher Associations. The Primary Schools are at the heart of a Sherborne cluster of the Primary Science Teaching Trust. The Schools have Rights Respecting Schools status.

There are no related parties nor sponsors which either control or significantly influence the decisions and operations of Sherborne Area Schools' Trust.

Engagement with employees

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

- A termly meeting of the SAST Joint Consultative and Negotiation Committee (JCNC)
- Regular updates to all staff via briefings, the staff intranet and newsletters
- Employee Forums including CPD and Wellbeing
- Undertaking a Staff Experience Survey every two years

Engagement with suppliers, customers and others in a business relationship with the Trust

The Trust plays a major role in the local economy through its relationship with local businesses and community groups, which regularly are encouraged to make use of school facilities to develop business networks and provide an additional income stream.

The Trust also understands the importance of supporting local business and has produced a procurement policy that sets out the requirement for all major tendering work to consider sustainability as part of the award criteria. All procurements for goods and services must follow the principles of being open, transparent, and fair, and the trust regularly encourages SMEs to provide quotes to become a supplier to SAST schools.

There are regular opportunities for businesses to tender for the supply of goods, maintenance services, school transport, and other support services.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's main objective is to advance, for the public benefit in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum. This includes Academies other than those designated as Church of England.

Church of England Academies shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship and in having regard to the advice and following any directives of the Diocesan Board of Education.

Our mission and values

- To be a special collaboration of high performing Primary, Secondary and Alternative Provision Schools seeking to ensure an excellent and sustainable 0-19 education for children within our community across West and North Dorset as well as South Somerset.

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- To build upon the existing relationships across partnerships and clusters to develop as a family of Schools working together to strengthen each School and inspire our young people and their families.
- To have a shared commitment to creative and innovative learning opportunities, high aspirations and leadership, and academic success with inspiring Schools, alongside developing the personal attributes for everyone (children and staff) to thrive at every stage of their learning journey.

What we value – our ethos

- Our partnership is an inclusive learning community in which children and adults together are committed to, and inspired by, a love of lifelong learning. The partnership focus is to enhance the whole of a child's learning journey from 0-19 and it also promotes learning amongst adult members of School communities and the families of pupils.
- All Schools are equal partners and are committed to the principles of collaboration, sharing expertise and resources to enable all partner Schools to deliver excellent education for all young people in their care.
- Opportunities for greater consistency and coherence will be actively sought for the benefit of all children and staff.
- We will celebrate each School's unique and individual characteristics in the community it serves. Each School will retain its individual identity, uniform, ethos and where relevant Christian distinctiveness but will be working together for the benefit of the children, families and communities that they serve.
- There will be a rigorous focus on the key areas for improvement in order to achieve the highest standards of academic and personal achievement - nurturing our students' spiritual, moral, social, physical and cultural development.
- All the Trust leaders will act impartially in the best interest of the Trust and will work in the best interest of all the Academies.
- The Trust will recognise, prepare for and act upon the national and local changes taking place across education and that face the partnership Trust.
- The Trust will seek to pre-empt issues of performance (educational, financial, compliance etc). Where a School is experiencing or at risk of experiencing issues, the Trust will take the appropriate action to support the School to resolve those issues in a timely manner and for the benefit of those within the Trust.
- All Schools value all of our staff and the contribution they bring to our Schools and for our young people. All partner Schools are committed to supporting the development of all staff, to fostering leadership and succession planning as well as offering staff greater opportunities within the Trust and its academies. We will engage with our staff in shaping the provision across the Trust.

In summary the SAST key values are:

- 1. Partnership and Collaboration**
Our schools support each other, by sharing expertise and resources, to ensure improvement
- 2. Pursuit of Excellence**
We provide a high quality education to enable all students and staff to aspire, thrive and succeed
- 3. Holistic Lifelong Learning**
We promote the personal development of every child and a love of lifelong learning for our students and staff

Equality and Distinctiveness

We celebrate the individuality of each school and all in it. We are proud to be at the heart of our local communities.

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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Objectives

Objects

The Trust's main object is to advance education, for the public benefit in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum. This includes all Academies regardless of faith.

Church of England Academies shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and particularly in relation to arranging for religious education and daily acts of worship and in having regard to the advice and following any directives of the Diocesan Board of Education.

Our Vision

To deliver educational excellence through aspiration and collaboration.

Our Mission: Working together for outstanding education

To be a special collaboration of high performing primary, secondary and alternative provision schools seeking to ensure an excellent and sustainable 0-19 education for children within our community across West and North Dorset as well as South Somerset.

To build upon the existing relationships across partnerships and clusters to develop as a family of schools working together to strengthen each school and inspire our young people and their families.

To have a shared commitment to creative and innovative learning opportunities, high aspirations and leadership, and academic success with inspiring schools, alongside developing the personal attributes for everyone (children and staff) to thrive at every stage of their learning journey.

Our ethos

- Our partnership is an inclusive learning community in which children and adults together are committed to, and inspired by, a love of lifelong learning. The partnership focus is to enhance the whole of a child's learning journey from 0-19.
- All Schools are equal partners and are committed to the principles of collaboration, sharing expertise and resources to enable all partner Schools to deliver excellent education for all young people in their care.
- Opportunities for greater consistency and coherence will be actively sought for the benefit of all children and staff.
- We will celebrate each school's unique and individual characteristics in the community it serves. Each school will retain its individual identity, uniform, ethos and, where relevant, Christian distinctiveness but will be working together for the benefit of the children, families and communities that they serve.
- There will be a rigorous focus on the key areas for improvement in order to achieve the highest standards of academic and personal achievement - nurturing our students' spiritual, moral, social, physical and cultural development.
- All the Trust leaders will act impartially in the best interest of the Trust and will work in the best interest of all the schools in the Trust.
- The Trust will recognise, prepare for and act upon the national and local changes taking place across education and that face the Trust.
- The Trust will seek to pre-empt issues of performance (educational, financial, compliance etc). Where a school is experiencing or at risk of experiencing issues, the Trust will take the appropriate action to support the school to resolve those issues in a timely manner and for the benefit of those within the Trust.

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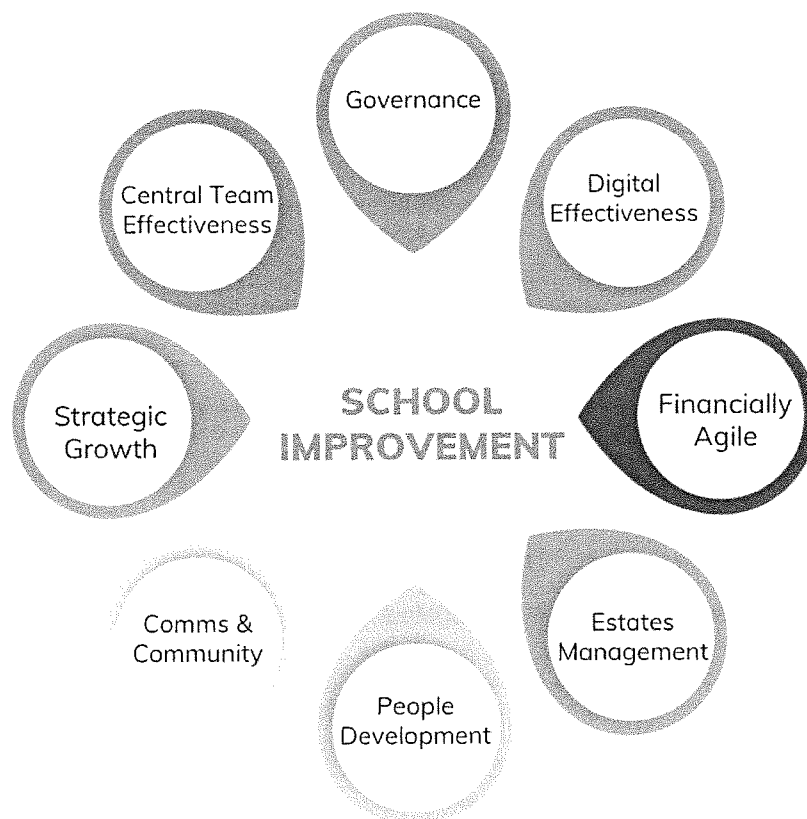
- All schools value all of our staff and the contribution they bring to our schools and for our young people. All partner schools are committed to supporting the development of all staff, to fostering leadership and succession planning as well as offering staff greater opportunities within the Trust and its academies. We will engage with our staff in shaping the provision across the Trust.

Our values

1. **Partnership and Collaboration.** Our schools support each other, by sharing expertise and resources, to ensure improvement.
2. **Pursuit of Excellence.** We provide a high-quality education to enable all students and staff to aspire, thrive and succeed.
3. **Holistic Lifelong Learning.** We promote the personal development of every child and a love of lifelong learning for our students and staff.
4. **Equity and Distinctiveness.** We celebrate the individuality of each school and all in it. We are proud to be at the heart of our local communities.

STRATEGIC PRIORITIES

School Improvement sits at the very heart of everything we do in SAST. Our other focus areas support this and ensure that SAST as an organisation is fit for purpose, forward-thinking, strong and aspirational.



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**TRUSTEES REPORT (CONTINUED)
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We have also been working to adopt the MAT Assurance Framework which has recently been developed by the DfE, and which focuses on the following six key areas:

- Vision, Culture and Ethos
- People and Partners
- Teaching and Learning
- Curriculum and Assessment
- Quality Assurance and Accountability
- Governance Capability

ACTIVITIES

Key activities and targets were identified as part of our strategic priorities. They were partly influenced by the challenges and opportunities arising from national changes in education policy and funding, in addition to internal plans and aspirations. The activities included the following:

- The adoption of curriculum-led financial planning (CLFP) into budgeting principles to improve financial controls and performance.
- The merger of Okeford Fitzpaine Primary School with Shillingstone Primary School.
- The closure of state boarding provision at Shaftesbury School due to an unsustainable decline in boarder recruitment.
- Two new schools joining the Trust – St Nicholas CE Primary School joined on 1st April 2023, and Sturminster Newton High School joined on 1st June 2023.
- Ongoing negotiations with schools interested in joining the Trust.
- Embed the roles of the new school improvement team and develop our new Education Strategy.

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 Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit, education in North Dorset, West Dorset, South Somerset and the surrounding area, in particular by maintaining, managing and developing schools and offering a broad curriculum.

The Trust received funding for 5,767 children for the 2022-23 academic year.

An average of 783 staff were employed throughout the year. There are:

- Three large town primary schools
- Ten small/medium village primary schools
- Three 11-18 secondary schools with sixth forms
- One small 11-16 secondary school
- One 11-16 alternative provision school
- Two nursery schools

The schools serve a large rural catchment area across North Dorset, West Dorset and South Somerset. Significant numbers apply and join the schools from outside the catchment areas.

Each school offers considerable public benefit through its role as a provider of education and the links it has developed with the local community. This includes pre-school and after-school provision as well as holiday childcare provision. Community groups hire school facilities.

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STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Throughout the 2022-23 academic year, the Trust was responsible for 18 schools – with two schools, St Nicholas Primary and Sturminster Newton High School joining part-way through the academic year.

2023 was the first year since the pandemic that the government indicated a return to pre-pandemic grading arrangements for pupils sitting tests and examinations.

Although exam data is still to be validated, post-16 outcomes were mixed across the trust. The Gryphon School performed well against most metrics. The average grade was higher than the national average for students following A-Level courses and over half of these students achieved an A*-B grade. The average grade for disadvantaged students compared well with national figures. The average grade for students, including those who are disadvantaged, following A-Level courses at Shaftesbury School was below the national average. However, the average grade for students following Applied courses was above the national average. This picture is also mirrored at Sturminster Newton, a school which has only recently joined the trust. Students following Applied courses did particularly well.

The variable results across the trust at post-16 are also in evidence at GCSE. The Gryphon School performed well against most metrics, including attainment in each grade band, including disadvantaged pupils. Attainment and progress at Shaftesbury School were below average, with the exception of SEND and disadvantaged pupils, who compared well with national averages. This is also the case at King Arthur's School, where SEND pupils were the exception to the rule and performed well against national. Sturminster Newton High School has only recently joined the trust. There is work to do here to improve outcomes against all metrics. Supporting the achievement of disadvantaged pupils and securing the highest grades in all schools are areas of focus going forward.

At Key Stage 2, SATs results were variable across schools and most did not meet the national average for the combined expected standard in reading, writing and maths combined. This is in contrast to last year's results, which were largely positive.

The 2022-23 academic year was a difficult, turbulent year for the trust, for different reasons. This has been felt in schools. As a result, pupils' outcomes were weaker in 2022-23. Trust leaders have been proactive in their response to this. The profile of pupil outcomes has been raised, along with the lines of accountability necessary to achieve stronger outcomes. Processes and activities are being put in place to raise standards and secure accountability, and much of this will be through the work of the school improvement team. Last year, the team developed the SAST Education Strategy, which sets out the expectations of staff and the support and challenge that will be provided by the team to assist them. This provision will be tailored to the needs of the school. Throughout the year, there will be opportunities to reflect and review impact to ensure that schools are progressing towards better outcomes in all areas of educational experience, not least achievement outcomes.

Five schools received Ofsted inspections during the last academic year. Outcomes were as follows:

School	Previous inspection date	Previous inspection judgement	Inspection date	Current inspection judgement
King Arthur's School	2017 (joined SAST in 2019)	Requires Improvement	November 2022	Requires Improvement
St Mary the Virgin CE Primary School	2017 (joined SAST in 2019)	Good	February 2023	Good
Shaftesbury School	2017 (joined SAST in 2020)	Good	March 2023	Good

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Motcombe CE Primary School	2017 (joined SAST in 2020)	Good	June 2023	Good
The Gryphon School	2017 (founding member of SAST)	Good	June 2023	Good

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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.

We actively promote the work of both the Trust and our schools to our various stakeholders. Internally, staff are kept up to date through newsletters, briefings, and events. Externally, we share news with all local media, as well as with our parents and families through newsletters, our website, and social media. We actively market our schools to potential parents in the region, to ensure we maximise school capacity.

PROMOTING SUCCESS OF THE COMPANY

The Sherborne Area Schools' Trust recognises the importance of making decisions that have a positive long-term impact on the Trust's ability to fulfil its educational objectives, ensuring the sustainable growth and development of the organization.

The Trust prioritizes the well-being and development of its employees, ensuring that they are provided with opportunities for professional growth and maintaining a supportive work environment. Our active CPD programme helps to develop staff, and we provide access to all employees to the National College online portal where they can find a range of training courses. We also regularly survey staff to find out their views and how we can continuously improve as an employer.

The Trust places significant emphasis on building and maintaining strong relationships with suppliers, customers, and stakeholders. These relationships are critical to the Trust's ability to deliver quality education and support services effectively.

The Trust acknowledges its responsibility towards the community and environment. It is committed to minimising its environmental footprint and actively engages with the local community to support its well-being. Our schools are active participants with regards to sustainability, with many having their own eco councils and groups, undertaking the re-wilding of school grounds, managing recycling initiatives and many have received environmental accreditations.

Upholding high standards of business conduct is of high importance to us as a trust. This includes transparency, integrity, and accountability in all its dealings, ensuring it maintains a strong reputation. We recognise the importance of the community and our stakeholders holding us in high esteem, as the organisation responsible for the education of young people within our care.

The Trust ensures fairness and equity among its members, whether they are students, employees, or stakeholders. It strives to provide equal opportunities and benefits to all. One of our core values is 'Equity and Distinctiveness' recognising the importance of every individual within our family of schools.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

FINANCIAL REVIEW

The 2022/23 academic year proved to be a challenging one for the trust, marked by financial pressures affecting the whole education sector, exacerbated by inflation and the rising costs of energy supplies. However, the trust has embraced these challenges and made strategic decisions to secure financial stability, including the closure of the Shaftesbury School boarding house, the merger of Okeford Fitzpaine and Shillingstone Primary, and a move towards Curriculum-Led Financial Planning across every school. These steps were aimed at ensuring a financial sustainability while continuing to provide quality education and support for students.

The trust remains committed to prudent financial management and is well-positioned to continue to grow and adapt to the evolving financial landscape in the education sector.

Financial Pressures due to Inflation

During the academic year 2022/23, the Trust experienced considerable financial pressure due to inflation and rising energy costs. During the year, the Trust procured new contracts for the supply of electricity and gas to secure fixed-prices for the next two years and rolled out a significant investment program to install LED lighting across the estate to improve energy-efficiency. The Trust is also deploying smart-metering and data aggregation software to provide analytics that will aid management in reducing total energy consumption.

Closure of Shaftesbury School Boarding House

In response to declining interest in state-boarding nationally, the Trust made the difficult decision to close the Shaftesbury School boarding house. While this decision had operational and financial implications, it was seen as a necessary step towards a more sustainable financial future.

Merger of Okeford Fitzpaine and Shillingstone Primary

Towards the end of the 2021/22 academic year, the Trust took the difficult decision to propose the merger of Okeford Fitzpaine and Shillingstone Primary schools due to a fall in pupil numbers. The merger was completed in April 2023, and the students are thriving within an environment that facilitates interaction and learning with peers of a similar age. The merger process created a challenging period financially, as the trust incurred additional costs for school-to-school transportation, site closure expenses, and the careful planning and reallocation of staffing resources.

Implementation of Curriculum-Led Financial Planning

During the previous academic year, the Board of Trustees agreed a policy to undertake Curriculum-Led Financial Planning and incorporate the principles of into the budget setting process. 2023/23 was the first year that the Trust operated a budget informed by CLFP to ensure that the financial and educational goals of the Trust were aligned, and resources could be suitably allocated to directly benefits students and the curriculum.

Growth of the trust

During the 2022/23 academic year, the Trust welcomed two new schools into its fold as both Sturminster Newton High School and St Nicholas CE Primary became academies. This expansion required financial investments in infrastructure, staffing, and other support systems, impacting the trust's overall financial landscape.

**SHERBORNE AREA SCHOOLS' TRUST
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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Income and Expenditure

The primary source of income for the Trust is the Department for Education (DfE) through the Education and Skills Funding Agency (ESFA). These funds are provided in the form of recurrent grants, and their use is restricted to specific purposes.

The Trust also receives grants for fixed assets from the DfE, and these grants are recorded as restricted income in the Fixed Asset Fund.

Total trust's income for the year ended 31st August 2023 (excluding restricted fixed asset and pension reserves) amounted to £36,865,618.

Total trust's total expenditure for the same period (excluding restricted fixed asset and pension reserves) was £37,463,917.

The excess of expenditure over income for the year (excluding restricted fixed asset and pension reserves) after transfers from restricted fixed asset funds of £367,411 was £230,885.

Fund Balances

The Trust's fund balances, excluding restricted fixed asset, non GAG restricted funds and pension reserves, decreased from £487,103 to £98,302 during the year.

Fixed Assets

The net book value of fixed assets as of August 31, 2023, was £41,450,303. These assets are exclusively used for providing education and support services to the pupils of the Trust.

Most land, buildings, and other assets were transferred to the Trust upon academy conversion. Subsequent additions are recorded at cost.

Other assets have been included in the financial statements based on a best estimate, considering purchase price and remaining useful lifespan.

Pension Deficit

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred upon academy conversion. Detailed information about this pension deficit is provided in note 28 to the financial statements.

Financial Policies

Key financial policies adopted or reviewed during the year include the Finance Policy and Anti-Fraud policy. These policies outline the framework for financial management, including financial responsibilities of the Board, headteachers, managers, budget holders, and other staff.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Reserves Policy

Historically, the Trust sought to maintain reserves for several purposes. This included funding current and future expenditures on fixed assets, supporting schools' working capital needs, and serving as a safety net for unforeseen challenges in running the Trust. The Trustees' objective is to hold reserves adequate to meet these needs and to allocate any surpluses generated by individual schools towards enhancing educational programs and facilities. Whilst the Trust's current policy is to maintain financial reserves ranging from 1.5% (£423,000) to 5% (£1,410,000) of its annual GAG (General Annual Grant including 16-19) funding, this policy has not fully considered the Trust's evolving risk picture or, indeed, been followed to the letter. As of the year-end, the Trust held free reserves amounting to £98,302, significantly lower than the minimum required in policy. The Trustees will, within the next academic year, review the risk picture of the trust, reset the reserves policy accordingly, and develop a plan for the realistic recovery of reserves to achieve compliance with the new reserves policy and to provide the necessary assurance both internally, and to current and potential partners.

The defined benefit pension scheme reserve shows a negative balance. This deficit position in the pension scheme leads to higher employer's pension contributions over several years, which will be covered from the Academy Trust's budgeted annual income. Although the deficit won't be immediately eliminated, it should not result in an actual cash flow deficit within the scheme or have a direct impact on the Trust's free reserves.

Investment Policy

The Trust's position is currently to only invest in risk free and easily accessible current bank accounts aiming to manage its cash balances to provide for the day-to-day working capital requirements of its operations.

In the future, opportunity permitting, the Trust would ensure that any investment instruments are such that there would be no tangible risk to the loss of cash funds. The Trust does not consider the possible future investment of surplus funds as a primary activity, rather it would be the result of good stewardship as and when circumstances allow and investments would only be made when approved by the Board of Trustees.

Purposes:

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital balances.
- To ensure there is no tangible risk of loss in the capital value of any cash funds invested.
- To protect the capital value of any invested funds against inflation.
- To optimise returns on invested funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has a designated Audit & Risk Committee for overseeing the process of risk management. In line with the guidance set out in the Academy Trust Handbook, the committee meets throughout the year to review the major risks faced by the Trust, alongside the operational, financial and compliance controls that have been implemented to mitigate those risks.

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

Strategic – to enable the Trust to achieve its strategic vision of 'delivering educational excellence through aspiration and collaboration' it is vital that its values are effectively communicated and enacted throughout each school. A failure to do so will limit the Trust's ability to develop and grow. There has been a significant level of change in the composition of the board over the past year, and the board is conscious that it needs to maintain its focus on holding leaders to account for achieving the trust's strategic objectives.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Compliance and regulatory – the Trust continues to evolve its response to meeting regulatory compliance, particularly towards ensuring that the estate is warm, safe, and dry. Health & Safety has been a major area of development during 2022/23 with a particular focus on ensuring that statutory maintenance and inspections are arranged in a timely manner. Compliance has been a regular agenda item, with the Audit & Risk Committee receiving termly reports on the executive team's approach to improving compliance and health & safety at each of the trust's 18 sites. The trust has also been concerned about the rise of cyber security attacks on educational establishments and has taken measures to improve resilience within its core IT networks.

Financial - The Trustees oversee the financial health of the trust on a regular basis. They review performance against budgets and overall expenditure by means of regular update reports at full board and Finance 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. The Trust's cash position, though secure, is not as strong as it could or should be. The Trustees will, within the next financial year, audit and where necessary replace processes and procedures for financial reporting. Trustees will also develop a new, robust and recognisable, curriculum led budgeting process to ensure both that need and statutory requirements are met, as a minimum, but also that resources are managed effectively and coherently. This will stabilise and improve the cash position of the trust and allow growth in reserves to enable future internal investment.

Governance – There has been a high-level of turbulence in the appointment and resignation of trustees over the course of the year, and, as at the 31st August, the number of trustees appointed to the board is below 50% of the board's capacity. It should be noted that none of the Trustees present on the board for the 22/23 academic year remains in place for the 23/24 academic year. It is critical that further skilled individuals are recruited to strengthen the board and ensure that the executive leaders of the trust are held to account for meeting the strategic objectives and delivering on operational performance. The board must also ensure that it continues to maintain compliance with the requirements of the Academy Trust Handbook and has developed processes to facilitate this.

School performance – Student attainment outcomes at the end of 2022/23 were not as strong as the previous academic year. The board of trustees must ensure that leaders are empowered to drive continuous school improvement, and to ensure that core functions around school improvements are suitably resourced in order to achieve the desired results.

The Trustees have assessed the major risks to which the Trust is exposed and have implemented systems to assess and minimise those risks, including internal controls described elsewhere.

The Trust has continued to strengthen its risk management process throughout the year by developing policies, training of staff, and raising the awareness of the importance of robust risk management practices. A central risk register is maintained and reviewed by the board on a regular basis.

The Audit & Risk Committee is responsible for the deployment of the Trust's internal auditors, and at the beginning of the year, a schedule of areas of potential vulnerability were selected. This year, the Board of Trustees has reviewed the work on the auditors in examining the effectiveness of:

- Strategic risk management.
- Due diligence to facilitate growth.
- Safer recruitment.
- Budgetary controls.
- Preparation of financial and management accounts.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The Board of Trustees ensures that actions and recommendations are swiftly implemented.

The Board of Trustees has a Finance & Resources Committee which examines the financial health of the Trust formally at least six times per academic year. The Committee reviews performance against budgets and overall expenditure by means of regular update reports. At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial, and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal ongoing process for identifying, evaluating, and managing significant risks that have been in place for the year.

FUNDRAISING

The Trust undertakes student fundraising activities for nominated charities on a regular basis. Charities supported during the 2022/23 academic year included Children in Need, Comic Relief, Save the Children, and Macmillan Cancer Support.

No commercial partners or professional fundraisers were involved with fundraising activities.

Schools sometimes undertake fundraising to fund individual projects. Any such funding is used to benefit students directly and support the costs of resources, educational visits, activities and improvements to educational facilities at individual schools.

The only major fundraising activity undertaken in 2022-23 was by Sherborne Primary School to fund an outdoor classroom which will also function as a community hub. The school has raised £22,000 towards the project which is expected to be completed in the 2023-24 academic year.

**SHERBORNE AREA SCHOOLS' TRUST
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**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

STREAMLINED ENERGY AND CARBON REPORTING

**UK Greenhouse gas emissions and energy use data
for the period 1 September 2021 to 31 August 2023**

	Current reporting year 2022/23	Comparison reporting year 2021/22
Energy Consumption used to calculate emissions		
- Electricity	2,412,013	2,312,511
- Gas	2,468,164	2,271,129
- transport fuel	12,428	10,583
Scope 1 emissions in metric tonnes CO2e		
Gas Consumption	452.07	414.57
Scope 2 emissions in metric tonnes CO2e		
Purchased Electricity	512.14	447.19
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	14.43	2.88
Total Gross emissions in metric tonnes CO2e	978.64	818.81
Intensity ratio Tonnes CO2e per pupil	0.85	0.91

QUALIFICATION AND REPORTING METHODOLOGY

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting

INTENSITY MEASUREMENT

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

MEASURES TAKEN TO IMPROVE ENERGY EFFICIENCY

During the 2022-23 academic year, the trust has carried out a project to install LED lighting across all premises in order to reduce the electricity consumption required to light all classrooms, working spaces, and outdoor areas across the trust.

PLANS FOR FUTURE PERIODS

The focus for the upcoming academic year will be on continuing the development and implementation of the trust's education strategy. This is the culmination of a substantial piece of work tailoring targeted school improvement to the needs of the individual schools within the trust.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Further detailed work is required on delivering financial strategy to ensure that all funding that the trust receives is deployed to maximise pedagogical impact. This will require an improved use of data in both academic and financial analysis, as well as the in-year reviews of risk, financial reporting and budgeting processes set out earlier in this report.

Recruitment continues to be a challenge, and the trust aims to improve its offer to attract and retain high-calibre individuals by investing in quality professional development opportunities and promoting staff wellbeing initiatives at every school. To achieve the vision of educational excellence, the trust must have access to the best teachers and the most modern and comprehensive strategies being developed in the field of teaching and learning.

The trust is also anticipating further growth by welcoming The Blandford School into SAST during the 2023/24 academic year. The increase secondary school places across the trust will enable further developments in shared resources and curriculum-intent for the Key stage 4 and 5 provision. The shift in topography of the trust will require a holistic review of central services to ensure that teams continue to self-evaluate as they mature and expand the scope of their offer to schools.

AUDITOR

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 22.12.2023 and signed on the board's behalf by:



David Middleton
Chair of Trustees

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2023**

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Sherborne Area Schools' 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 Officer 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 Sherborne Area Schools' Trust and the Secretary of State for Education. The Accounting Officer is 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 and its committees collectively met 27 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
N Rees (Chair)	4	10
J Ponsonby (Vice Chair)	1	2
S Jones	3	3
R Sullivan	6	8
G Colls	17	19
C Bedding	5	11
I Macfarlane	17	21
J Triffitt	4	11
R Davey	9	12
C Plewes	16	18
S Lusher	8	14
T Bartley	18	21
D Middleton	2	2
D Roberts	2	2
J Rundle	2	2
S McDonald	2	2
R Beavis	2	2

Changes to the Board of Trustee membership during the year are detailed below:

S Jones	Date of Termination 29.01.23
C Bedding	Date of Termination 29.06.23
G Colls	Date of Termination 29.06.23
I Macfarlane	Date of Termination 29.06.23
R Davey	Date of Termination 29.06.23
J Triffitt	Date of Termination 31.03.23

**SHERBORNE AREA SCHOOLS' TRUST
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

S Lusher	Date of Termination 29.06.23
T Bartley	Date of Termination 29.06.23
C Plewes	Date of Termination 29.06.23
A Morris	Date of Termination 29.06.23
R Sullivan	Date of Termination 08.03.23
J Ponsonby	Date of Termination 21.10.22
A Morris	Appointed 09.03.23 Date of Termination 29.06.23
D Middleton	Appointed 29.06.23
D Roberts	Appointed 29.06.23
J Rundle	Appointed 29.06.23
S McDonald	Appointed 29.06.23
R Beavis	Appointed 29.06.23

The main responsibilities of the Trust Board include:

- Strategy: mission, vision, and values.
- Governance: monitor performance and provide support.
- Finance: planning, budgeting, statutory accounts, and cash flow.
- Audit: financial controls and risk management.
- Premises: asset management planning.
- Health & Safety: monitoring compliance and effectiveness.
- ICT: develop and implement an integrated ICT strategy.
- Staffing: HR policies, workforce structure, and pay & remuneration.
- Appraisal: recruitment and appraisal of headteachers.
- Wellbeing: reporting and action.
- Teaching & Learning: policies, schemes of work and development.
- SEND & PP: compliance, policies, and practice.
- Behaviour: exclusions, awards, and sanctions.
- Admissions: policy and appeals.
- Collective worship: frameworks for monitoring development in faith schools.
- Parents & Community: develop strategies for the trust.
- Safeguarding: policies, training, and legal compliance.
- School Development: initiative for school improvement.
- External review: reporting and action plans.
- School organisation: school day, terms dates, and INSET.

Conflicts of Interest

The Board of Trustees and all Local Governing Bodies maintain a register of all declared personal/business interests and declare any conflicts of interest at the beginning of each meeting. All individuals are required to absent themselves from any discussion in which it is possible that a conflict will arise between their duty to act solely in the interests of the Trust and any personal or business interest or duty. This also applies to all employees, consultants, and volunteers.

Review of Governance

It is the trusts policy to undertake an external review of governance every two years, and an internal self-assessment, including a skills-audit, every year. This year, the trust undertook an external review of governance in April 2023, following the previous review in February 2021.

**SHERBORNE AREA SCHOOLS' TRUST
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

The findings of the review reflected the impact of growth on the trust and the need to ensure that governance structures are continually refreshed to ensure that they are suitable for an organisation of increasing size. The board is developing ways to improve the lines of communication with leaders and local governing bodies to ensure that roles and responsibilities are clear at all levels. The board also needs to ensure that it can attract and retain high-calibre individuals to further strengthen the collective skill set and knowledge of the board.

The Finance and Resources Committee is a committee of the main Board of Trustees. Its purpose is to focus on the effectiveness with which the Trust deploys resources to achieve value for money, the budget, finance, site development, and commercial activity. Its role is also to challenge and support leaders and managers, holding them to account for tackling weaknesses and further improving outcomes for all students.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
N Rees	3	9
J Ponsonby	1	1
G Colls	8	9
I Macfarlane	9	9
T Bartley	7	9

The Teaching, Learning, and Improvement Committee is also a committee of the main Board of Trustees. Its purpose is to have a strategic overview of:

- Performance and Improvement
- Safeguarding and other compliance
- Christian Distinctiveness

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Jones	1	1
R Sullivan	2	2
J Triffitt	0	2
R Davey	2	2
C Plewes	2	2

The Audit and Risk Committee is also a committee of the main Board of Trustees. Its purpose is to be responsible for the management and identification of risk, and the sound management and control of the Trust's finances and other resources.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
N Rees	3	4
A Morris	1	4
C Plewes	3	4
S Lusher	2	4

The People Committee is also a committee of the main Board of Trustees. Its purpose is to approve the remuneration and benefits for the headteachers and the Executive and oversee the consistency of outcomes from the performance management process for headteachers and the remuneration strategy for all employees.

Matters discussed during the year to 31 August 2023 include:

- Pay awards for teachers and support staff.
- A review of headteacher and executive pay.
- Development of improved performance management processes.

Attendance at People Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Bedding	1	2
I MacFarlane	2	2
C Plewes	2	2
T Bartley	2	2

REVIEW OF VALUE FOR MONEY

Under the scheme of delegation, the Chief Executive, as Accounting Officer, has responsibility for ensuring that the 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, as well as estates safety and management, 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. The Accounting Officer for the Trust has delivered improved value for money during the year by:

- Running a competitive tender exercise for cleaning services, grounds maintenance, and school condition surveys. The condition surveys will inform the trusts capital planning program to ensure that school buildings are warm, safe, and dry.
- Using a public sector framework for the procurement of multi-functional devices.
- Centralising the purchasing of insurance services to achieve preferential rates.
- The implementation of Curriculum-Led Financial Planning and Kreston benchmarking tools to assess financial performance.
- Undertaking a review of prices for the letting of school facilities to community groups.
- Utilising DfE compliant leasing services for critical IT infrastructure.
- Reviewing and rationalising educational and non-educational subscriptions and resources for performance and impact.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The internal control system is crafted to mitigate risks to a reasonable extent rather than eliminate any possibility of falling short in fulfilling policies, goals, and objectives. Consequently, it can offer only a reasonable level of assurance regarding its effectiveness, not an absolute guarantee. The internal control system relies on an ongoing process, which entails identifying and prioritising risks that could hinder the achievement of Trust policies, goals, and objectives. It assesses the likelihood of these risks becoming reality and the potential impact if they do occur, and aims to manage them efficiently, effectively, and economically. The internal control system has been in place within Sherborne Area Schools' Trust from 1st September 2022, until 31st August 2023, extending up to the approval date of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has examined the principal risks faced by the Trust, along with the operational, financial, and compliance measures in place to address these risks. The Board believes that there is a well-established and continuous procedure for identifying, assessing, and handling significant risks of the Trust, which has been in operation from September 1, 2022, through August 31, 2023, and up to the date when the annual report and financial statements were approved. The Board of Trustees regularly evaluates this process.

THE RISK AND CONTROL FRAMEWORK

The 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:

- A strategic risk register that identifies key concerns and the respective controls that give Trustees assurance that mitigating actions are in place.
- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees.
- Regular reviews by the Finance & Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works, and expenditure programmes.
- Setting executive leaders targets to measure financial and other performance metrics.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and the segregation of duties.

The board of trustees has decided to buy-in internal audit services from OneWest, part of Bath & North-East Somerset Council, to perform this function.

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

- Strategic risk management.
- Due diligence to facilitate growth.
- Safer recruitment.
- Budgetary controls.
- Preparation of financial and management accounts.

**SHERBORNE AREA SCHOOLS' TRUST
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**GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

A schedule of work to be delivered by OneWest is agreed annually by the Audit & Risk Committee. This schedule includes reviews of individual schools, and central functions. Once per year, OneWest reports directly to the Trustees, through the Audit & Risk Committee, on the operation of the systems of control and on the discharge of the Board's financial responsibilities. The executive team report on the progress of the schedule of internal audit to the Audit & Risk committee on a termly basis.

The schedule of works was delivered as planned, and the auditors have reported that it is their opinion that the Trust has provided substantial assurance that policies and procedures are robust and compliant.

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:

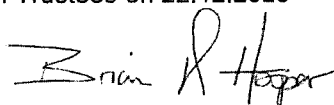
-
- The work of the internal auditor.
- The financial management and governance self-assessment process or the school resource management self-assessment tool.
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditor.
- Correspondence from ESFA e.g., financial notice to improve/notice to improve and 'minded to' letters.

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control by the Audit & Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the member of the Board of Trustees on 22.12.2023 and signed on its behalf by:



D Middleton
Chair of Trustees



B Hooper
Accounting Officer

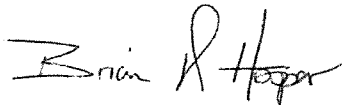
**SHERBORNE AREA SCHOOLS' TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Sherborne Area Schools' Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education and 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 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 Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy'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.



B Hooper
Accounting Officer
Date: 22.12.2023

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2023**

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 and 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 of 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 and signed on its behalf by:



D Middleton
Chair of Trustees

22 December 2023

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SHERBORNE AREA SCHOOLS' TRUST**

Opinion

We have audited the financial statements of Sherborne Area Schools' Trust (the 'Trust') for the year ended 31 August 2023 which comprise the Statement of Financial Activities (incorporating income and expenditure account), the Balance sheet, the Statement of cash flows and the related notes, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trust'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.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SHERBORNE AREA SCHOOLS' TRUST (CONTINUED)**

Other information

The other information comprises the information included in the Annual report and financial statements other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report and financial statements. 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.
- 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 our knowledge and understanding of the Trust 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SHERBORNE AREA SCHOOLS' TRUST (CONTINUED)**

Auditors' 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 an Auditors' report 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the Academy sector, control environment and the Trust's performance;
- results of our enquiries of management and the Trustee board, including the committees charged with governance over the Trust's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Trust's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations;
- how the Trust ensured it met its obligations arising from it being financed by the ESFA and other funders, and as such material compliance with these obligations is required to ensure the Trust will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure;
- how the Trust ensured it met its obligations to its principal regulator, the Secretary of State for Education; and
- these matters were discussed among the audit engagement team who also considered any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, procurement and payroll. We identified the greatest potential for fraud as incorrect recognition of revenue and management override using manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Trust operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Academies Accounts Direction, Academies Financial Handbook, UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Trust's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, building legislation and employment legislation.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SHERBORNE AREA SCHOOLS' TRUST (CONTINUED)**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of Trustees and management and those charged with governance concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of its regulators;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

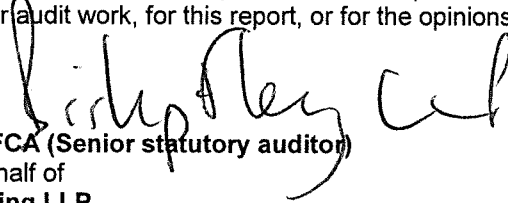
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SHERBORNE AREA SCHOOLS' TRUST (CONTINUED)**

Use of our report

This report is made solely to the Trust'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 Trust's members those matters we are required to state to them in an Auditors' 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.


Tim Borton FCA (Senior statutory auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date:

22 December 2023

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHERBORNE
AREA SCHOOLS' TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 August 2022 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 Sherborne Area Schools' Trust during the year 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 Sherborne Area Schools' Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sherborne Area Schools' Trust and 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 Sherborne Area Schools' Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sherborne Area Schools' Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sherborne Area Schools' Trust's funding agreement with the Secretary of State for Education dated 2017 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 year 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.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHERBORNE
AREA SCHOOLS' TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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 Trust's income and expenditure.

The work undertaken to draw our conclusion includes:

An assessment of the risk of material irregularity and impropriety across all of the Trust's activities;

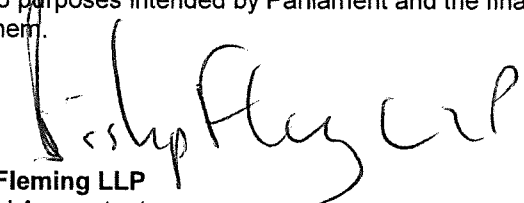
Further testing and review of the areas identified through the risk assessment including enquiry, identification of controls processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and

Consideration of evidence obtained through the work detailed above and the work completed as part of our audit of the financial statements in order to support the regularity conclusion.

In line with the Framework and guide for external auditors and reporting accountants of academy trusts issued April 2023, we have not performed any additional procedures regarding the Trust's compliance with safeguarding, health and safety and estates management.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 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.



Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

Date:

22 December 2023

SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:						
Donations and capital grants:	3					
Other donations and capital grants		328,009	96,402	4,977,963	5,402,374	1,587,863
Other trading activities		910,511	-	-	910,511	836,892
Investments	7	296	-	-	296	392
Charitable activities	4	1,140,159	33,815,241	-	34,955,400	30,682,600
Total income		2,378,975	33,911,643	4,977,963	41,268,581	33,107,747
Expenditure on:						
Raising funds		10,911	-	-	10,911	242,221
Charitable activities	9	2,491,704	35,402,302	1,276,881	39,170,887	36,120,169
Loss on disposal of fixed assets		-	-	6,029,988	6,029,988	-
Total expenditure		2,502,615	35,402,302	7,306,869	45,211,786	36,362,390
Net expenditure		(123,640)	(1,490,659)	(2,328,906)	(3,943,205)	(3,254,643)
Transfers between funds	20	(293,324)	660,735	(367,411)	-	-
Net movement in funds before other recognised gains/(losses)		(416,964)	(829,924)	(2,696,317)	(3,943,205)	(3,254,643)
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	28	-	3,069,000	-	3,069,000	20,967,000
Net movement in funds		(416,964)	2,239,076	(2,696,317)	(874,205)	17,712,357

SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
Reconciliation of funds:					
Total funds brought forward	515,266	(6,690,163)	45,093,546	38,918,649	21,206,292
Net movement in funds	(416,964)	2,239,076	(2,696,317)	(874,205)	17,712,357
Total funds carried forward	<u>98,302</u>	<u>(4,451,087)</u>	<u>42,397,229</u>	<u>38,044,444</u>	<u>38,918,649</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 41 to 78 form part of these financial statements.

SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08130468

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	16	6,287	11,500
Tangible assets	17	41,450,303	44,118,617
		<u>41,456,590</u>	<u>44,130,117</u>
Current assets			
Debtors	18	1,817,894	1,402,168
Cash at bank and in hand		2,349,317	2,690,107
		<u>4,167,211</u>	<u>4,092,275</u>
Creditors: amounts falling due within one year	19	(2,970,357)	(2,641,743)
Net current assets		<u>1,196,854</u>	<u>1,450,532</u>
Total assets less current liabilities		<u>42,653,444</u>	<u>45,580,649</u>
Net assets excluding pension liability		<u>42,653,444</u>	<u>45,580,649</u>
Defined benefit pension scheme liability	28	(4,618,000)	(6,662,000)
Total net assets		<u><u>38,035,444</u></u>	<u><u>38,918,649</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	42,397,229	45,093,546
Restricted income funds	20	157,913	(28,163)
		<u>42,555,142</u>	<u>45,065,383</u>
Restricted funds excluding pension asset	20	42,555,142	45,065,383
Pension reserve	20	(4,618,000)	(6,662,000)
Total restricted funds	20	<u>37,937,142</u>	<u>38,403,383</u>
Unrestricted income funds	20	<u>98,302</u>	<u>515,266</u>
Total funds		<u><u>38,035,444</u></u>	<u><u>38,918,649</u></u>

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:08130468**

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2023**

The financial statements on pages 36 to 78 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

A handwritten signature in black ink, appearing to be 'D Middleton', with a long horizontal flourish extending to the right.

D Middleton
Chair of Trustees

Date: 22.12.2023

The notes on pages 41 to 78 form part of these financial statements.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	22	(435,783)	(514,702)
Cash flows from investing activities	24	94,993	271,854
Cash flows from financing activities	23	-	(78,299)
Change in cash and cash equivalents in the year		(340,790)	(321,147)
Cash and cash equivalents at the beginning of the year		2,690,107	3,011,254
Cash and cash equivalents at the end of the year	25, 26	<u>2,349,317</u>	<u>2,690,107</u>

The notes on pages 41 to 78 form part of these financial statements

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**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), judgments and key sources of estimation uncertainty, is set out below.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2021 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sherborne Area Schools' Trust meets the definition of a public benefit entity under FRS 102.

The financial statements include the results of a registered charity, The Gryphon Foundation. The objects of the Foundation are to provide benefits of any kind to The Gryphon School in order to further the education of past or present pupils or young people resident in the beneficial area. No amount was due to or from The Gryphon Foundation at the year-end (2022: £nil).

A wholly owned subsidiary company, SASTCO Limited, was incorporated on the 7th September 2017 with the intention of providing sports facilities for the Trust. However, having regard to the level and the nature of activity and balances in SASTCO Limited up to 31 August 2023, it is considered that not consolidating SASTCO Limited does not materially impact the transactions and balances reported in the financial statements of the Trust. Accordingly consolidated financial statements have not been prepared.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.2 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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

In making the above assessment, the Trustees have considered the in-year operating deficit and subsequent reduction of reserves during the year ended 31 August 2023, which was averse to the budget set at the beginning of the year.

The Trustees were aware, at the beginning of the year, of the substantial financial and operational challenges brought by the boarding provision at Shaftesbury School which had been unable to stem the year-on-year reduction in boarder numbers following the UK's withdrawal from the European Union. The subsequent closure of the boarding house, along with the associated disposal and redundancy costs, has hindered the trusts' ability to return the predicted surplus budget; however, the trustees are now confident that the removal of risks and liabilities relating to the boarding provision maneuverer the trust into a strong position, able to recover its reserves in 2023/24.

The trust has also seen a period of sustainable growth, welcoming both St Nicholas, Child Okeford and Sturminster Newton High School into the organisation during the year and are looking forward to further growth in 2023/24; further strengthening the financial position of the trust.

The budget set for the year ending 31st August 2024 predicts a small surplus which is being closely monitored, and the Trustees expect the trust will be able to manage with the limited reserves it has brought forward. In terms of its bank position, the Trust had bank balances of £2.35m at the year end and it is not envisaged that this will change significantly by the end of the current financial year. The Trustees are therefore content with their assessment that the trust remains a going concern.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.3 INCOME

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

• **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 year 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.

• **Sponsorship income**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of financial activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it 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.

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the 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 Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Transfer of existing academies into the Trust**

Where assets and liabilities are received on the transfer of an existing academy into the Trust, 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 Trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

• **Donated fixed assets (excluding transfers on conversion or into the Trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.4 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.

- **Expenditure on raising funds**

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 TAXATION

The 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 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.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.7 INTANGIBLE ASSETS

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Software and website	- 4 years straight line
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1.8 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. 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold 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.

Depreciation is not provided for on freehold land as any provision (annual or cumulative) would not be material due to the very long expected remaining useful economic life and because the expected residual value is not materially less than the carrying amount.

**SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.8 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is provided on the following bases:

Long-term leasehold property	- 50 years straight line
Fixtures, fittings and equipment	- 5 years straight line
Plant and machinery	- 7 years straight line
Motor vehicles	- 4 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Where the Trust has been granted use of the school buildings from the Diocese under Supplemental Agreements, the Academies Accounts Direction prescribes that under this agreement the risks and rewards of ownership remain with the Diocese. A donation from the Diocese has been recognised equal to the deemed rental expense, based on the rateable value of the buildings.

1.9 DEBTORS

Trade and other debtors are recognised with no stated interest rate and due within one year are recorded at the amount of the cash or other considerations expected to be received. Prepayments are valued at the amount paid.

1.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.11 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 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.

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. 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.

1.13 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.14 PENSIONS

Retirement benefits to employees of the 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 so as to spread the cost of pensions over employees' working lives with the 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 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 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 operating surplus 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.

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

1. Accounting policies (continued)

1.15 AGENCY ARRANGEMENTS

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 33.

1.16 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, 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.

Critical areas of judgment:

The Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the 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.

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Income from donations and capital grants

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £	Total funds 2022 £
DONATIONS					
Assets transferred on conversion	158,228	(732,000)	3,473,603	2,899,831	-
Other donations	169,781	828,402	27,500	1,025,683	749,740
Capital grants	-	-	1,476,860	1,476,860	838,123
	<u>328,009</u>	<u>96,402</u>	<u>4,977,963</u>	<u>5,402,374</u>	<u>1,587,863</u>
TOTAL 2022	<u>156,116</u>	<u>533,144</u>	<u>898,603</u>	<u>1,587,863</u>	

4. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Education	1,140,159	33,499,519	34,639,678	30,013,700
Boarding	-	315,722	315,722	668,900
	<u>1,140,159</u>	<u>33,815,241</u>	<u>34,955,400</u>	<u>30,682,600</u>
TOTAL 2022	<u>773,397</u>	<u>29,909,203</u>	<u>30,682,600</u>	

SHERBORNE AREA SCHOOLS' TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

5. Funding for the Trust's educational operations

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
EDUCATION				
DFE/ESFA GRANTS				
General Annual Grant	-	25,072,955	25,072,955	23,067,306
OTHER DFE/ESFA GRANTS				
Pupil Premium	-	1,337,381	1,337,381	1,118,192
Universal Infant Free School Meals	-	326,224	326,224	278,499
16-19 Funding	-	3,135,512	3,135,512	2,597,607
Schools Supplementary Grant	-	710,918	710,918	296,217
PE and Sports	-	205,374	205,374	225,610
Teachers Pay and Pension Grant	-	122,620	122,620	191,418
Others	-	682,016	682,016	387,825
	-	31,593,000	31,593,000	28,162,674
OTHER GOVERNMENT GRANTS				
High Needs	-	532,434	532,434	447,859
Other government grants	-	1,137,986	1,137,986	423,661
	-	1,670,420	1,670,420	871,520
Other income from the Academy Trust's education	1,140,159	-	1,140,159	788,501
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)				
Recovery Premium	-	218,909	218,909	142,735
School Led Tutoring	-	17,190	17,190	-
	-	236,099	236,099	142,735
COVID-19 ADDITIONAL FUNDING (NON-DFE/ESFA)				
COVID-19 Mass Testing	-	-	-	48,270
	-	-	-	48,270
	1,140,159	33,499,519	34,639,678	30,013,700
	1,140,159	33,499,519	34,639,678	30,013,700
TOTAL 2022	773,397	29,240,303	30,013,700	

The Trust was eligible in 2022 to claim additional funding from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "COVID-19 Additional Funding (DFE/ESFA)". The funding received covers £236,099 (2022 - £142,735) of additional costs.

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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6. Income from other trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Lettings, leisure and other income	493,395	493,395	432,517
School transport income	417,116	417,116	404,375
	<u>910,511</u>	<u>910,511</u>	<u>836,892</u>
TOTAL 2022	<u>836,892</u>	<u>836,892</u>	

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Bank interest	296	296	392
	<u>392</u>	<u>392</u>	
TOTAL 2022	<u>392</u>	<u>392</u>	

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Expenditure

	Staff Costs 2023 £	Premises 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	10,911	10,911	242,221
Education:					
Direct costs	23,394,023	1,018,263	2,743,415	27,155,701	26,821,455
Allocated support costs	5,550,543	2,448,407	3,435,353	11,434,303	8,516,456
Boarding:					
Direct costs	-	-	-	-	13,802
Allocated support costs	361,999	64,847	154,037	580,883	768,456
Other costs:					
Loss on disposal of assets	-	-	6,029,988	6,029,988	-
	<u>29,306,565</u>	<u>3,531,517</u>	<u>12,373,704</u>	<u>45,211,786</u>	<u>36,362,390</u>
TOTAL 2022	<u><u>27,866,857</u></u>	<u><u>2,983,017</u></u>	<u><u>5,512,516</u></u>	<u><u>36,362,390</u></u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Education	2,491,704	36,098,300	38,590,004	35,337,911
Boarding	-	580,883	580,883	782,258
	<u>2,491,704</u>	<u>36,679,183</u>	<u>39,170,887</u>	<u>36,120,169</u>
TOTAL 2022	<u><u>1,690,300</u></u>	<u><u>34,429,869</u></u>	<u><u>36,120,169</u></u>	

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	27,155,701	11,434,303	38,590,004	35,337,911
Boarding	-	580,883	580,883	782,258
	<u>27,155,701</u>	<u>12,015,186</u>	<u>39,170,887</u>	<u>36,120,169</u>
TOTAL 2022	<u>26,835,257</u>	<u>9,284,912</u>	<u>36,120,169</u>	

Analysis of direct costs

	Education 2023 £	Boarding 2023 £	Total funds 2023 £	Total funds 2022 £
Pension finance costs	270,000	-	270,000	412,000
Staff costs	23,454,937	-	23,454,937	23,334,620
Depreciation	1,018,263	-	1,018,263	1,045,783
Educational supplies	671,951	-	671,951	558,598
Examination fees	343,427	-	343,427	352,786
Staff development	89,451	-	89,451	72,517
Other costs	515,938	-	515,938	391,419
Supply teachers	219,586	-	219,586	144,331
Technology costs	33,780	-	33,780	17,656
Amortisation	5,783	-	5,783	12,877
Educational services	532,585	-	532,585	492,670
TOTAL 2023	<u>27,155,701</u>	<u>-</u>	<u>27,155,701</u>	<u>26,835,257</u>
TOTAL 2022	<u>26,821,455</u>	<u>13,802</u>	<u>26,835,257</u>	

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Analysis of expenditure by activities (continued)

Analysis of support costs

	Education 2023 £	Boarding 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	5,427,043	361,999	5,789,042	4,170,734
Depreciation	252,835	-	252,835	207,673
Other costs	72,049	-	72,049	38,139
Recruitment and support	38,409	749	39,158	85,411
Maintenance of premises and equipment	585,009	15,740	600,749	350,749
Cleaning	454,024	1,629	455,653	338,020
Rent and rates	927,846	3,802	931,648	816,903
Energy costs	610,239	42,589	652,828	756,846
Insurance	81,822	-	81,822	112,425
Security and transport	326,154	1,087	327,241	342,723
Catering	945,471	132,937	1,078,408	951,154
Technology costs	599,527	-	599,527	605,718
Office overheads	515,621	12,263	527,884	227,898
Legal and professional	534,827	8,088	542,915	231,930
Bank interest and charges	18,980	-	18,980	16,009
Governance	44,447	-	44,447	32,580
TOTAL 2023	11,434,303	580,883	12,015,186	9,284,912
TOTAL 2022	8,516,456	768,456	9,284,912	

11. Net expenditure

Net expenditure for the year includes:

	2023 £	2022 £
Operating lease rentals	138,467	52,519
Depreciation of tangible fixed assets	1,271,098	1,253,456
Amortisation of intangible assets	5,783	12,877
Loss on disposal of tangible fixed assets	6,029,988	-
Auditors' remuneration		
- audit	26,400	25,355
- other services	2,930	2,930

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	21,667,302	19,319,116
Social security costs	2,187,639	1,824,598
Pension costs	5,095,884	6,544,894
	<u>28,950,825</u>	<u>27,688,608</u>
Agency staff costs	219,586	144,331
Staff restructuring costs	293,154	33,918
	<u><u>29,463,565</u></u>	<u><u>27,866,857</u></u>

Staff restructuring costs comprise:

	2023 £	2022 £
Redundancy payments	82,486	-
Severance payments	210,668	33,918
	<u>293,154</u>	<u>33,918</u>

b. Severance payments

The Trust paid £210,668 severance payments in the year (2022: £33,918) disclosed in the following bands:

	2023 No.	2022 No.
£0 - £25,000	5	3
£25,001 - £50,000	3	-
£50,001 - £100,000	1	-
	<u><u>1</u></u>	<u><u>-</u></u>

c. Special staff severance payments

Included in staff restructuring costs are non-statutory/non contractual severance payments totalling £94,096 (2022: £Nil). Individually, the payments were £35,375, £30,339, £22,613 and £5,719 (2022: £Nil).

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. Staff (continued)

d. Staff numbers

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

	2023 No.	2022 No.
Teachers	332	310
Administration and support	404	408
Management	46	40
	<u>782</u>	<u>758</u>

The average headcount expressed as full-time equivalents was:

	2023 No.	2022 No.
Teachers	289	274
Administration and support	262	258
Management	45	40
	<u>596</u>	<u>572</u>

e. Higher paid staff

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

	2023 No.	2022 No.
In the band £60,001 - £70,000	9	11
In the band £70,001 - £80,000	6	3
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	2	-
In the band £110,001 - £120,000	1	-
In the band £130,001 - £140,000	-	1
In the band £190,001 - £200,000	1	-
	<u>1</u>	<u>-</u>

f. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) and other payments received by key management personnel for their services to the Trust was £750,303 (2022 - £463,149).

**SHERBORNE AREA SCHOOLS' TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

13. Central services

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

- Executive leadership
- Human resources and payroll
- Financial Services
- Legal and governance services
- Health and Safety
- IT Support
- Estates Support
- School improvement
- School admissions and appeals
- General Data Protection Regulation (GDPR) services
- Other corporate support services

The Trust charges for these services on the following basis:

4.7-8.0% of GAG funding.

The actual amounts charged during the year were as follows:

	2023 £	2022 £
Buckland Newton C of E VC Primary School	-	39,629
Sherborne Abbey C of E VC Primary School	-	112,694
Sherborne Primary School	-	110,049
St Andrew's C of E VC Primary School	-	45,660
St Mary's C of E VC Primary School	-	39,628
The Gryphon School	-	524,419
Thornford CE VA School	-	37,344
Charlton Horethorne Primary School	-	27,438
King Arthur's School	-	190,994
Okeford Fitzpaine Primary School	-	21,220
St Mary the Virgin Primary School	-	66,878
Shillingstone Primary School	-	38,876
Shaftesbury School	-	337,225
Motcombe C of E Primary School	-	61,953
Shaftesbury C of E Primary School	-	125,277
St Andrew's C of E Primary School, Fontmell Magna	-	45,660
Harbour Vale School	-	28,800
TOTAL	-	1,853,744

At the start of the year the Trust implemented a GAG pooling policy. As such, central service recharges ceased.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, expenses totalling £113 were reimbursed or paid directly to 1 Trustee (2022: £NIL).

15. Trustees' and Officers' insurance

The 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 Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

16. Intangible assets

	Software & website £
COST	
At 1 September 2022	97,340
Additions	570
At 31 August 2023	97,910
AMORTISATION	
At 1 September 2022	85,840
Charge for the year	5,783
At 31 August 2023	91,623
NET BOOK VALUE	
At 31 August 2023	6,287
At 31 August 2022	11,500

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FOR THE YEAR ENDED 31 AUGUST 2023

17. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Plant and machinery £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2022	45,818,752	2,722,142	83,051	14,767	48,638,712
Additions	921,049	238,120	-	-	1,159,169
Acquired on conversion	3,333,333	140,270	-	-	3,473,603
Disposals	(6,370,583)	(36,469)	(11,310)	-	(6,418,362)
At 31 August 2023	43,702,551	3,064,063	71,741	14,767	46,853,122
DEPRECIATION					
At 1 September 2022	2,561,330	1,910,412	33,586	14,767	4,520,095
Charge for the year	871,263	389,595	10,240	-	1,271,098
On disposals	(360,955)	(22,572)	(4,847)	-	(388,374)
At 31 August 2023	3,071,638	2,277,435	38,979	14,767	5,402,819
NET BOOK VALUE					
At 31 August 2023	40,630,913	786,628	32,762	-	41,450,303
At 31 August 2022	43,257,422	811,730	49,465	-	44,118,617

The Academy Trust's transactions relating to land and buildings included the acquisition of additional school land and building on conversion to an academy and improvements to existing buildings.

18. Debtors

	2023 £	2022 £
DUE WITHIN ONE YEAR		
Trade debtors	69,568	181,535
Amounts owed by group undertakings	-	19,373
Other debtors	124	4,062
Prepayments and accrued income	1,437,283	1,054,501
Amounts owed for funds inherited on conversion	183,805	-
Tax recoverable	127,114	142,697
	1,817,894	1,402,168

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19. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	194,291	711,605
Amounts owed to group undertakings	63	-
Amounts owed for funds inherited on conversion	25,577	-
Other taxation and social security	590,673	446,455
Other creditors	782,062	686,528
Accruals and deferred income	1,377,691	797,155
	<u>2,970,357</u>	<u>2,641,743</u>
	2023 £	2022 £
Deferred income		
Deferred income at 1 September 2022	436,395	649,192
Resources deferred during the year	523,716	436,395
Amounts released from previous periods	(436,395)	(649,192)
	<u>523,716</u>	<u>436,395</u>

At the balance sheet date the Trust was holding funds received in advance for boarding fees, rates relief, UiFSM, trips and travel deposits.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2023 £
UNRESTRICTED FUNDS						
General Funds	515,266	2,378,975	(2,502,615)	(293,324)	-	98,302
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	25,072,955	(25,440,366)	367,411	-	-
16-19 Funding	-	3,135,512	(3,135,512)	-	-	-
Pupil Premium	-	1,337,381	(1,337,381)	-	-	-
Other DfE grants	-	818,115	(818,115)	-	-	-
Other grants	-	1,237,986	(1,080,073)	-	-	157,913
High Needs	-	532,434	(532,434)	-	-	-
Teachers' pay & pension grant	-	122,620	(122,620)	-	-	-
Universal free school meals	-	326,224	(326,224)	-	-	-
PE grant	-	205,374	(205,374)	-	-	-
Schools supplementary grant	-	710,918	(710,918)	-	-	-
Donated facilities	-	525,569	(525,569)	-	-	-
Other restricted funds	-	145,833	(145,833)	-	-	-
Boarding	(28,163)	315,722	(580,883)	293,324	-	-
Pension reserve	(6,662,000)	(575,000)	(441,000)	-	3,060,000	(4,618,000)
	(6,690,163)	33,911,643	(35,402,302)	660,735	3,060,000	(4,460,087)

**SHERBORNE AREA SCHOOLS' TRUST
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20. Statement of funds (continued)

**RESTRICTED
FIXED ASSET
FUNDS**

Fixed assets transferred on conversion	5,409,308	3,473,603	(265,026)	-	-	8,617,885
DfE/ESFA capital grants	3,911,343	1,476,860	(140,948)	(367,411)	-	4,879,844
Capital expenditure from GAG	820,830	-	(130,535)	-	-	690,295
Donated fixed assets	4,204,495	27,500	(164,767)	-	-	4,067,228
Other	399,849	-	(9,201)	-	-	390,648
Fixed assets transferred in	30,347,721	-	(6,596,392)	-	-	23,751,329
	<u>45,093,546</u>	<u>4,977,963</u>	<u>(7,306,869)</u>	<u>(367,411)</u>	<u>-</u>	<u>42,397,229</u>
TOTAL RESTRICTED FUNDS	38,403,383	38,889,606	(42,709,171)	293,324	3,060,000	37,937,142
TOTAL FUNDS	38,918,649	41,268,581	(45,211,786)	-	3,060,000	38,035,444

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

RESTRICTED FUNDS

General Annual Grant and 16-19 funding - Income from the ESFA which is to be used for the normal running costs of the Trust, including education and support costs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Trust to address the current underlying inequalities between those children and their wealthier peers.

Other DfE grants - Represents funding received from other DfE bodies.

Other grants - This fund represents grants made to the school from local authority and non-government sources.

High needs - Funding received by the Local Authority to fund further support for students with additional needs.

Teachers' pension grant - Represents grants made to the Trust to support it with the increase in employer contributions to the teachers' pension scheme.

Teachers' pay grant - Represents grants made to the Trust to support it with the increase in teachers' pay awards.

Universal free school meals - Represents funding to offer free school meals to pupils.

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20. Statement of funds (continued)

PE grant - Represents funding received to fund additional and sustainable improvements to the provision of PE and sport.

Schools supplementary grant - Represents Government funding to meet the costs of the Health & Social Care Levy and wider costs.

Other income - Represents all other incoming resources to the Trust.

Donated facilities - Represents matching donation income and rental expense to/from the Salisbury Diocese for use of the Church School buildings.

COVID grants - additional funding in year from government support schemes in response to the coronavirus outbreak.

GAG on conversion - Income from the ESFA which is to be used for the normal running costs of the Trust, including education and support costs, transferred in upon Southern Academy Trust joining the Trust.

Other restricted funds on conversion - Other restricted funding streams transferred in upon Southern Academy Trust joining the Trust.

Boarding - This represents amounts paid by parents to enable a child to board at the Trust.

Pension Reserve – This represents the Trust's share of the assets and liabilities in the Local Government Pension Scheme – As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion of schools into its academies.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion/acquisition of academies - This represent the buildings and equipment donated to the Trust from the Local Authority on conversion or the acquisition of existing academies.

Fixed assets purchased from GAG and other restricted funds - This represents the assets purchased out of restricted funds for the ongoing operations of the Academies.

DfE/ESFA Capital Grants - These funds are received from the DfE/ESFA for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Other capital donations - These funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

TRANSFERS BETWEEN FUNDS

Transfers between funds have been made from Fixed Asset Funds to GAG due to ESFA capital funding being used to pay for eligible revenue expenditure.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General Funds	680,990	1,766,797	(1,932,521)	-	-	515,266
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	(523,943)	25,664,913	(25,323,165)	182,195	-	-
16-19 Funding	17,325	1,118,192	(1,135,517)	-	-	-
Other DfE grants	-	684,042	(684,042)	-	-	-
Other grants	44,979	423,661	(468,640)	-	-	-
High Needs	-	447,859	(447,859)	-	-	-
Teachers' pay & pension grant	-	191,418	(191,418)	-	-	-
Universal free school meals	-	278,499	(278,499)	-	-	-
PE grant	76,746	225,610	(302,356)	-	-	-
Other income	-	14,733	(14,733)	-	-	-
Donated facilities	-	533,144	(533,144)	-	-	-
Schools supplementary grant	55,983	191,005	(246,988)	-	-	-
Boarding	123,741	669,271	(821,175)	-	-	(28,163)
Pension reserve	(24,913,000)	-	(2,716,000)	-	20,967,000	(6,662,000)
	<u>(25,118,169)</u>	<u>30,442,347</u>	<u>(33,163,536)</u>	<u>182,195</u>	<u>20,967,000</u>	<u>(6,690,163)</u>

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Statement of funds (continued)

**RESTRICTED
FIXED ASSET
FUNDS**

Fixed assets transferred on conversion	5,674,334	-	(265,026)	-	-	5,409,308
DfE/ESFA capital grants	3,449,566	838,123	(65,564)	(310,782)	-	3,911,343
Capital expenditure from GAG	876,952	-	(184,709)	128,587	-	820,830
Donated fixed assets	4,306,532	60,480	(162,517)	-	-	4,204,495
Other	409,050	-	(9,201)	-	-	399,849
Fixed assets transferred in	30,927,037	-	(579,316)	-	-	30,347,721
	<u>45,643,471</u>	<u>898,603</u>	<u>(1,266,333)</u>	<u>(182,195)</u>	<u>-</u>	<u>45,093,546</u>
TOTAL RESTRICTED FUNDS	<u>20,525,302</u>	<u>31,340,950</u>	<u>(34,429,869)</u>	<u>-</u>	<u>20,967,000</u>	<u>38,403,383</u>
TOTAL FUNDS	<u><u>21,206,292</u></u>	<u><u>33,107,747</u></u>	<u><u>(36,362,390)</u></u>	<u><u>-</u></u>	<u><u>20,967,000</u></u>	<u><u>38,918,649</u></u>

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Total funds analysis by Academy

Fund balances at 31 August 2023 were allocated as follows:

	2023	2022
	£	£
Buckland Newton C of E VC Primary School	-	132,778
Sherborne Abbey C of E VC Primary School	-	107,935
Sherborne Primary School	-	125,092
St Andrew's C of E VC Primary School, Yetminster	-	84,412
St Mary's C of E VC Primary School	-	30,166
The Gryphon School	-	(143,905)
Thornford CE VA School	-	(3,686)
Charlton Horethorne Primary School	-	21,542
King Arthur's School	-	156,763
Okeford Fitzpaine Primary School	-	52,749
St Mary the Virgin Primary School	-	63,793
Shillingstone Primary School	-	(2,182)
Shaftesbury School	-	173,844
Motcombe C of E Primary School	-	74,988
Shaftesbury C of E Primary School	-	195,008
St Andrew's C of E Primary School, Fontmell Magna	-	(117,791)
Harbour Vale School	-	(144,843)
Central	256,215	(319,560)
Total before fixed asset funds and pension reserve	256,215	487,103
Restricted fixed asset fund	42,397,229	45,093,546
Pension reserve	(4,618,000)	(6,662,000)
TOTAL	38,035,444	38,918,649

The Trust entered into a GAG pooling arrangement with effect from 1 September 2022. Subsequent to this date no GAG or unrestricted reserves are held by any individual academies.

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Total cost analysis by Academy

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

	Total 2023 £	Total 2022 £
Buckland Newton C of E VC Primary School	-	592,438
Sherborne Abbey C of E VC Primary School	-	1,684,902
Sherborne Primary School	-	1,628,064
St Andrew's C of E VC Primary School, Yetminster	-	659,872
St Mary's C of E VC Primary School	-	581,130
The Gryphon School	-	9,717,919
Thornford CE VA School	-	627,274
King Arthur's School	-	2,323,907
Charlton Horethorne Primary School	-	374,100
St Mary the Virgin Primary School	-	1,045,770
Okeford Fitzpaine Primary School	-	316,399
Shillingstone Primary School	-	644,932
Shaftesbury School	-	5,670,199
Motcombe C of E Primary School	-	890,395
Shaftesbury C of E Primary School	-	1,931,177
St Andrew's C of E Primary School, Fontmell Magna	-	595,071
Harbour Vale School	-	770,219
Central	-	2,326,289
TRUST	-	32,380,057

The Trust entered into a GAG pooling arrangement with effect from 1 September 2022. Subsequent to this date expenditure is no longer reported on an individual Academy basis.

In 2022 the central expenditure of £2,326,289, in addition to depreciation, excludes amortisation of £12,977 and pension costs of £2,716,000.

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Restricted fixed asset funds 2023 £	Total funds 2023 £
Tangible fixed assets	-	-	41,450,303	41,450,303
Intangible fixed assets	-	-	6,287	6,287
Current assets	98,302	3,128,270	940,639	4,167,211
Creditors due within one year	-	(2,970,357)	-	(2,970,357)
Pension scheme liability	-	(4,618,000)	-	(4,618,000)
TOTAL	98,302	(4,460,087)	42,397,229	38,035,444

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	44,118,617	44,118,617
Intangible fixed assets	-	-	11,500	11,500
Current assets	515,267	2,613,580	963,429	4,092,276
Creditors due within one year	-	(2,641,743)	-	(2,641,743)
Pension scheme liability	-	(6,662,000)	-	(6,662,000)
TOTAL	515,267	(6,690,163)	45,093,546	38,918,650

**SHERBORNE AREA SCHOOLS' TRUST
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FOR THE YEAR ENDED 31 AUGUST 2023**

22. Reconciliation of net expenditure to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of financial activities)	(3,943,205)	(3,254,643)
ADJUSTMENTS FOR:		
Amortisation	5,783	12,877
Depreciation	1,271,098	1,253,456
Capital grants from DfE and other capital income	(1,476,860)	(838,123)
Interest receivable	(296)	(392)
Defined benefit pension scheme cost less contributions payable	180,000	2,304,000
Defined benefit pension scheme finance and administration costs	270,000	412,000
Decrease in stocks	-	4,209
Decrease/(increase) in debtors	(37,948)	(48,492)
(Decrease)/increase in creditors	164,260	(359,594)
Tangible fixed assets transferred in on conversion	(3,473,603)	-
Loss on disposal of fixed assets	6,029,988	-
Pension deficit on conversion	732,000	-
Pension deficit transferred on Tu'peed staff	(157,000)	-
NET CASH USED IN OPERATING ACTIVITIES	(435,783)	(514,702)

23. Cash flows from financing activities

	2023 £	2022 £
Cash inflows from new borrowing/(repayment of loan borrowings)	-	(78,299)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	-	(78,299)

24. Cash flows from investing activities

	2023 £	2022 £
Interest receivable	296	392
Purchase of intangible assets	(570)	(1,375)
Purchase of tangible fixed assets	(1,003,815)	(565,286)
Capital grants from DfE and other capital income	1,099,082	838,123
NET CASH PROVIDED BY INVESTING ACTIVITIES	94,993	271,854

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

25. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank	2,349,317	2,690,107
TOTAL CASH AND CASH EQUIVALENTS	2,349,317	2,690,107

26. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	2,690,107	(340,790)	2,349,317
	2,690,107	(340,790)	2,349,317

27. Capital commitments

	2023 £	2022 £
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	57,743	238,544

28. Pension commitments

The 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 County Council and Somerset County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2019.

Contributions amounting to £530,194 were payable to the schemes at 31 August 2023 (2022 - £344,553) and are included within creditors.

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28. Pension commitments (continued)

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 full-time 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 4 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 latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the previous valuation as at 31 March 2016 which was effective for the year ended 31 August 2023 are:

- 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, 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 2020 valuation result is due to be implemented from 1 April 2024 and and effective until 31 March 2027. The employer contribution rate for this period will be 28.68% of pensionable pay (including a 0.08% administration levy).

The employer's pension costs paid to TPS in the year amounted to £4,340,884 (2022 - £4,240,894).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>) for 2016 and www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx for 2020.

Under the definitions set out in FRS 102, the TPS is an unfunded 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

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 £1,920,000 (2022 - £1,956,000), of which employer's contributions totalled £1,518,000 (2022 - £1,251,000) and employees' contributions totalled £ 402,000 (2022 - £344,000). The agreed contribution rates for future years are 21.0 to 22 per cent for employers and 5.5 - 7.5 per cent for employees.

As described in note 33 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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	3.94	3.90-4.40
Rate of increase for pensions in payment/inflation	2.9	2.9
Discount rate for scheme liabilities	5.3	4.25
Inflation assumption (CPI)	2.9	2.9

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

	2023	2022
	Years	Years
Retiring today		
Males	21.8	22.1
Females	23.9	24.2
Retiring in 20 years		
Males	22.3	23.4
Females	25.3	25.6

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28. Pension commitments (continued)

Sensitivity analysis

	2023 £000	2022 £000
Discount rate +0.1%	(407)	(574)
Discount rate -0.1%	419	589
Mortality assumption - 1 year increase	550	666
Mortality assumption - 1 year decrease	(536)	(686)
CPI rate +0.1%	402	537
CPI rate -0.1%	(391)	(511)

Share of scheme assets

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

	At 31 August 2023 £	At 31 August 2022 £
Equities	12,534,000	8,881,000
Gilts	53,000	1,683,000
Corporate bonds	1,369,000	786,000
Property	1,732,000	1,647,000
Cash and other liquid assets	319,000	277,000
Investment funds	1,239,000	1,004,000
Asset backed securities	2,670,000	1,802,000
TOTAL MARKET VALUE OF ASSETS	19,916,000	16,080,000

The actual return on scheme assets was £1,463,000 (2022 - £(663,000)).

The amounts recognised in the Statement of Financial Activities are as follows:

	2023 £	2022 £
Current service cost	(1,698,000)	(3,555,000)
Interest income	728,000	267,000
Interest cost	(987,000)	(668,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(1,957,000)	(3,956,000)

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28. Pension commitments (continued)

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

	2023 £	2022 £
At 1 September	22,742,000	40,438,000
Conversion of academy trusts	2,110,000	-
Transferred out on Tu'peed staff	(649,000)	-
Current service cost	1,698,000	3,555,000
Interest cost	987,000	668,000
Employee contributions	402,000	344,000
Actuarial gains	(2,334,000)	(21,897,000)
Benefits paid	(422,000)	(366,000)
AT 31 AUGUST	24,534,000	22,742,000

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

	2023 £	2022 £
At 1 September	16,080,000	15,525,000
Conversion of academy trusts	1,378,000	-
Transferred out on Tu'peed staff	(492,000)	-
Interest income	728,000	267,000
Actuarial gains/(losses)	735,000	(930,000)
Employer contributions	1,518,000	1,251,000
Employee contribution	402,000	344,000
Benefits paid	(422,000)	(366,000)
Administration expenses	(11,000)	(11,000)
AT 31 AUGUST	19,916,000	16,080,000

29. Operating lease commitments

At 31 August 2023 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	271,246	54,967
Later than 1 year and not later than 5 years	678,604	50,886
	949,850	105,853

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30. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

31. Related party transactions

Owing to the nature of the 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 Trust seeks to ensure that all transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the year:

Included in key management personnel expenditure in note 12e are non payroll costs of £45,720.

During the year an amount of £4,550 (2022: £5,750) was paid to SALED Limited, a subsidiary of the Salisbury Diocesan Board of Education. SDBE is represented as a corporate member of the Trust. The supply of services to the CofE schools in the Trust were deemed fundamental to the schools' ability to deliver their religious ethos. The transaction was conducted 'at cost'.

32. Agency arrangements

The Trust distributes 16-19 Bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2023 the Trust received £111,452 (2022: £59,823) and disbursed £20,630 (2022: £49,131) from the fund. An amount of £87,515 (2022: £40,220) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

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33. Conversion to an academy trust

On 1 April 2023 St Nicholas Church of England Primary School, Child Okeford converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sherborne Area Schools' Trust from Dorset County Council for £NIL consideration.

The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Other tangible fixed assets	-	-	32,530	32,530
CURRENT LIABILITIES				
Budget deficit on LA funds	(25,577)	-	-	(25,577)
Defined benefit pension scheme liability	-	(160,000)	-	(160,000)
NET (LIABILITIES)/ASSETS	<u>(25,577)</u>	<u>(160,000)</u>	<u>32,530</u>	<u>(153,047)</u>

**SHERBORNE AREA SCHOOLS' TRUST
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33. Conversion to an academy trust (continued)

On 1 June 2023 Sturminster Newton High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sherborne Area Schools' Trust from Dorset County Council for £NIL consideration.

The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
TANGIBLE FIXED ASSETS				
Leasehold land and buildings	-	-	3,333,333	3,333,333
Other tangible fixed assets	-	-	107,740	107,740
CURRENT ASSETS				
Cash - representing budget surplus on other school funds	183,805	-	-	183,805
Defined benefit pension scheme liability	-	(572,000)	-	(572,000)
NET ASSETS/(LIABILITIES)	<u>183,805</u>	<u>(572,000)</u>	<u>3,441,073</u>	<u>3,052,878</u>

SHERBORNE AREA SCHOOLS' TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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34. Boarding school trading account

	2023 £	2023 £	2022 £	2022 £
INCOME				
DIRECT INCOME				
Other boarding income	315,722		668,900	
OTHER INCOME				
Sales of other goods and services	-		346	
Bank interest	-		25	
TOTAL OTHER INCOME	-		371	
TOTAL INCOME		315,722		669,271
EXPENDITURE				
DIRECT EXPENDITURE				
Other costs	-		1,422	
Staff costs	-		12,380	
TOTAL DIRECT EXPENDITURE	-		13,802	
OTHER EXPENDITURE				
Other costs	749		661	
Maintenance of premises and equipment	15,740		17,071	
Cleaning	1,629		7,752	
Rent and rates	3,802		23,499	
Energy costs	42,589		63,584	
Security and transport	1,087		10,286	
Catering	132,937		192,058	
Technology costs	-		4,598	
Office overheads	12,263		13,331	
Legal and Professional	8,088		24,739	
Staff costs	361,999		410,877	
TOTAL OTHER EXPENDITURE	580,883		768,456	
TOTAL EXPENDITURE		580,883		782,258
Transfers between funds excluding depreciation		293,324		-
Surplus/(deficit) from all sources		28,163		(112,987)
Boarding school balances at 1 Sept 2022		(28,163)		123,741
Central recharges		-		(38,917)
BOARDING SCHOOL BALANCES AT 31 AUGUST 2023		-		(28,163)

