

Diocese of Salisbury Multi Academy Trust limited

Registered number: 08656655

Trustees report and financial statements

For the period ended 31 August 2014

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the academy, its trustees and advisers	1
Trustees' report	2 - 11
Governance statement	12 - 13
Statement on regularity, propriety and compliance	14
Trustees' responsibilities statement	15
Independent auditors' report	16 - 17
Independent reporting accountant's assurance report on regularity	18 - 19
Statement of financial activities	20
Balance sheet	21
Cash flow statement	22
Notes to the financial statements	23 - 43

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2014

Trustees

Anthony Smith (appointed 19 August 2013)
Joy Tubbs (appointed 19 August 2013)
Andrew Guest (appointed 19 August 2013)
Caroline Burn (appointed 19 August 2013)
Timothy Balmforth (appointed 19 August 2013)
Giles Pugh (appointed 19 August 2013)
Ronald Jenkinson (appointed 19 August 2013)
Harold Stephens (appointed 19 August 2013)
Adam Parsons (appointed 19 August 2013)
Jonathan Triffitt (appointed 19 August 2013, resigned 24 November 2014)

Company registered number

08656655

Principal and registered office

The Diocesan Education Centre, The Avenue, Wilton, SP2 0FG

Chief executive officer

Andrew Guest

Independent auditors

Mazars LLP, Beaufort Buildings, Clifton Down, Bristol, BS8 4AN

Bankers

Lloyds Bank PLC, 38 Blue Boar Row, Salisbury, Wiltshire, SP1 1DB

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditors' report of Diocese of Salisbury Multi Academy Trust limited (the academy) for the period ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Structure, governance and management

a. CONSTITUTION

The Academy Trust (was incorporated on 19 August 2013 and opened as a Multi Academy Trust on 1 December 2013) is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and articles of Association are the primary governing documents of the academy trust.

The Trustees act as the Trustees for the charitable activities of Diocese of Salisbury Multi Academy Trust and are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the period, are included in the Reference and Administrative Details on page 1.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

As set out in the Memorandum and articles of Association (M&A) for the Diocese of Salisbury Multi Academy Trust (MAT), the Members of the MAT are The Salisbury Diocesan Board of Education (Sponsor), Mott McDonald Limited (Co-sponsor) and the Chair of the Board of Directors.

These members then appointed further directors/governors in accord with the articles of association. The Board of directors of the Diocese of Salisbury MAT is the overarching and statutory governing body for each academy within the MAT.

A Local Advisory Board (LAB) for each individual academy was set up post conversion to undertake the day to day governance of the academy in line with the agreed Scheme of Delegation. The constitution for these LABs is also set out in the articles of association and must include:

- Up to 8 LAB members appointed by the MAT Board of Directors
- Up to two elected members of staff and the Principal or Headteacher as an ex-officio post
- Two elected representatives of the parents of pupils attending the relevant academy

LAB members are appointed for a four year period, except that this time limit does not apply to the Headteacher/Principal. Subject to remaining eligible to be a particular type of LAB member, they can be re-appointed/re-elected.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 AUGUST 2014

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new directors will depend upon their existing experience. LAB members will have a tour of the Academy and a chance to meet staff and pupils. All Trustees/Directors and LAB members are provided with copies of the relevant policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. Director induction tends to be done informally and is tailored specifically to the individual. The MAT has in place a LAB training programme, formally procured and delivered by a National Leader of Governance that includes standard induction training, skills analysis and development of bespoke training and development plans. Subsequent additional training courses are undertaken as per the skill set needs of the individual LABs, taking advantage of specific courses offered directly by the MAT governance training provider, Local Authority and other bodies.

e. ORGANISATIONAL STRUCTURE

The Board of Directors meets at least 6 times per year to monitor closely the academic progress of previously underperforming schools within the MAT, as required by Ofsted and the Department for Education (DfE). Standard meetings allow for all necessary business to be conducted, including budget setting and monitoring. The Board establishes an overall framework for the governance of the MAT and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees and LABs through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The timing of full Directors' meetings sits within a comprehensive schedule of meetings. The Project Board (meeting to assess academic progress in detail at each individual school) meets first with the report/minutes going to the LAB in the first instance. This report is then annotated by the LAB and comes in final form to the MAT Board of Directors for review. For sponsored Academies these rigorous review meetings occur every six weeks, and every 12 weeks for voluntary converters.

There is currently one sub-committee of the MAT Board of Directors, the Audit Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting and receiving reports from the internal audit. Additional expertise through a co-opted finance expert has been brought to this committee.

Following consideration of our governance procedures terms of reference have been approved for the establishment of a second sub-committee to review the impact of the work of the Trust on the standards and performance of its Academies. Outstanding Headteachers from schools outside of the Trust have agreed to join this committee to provide additional scrutiny.

There are plans to establish further sub committees as required and this will be reviewed continuously. Due to the current size of the Trust there has not been the need to establish a separate Finance Committee, appropriate financial oversight and scrutiny is undertaken by the full Board of Directors.

The following decisions in respect of each academy are reserved to the Board of Directors to consider any proposals for changes to the status or constitution of the academy, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher/Principal to approve the annual development plan and budget and pay awards to staff on the leadership pay spine.

The Board of Directors is responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring each academy through budgets and other data, and making major decisions about the strategic direction of the academy, capital expenditure and staff appointments.

The Trustees and Board of Directors have delegated responsibility for day to day management of each academy to the LAB and Headteacher/Principal acting within the budget set by the MAT Board of Directors. The LAB

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 AUGUST 2014

committee structures vary with some undertaking all business through a full LAB, and in others the development of sub-committee structure based on:

- School improvement and staffing;
- Finance, premises and resources

Two further operational management committees exist:

- Academy Leaders Group: This is chaired by the Executive Principal for our Sponsored Academies, and includes the leaders of all Academies in the Trust. It is the mechanism for the sharing of best practice and the collective development of Trust Education policy and planning of Trust wide CPD and INSET programmes.
- LAB Chairs Group: This is chaired by annual rotation, but brings the Chairs of each LAB together with the central Executive staff of the Trust. Its purpose is provide the forum for challenge and dialogue and the further shaping of our effective governance mechanisms.

There is an Executive Principal with specific responsibility for the four initial sponsored schools that joined the MAT. Two who joined in December 2013 (Southbroom and Whitesheet) and two who joined in February 2014 (Dunbury and Beaminster). At each of these four schools, a principal has been appointed to lead the school on a day to day basis, reporting to the LAB and the Executive Principal.

The leadership structure of each individual school within the MAT is tailored to meet the needs of the specific school, dependent on its number on roll, its academy action plan, its levels of SEN and its budget.

The Chief Executive is the Accounting Officer.

The Finance Director is the Chief Financial Officer.

f. RISK MANAGEMENT

The academy trust has an effective system of internal financial controls and this is explained in more detail in the governance statement.

The academy trust has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the trust faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A risk register is maintained and reviewed on a regular basis both by the Board of Directors and the Audit Committee.

g. 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 to a criminal prosecution brought against the Trustees in their capacity as directors of the academy trust. The limit of this indemnity is £2,000,000.

h. PRINCIPAL ACTIVITY

The principal activity is to advance for the public benefit education by establishing, maintaining, carrying on, managing and developing academies offering a free education through a broad and balanced curriculum for pupils of different abilities.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 AUGUST 2014

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the academy trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

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

The trust mission statement is:

"To provide the support for all schools that need us where each academy within the Diocese of Salisbury Multi Academy Trust family is an outstanding, distinctive Christian learning community – achieving world class provision and outcomes in all aspects of academy life."

The aims of the Trust during the period from 1 December 2013 and ended 31 August 2014 are summarised below and are to:

- provide rapid and sustained improvement to the standard of educational attainment and achievement of all pupils;
- maintain and exceed national attainment and progress targets;
- have creative, progressive, experiential, and practical curricula to meet the needs of all their pupils;
- appoint outstanding practitioners at all levels to lead and manage the academies;
- serve and influence their communities by demonstrating their distinctive Christian character;
- bring a high level of accountability to the work at a school level;
- secure strong, tailored school improvement models and management systems;
- share a common understanding of what good teaching and learning look like;
- ensure every member of staff is able to demonstrate what they are doing to ensure that all children are making good or better progress;
- develop schools that proactively support each other, drawing together all learners, pupils, teachers and leaders to learn collaboratively;
- improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- provide value for money for the funds expended;
- to develop greater coherence, clarity and effectiveness in systems across each school within the MAT;
- comply with all appropriate statutory and curriculum requirements;
- develop links with high quality providers; and
- conduct its business in accordance with the highest standards of integrity, probity and openness.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Key objectives for the period have been the setting up and forming the MAT and actioning the areas for improvement identified following the Ofsted inspection of the predecessor schools which put them into a category and were approved by the DfE. Improvement focuses identified for this year include:

- review of the structure of each school to best meet the needs of the students and the available budget;
- improvement of the quality of teaching and learning;
- ensuring substantive leadership in all our Academies;
- development of a consistent tracking, monitoring and reporting system across all schools within the Trust;
- development of the learning environment to engage students, staff and parents;
- improvement of the performance for the end of KS2 SAT assessments for the academic year 2013/2014;
- improvement of key relationships with the local community and improve the public and parental perception of each school, thus leading to higher admission applications; and
- development of a single, consistent financial reporting system across all schools within the MAT

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 AUGUST 2014

c. PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty contained in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the academy trust's aims and objectives and in planning its future activities.

The academy trust aims to advance for the public benefit, education in the Salisbury Diocese. In particular, but without prejudice to the generality of the foregoing by establishing, maintaining, managing and developing schools, offering a broad curriculum in both Church of England schools and other Academies whether with or without a designated religious character, but in relation to each of the Academies to recognise and support their individual character and respect the different background of each and its links to the local community which it serves.

The MAT provides opportunities for children, their parents and the local communities that it serves through a range of extra-curricular activities and opportunities.

As a MAT, we are working to support all of the schools within the MAT and to develop a culture of mutual support and development across these schools. Within the broader diocesan context, each of these schools remains part of the broader family of church schools and part of that network. The commitment to developing a high quality curriculum, delivered by well trained and effective teaching and support staff, and the sharing of expertise is already under way.

d. ACHIEVEMENTS AND PERFORMANCE

The first two academies (Southbroom and Whitesheet) came into the academy trust in December 2013 as sponsored academies and the third and fourth (Beaminster and Dunbury) in February 2014 both again as sponsored academies. All four academies have seen changes of leadership. With a confirmed leadership structure now in place the academies are moving forward individually and as a collaborative group, which also now includes St Bartholomew's who joined the MAT on the 1 September 2014.

Southbroom St. James Academy

Attainment at the end of Key Stage 2

End of Y6	No. pupils	of% L4+	Combined% Reading	L4+% Reading	L5+% Writing	L4+% Writing	L5+% Maths	L4+% Maths	L5+
2013	39	46	68	34	54	10	61	24	
2014 Actual	39	62	82	36	64	33	77	41	

SPAG	Level 4	Level 5
	64%	46%

Two Levels Progress

	Reading	Writing	Maths
2013	80	63	65
2014	90	82	84

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

Whitesheet Primary Academy

Attainment at the end of Key Stage 2

End of Y6	No. pupils	of% L4+	Combined% Reading	L4+% Reading	L5+% Writing	L4+% Writing	L5+% Maths	L4+% Maths	L5+
2013	10	60	60	30	80	10	80	10	
2014 Actual	12	92	92	55	92	58	92	42	

SPAG	Level 4 66%	Level 5 33%
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Two Levels Progress

	Reading	Writing	Maths
2013	70	90	90
2014	100	100	92

Dunbury Primary Academy

Attainment at the end of Key Stage 2

End of Y6	No. pupils	of% L4+	Combined% Reading	L4+% Reading	L5+% Writing	L4+% Writing	L5+% Maths	L4+% Maths	L5+
2013	20	80	95	65	90	45	90	50	
2014 Actual	9	56	100	55	100	44	56	22	

SPAG	Level 4 56%	Level 5 22%
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Two Levels Progress

	Reading	Writing	Maths
2013	90	90	90
2014	100	100	44

Beaminster St. Marys' Academy

Attainment at the end of Key Stage 2

End of Y6	No. pupils	of% L4+	Combined% Reading	L4+% Reading	L5+% Writing	L4+% Writing	L5+% Maths	L4+% Maths	L5+
2013	22	48	57	22	57	13	52	17	
2014 Actual	27	62	81	33	67	10	82	43	

SPAG	Level 4 64%	Level 5 36%
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Two Levels Progress

	Reading	Writing	Maths
2013	73	95	77
2014	94	89	83

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 AUGUST 2014

Strategic report

Achievements and performance

a. GOING CONCERN

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

b. KEY FINANCIAL PERFORMANCE INDICATORS

The Diocese of Salisbury Multi Academy Trust is newly formed and in its first operating year, the Trustees are looking to develop a list of key financial and performance indicators.

A number of financial indicators that will be used in the future will assist the Trustees in managing the Trusts financial affairs to ensure efficient operation, liquidity and effective use of resources.

The academy trust will have set targets in relation to its reserves, ensuring the Trust meets its Reserve policy and still be able to manage any unforeseen events.

As the academy trust grows it will be better able to benchmark budgets and expenditure against a number of criteria, such as staff costs, property costs per school and per pupil.

As funding is based on pupil numbers as at the October pupil count this is also a key performance indicator. Pupil numbers at October 2014 were 792. It is anticipated that this number will continue to rise as more schools join the MAT.

c. FINANCIAL REVIEW

Most of the Academy Trusts income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities

At the period ended 31 August 2014, the total Fund balances at individual academies (note 23) totalled £102,063.

At 31 August 2014 the net book value of fixed assets was £5,846,573 and movements in tangible fixed assets are shown in note 20 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The land, buildings and other assets were gifted and right to use granted to the Academy Trust upon conversion. Land and buildings were professionally valued by the EFA at £5,764,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share (£35,894) was transferred across on conversion and is shown as Unrestricted Funds.

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

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 AUGUST 2014

in note 29 to the financial statements.

Key financial policies adopted or reviewed during the year include the financial scheme of delegation which lays out the framework for financial management, including financial responsibilities of the Board, principals, budget holders and other staff, as well as delegated authority for spending.

Risk and reserves policy

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health, reviewing performance against budgets and overall expenditure by means of update reports at all board meetings and have set up an Audit Committee.

At the year end, the academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 29 to the financial statements, represents a significant potential liability. However, Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. This guarantee came into force on 18 July 2013.

b. PRINCIPAL RISKS AND UNCERTAINTIES

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

Reputational

- the continuing success of the Academy Trust is dependent on implementing rapid and sustained educational achievement in its academies and continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Financial

- Pupil numbers are key to the financial viability and the impact of low pupil numbers is a significant threat to viability therefore this is monitored closely.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the academy's finances, internal controls, compliance with regulations and legislation and statutory returns. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- The ability to continue to grow to improve the long term financial position of the Trust is seen as a key risk and therefore growth is essential and closely monitored by the Trust Board.
- Fraud and mismanagement of funds - The Academy Trust has appointed an external firm to carry out checks on financial systems and records as required by the Academy Financial Handbook for 2014/15. Finance staff training is given to keep staff up to date with financial practice requirements and develop their skills in this area.

Operational

- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (continued)

FOR THE PERIOD ENDED 31 AUGUST 2014

procedures, health & safety and discipline.

- Staffing - the success of the Academy Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

The Academy will continue to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and will be reviewed and updated on a regular basis.

c. RESERVES POLICY

The Board of directors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Board is that the Academy plans to spend the vast majority of its revenue income each year on the pupils in its care; but also to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the academy whilst ensuring that excessive funds are not accumulated. The level of reserves required will be reviewed each year by the Board.

These free reserves are held for the investment in buildings, smooth any change in pupil led funding and to provide for any unforeseen liabilities. These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance, as well as sums that are set aside from this each year for planned replacement of capital items.

d. INVESTMENTS POLICY

The Board of Directors are firmly committed to ensuring that all funds under their control are administered under a risk adverse investment strategy. As such the Board do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Plans for future periods

a. FUTURE DEVELOPMENTS

The academy trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The academy trust will continue to work with its strategic partners to improve the educational opportunities for pupils in the wider community.

The academy trust will seek to sponsor additional schools and also allow voluntary converters to join the academy trust. Allowing voluntary schools to join is fundamental to the ethos of the academy trust in collaboration and sharing best practice.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2014

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

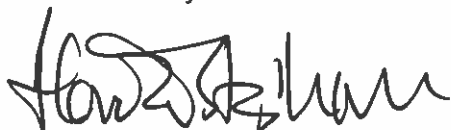
The academy and its Trustees do not act as the Custodian Trustees of any other Charity.

DISCLOSURE OF INFORMATION TO AUDITORS

Trustees In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable group's auditors are 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 auditors are aware of that information.
- The auditors, Mazars, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the Board of Trustees, as the company directors, on 19 December 2014 and signed on the board's behalf by:



Vice chair of Trustees

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 9 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Anthony Smith	8	9
Joy Tubbs	8	9
Andrew Guest	9	9
Caroline Burn	5	9
Timothy Balmforth	7	9
Giles Pugh	9	9
Ronald Jenkinson	3	9
Harold Stephens	5	9
Adam Parsons	4	9
Jonathan Triffitt	5	9

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Diocese of Salisbury Multi Academy Trust limited for the period 1 December 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the period 1 December 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Trust Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

REVIEW OF EFFECTIVENESS

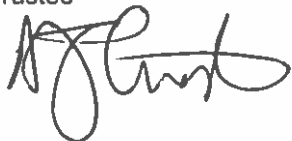
As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the Senior leadership team within the academy who have responsibility for the development and maintenance of the internal control framework.

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

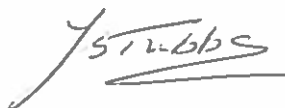
Approved by order of the members of the Board of Trustees on 19 December 2014 and signed on its behalf, by:

Trustee



ANDREW GUEST.

Trustee



Joy S. Tubbs

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Diocese of Salisbury Multi Academy Trust limited I have considered my responsibility to notify the academy Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the academy Board of Trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012).

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

Accounting Officer



Date: 19 December 2014

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2014

The Trustees (who act as governors of Diocese of Salisbury Multi Academy Trust limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction Issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 19 December 2014 and signed on its behalf by:



Vice chair of Trustees

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

We have audited the financial statements of Diocese of Salisbury Multi Academy Trust limited for the period ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the Academy's members those matters we are required to state 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 Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period 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 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Richard Bott (Senior statutory auditor)

for and on behalf of

Mazars LLP

Beaufort Buildings
Clifton Down
Bristol
BS8 4AN
19 December 2014

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 11 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diocese of Salisbury Multi Academy Trust limited during the period 1 July 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 July 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY
TO DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED AND THE EDUCATION
FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 July 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mazars

Mazars LLP

Beaufort Buildings
Clifton Down
Bristol
BS8 4AN

Date: 14/12/14

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating income and expenditure account and statement of total recognised gains and losses)

FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	3	35,894	(614,000)	5,764,000	5,185,894
Activities for generating funds	4	40,665	-	-	40,665
Investment income	5	260	-	-	260
Incoming resources from charitable activities	6	-	2,320,387	124,855	2,445,242
Other incoming resources	7	1,397	11,960	-	13,357
TOTAL INCOMING RESOURCES		78,216	1,718,347	5,888,855	7,685,418
RESOURCES EXPENDED					
Charitable activities	10,11	-	2,253,337	49,058	2,302,395
Governance costs	9	-	87,387	-	87,387
TOTAL RESOURCES EXPENDED		-	2,340,724	49,058	2,389,782
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		78,216	(622,377)	5,839,797	5,295,636
Transfers between Funds	22	(6,776)	-	6,776	-
NET INCOME FOR THE PERIOD		71,440	(622,377)	5,846,573	5,295,636
Actuarial gains and losses on defined benefit pension schemes		-	(168,000)	-	(168,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		71,440	(790,377)	5,846,573	5,127,636
Total funds at 1 July 2013		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2014		71,440	(790,377)	5,846,573	5,127,636

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

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

The notes on pages 23 to 43 form part of these financial statements.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

Registered number: 08656655

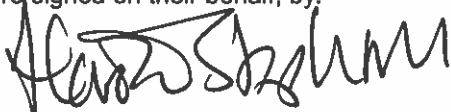
(A company limited by guarantee)

BALANCE SHEET

AS AT 31 AUGUST 2014

	Note	£	2014 £
FIXED ASSETS			
Tangible assets	19		5,846,573
CURRENT ASSETS			
Debtors	20	310,889	
Cash at bank and in hand		96,413	
		<u>407,302</u>	
CREDITORS: amounts falling due within one year	21	(305,239)	
NET CURRENT ASSETS			<u>102,063</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,948,636</u>
Defined benefit pension scheme liability	28		(821,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>5,127,636</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	22	30,623	
Restricted fixed asset funds	22	5,846,573	
		<u>5,877,196</u>	
Restricted funds excluding pension liability			
Pension reserve		(821,000)	
		<u>5,056,196</u>	
Total restricted funds			5,056,196
Unrestricted funds	22		<u>71,440</u>
TOTAL FUNDS			<u><u>5,127,636</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 19 December 2014 and are signed on their behalf, by:



Vice chair of Trustees

The notes on pages 23 to 43 form part of these financial statements.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	2014 £
Net cash flow from operating activities	24	228,304
Returns on investments and servicing of finance	25	(260)
Capital expenditure and financial investment	25	(131,631)
INCREASE IN CASH IN THE PERIOD		<u>96,413</u>

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2014

	2014 £
Increase in cash in the period	96,413
MOVEMENT IN NET FUNDS IN THE PERIOD	<u>96,413</u>
NET FUNDS AT 31 AUGUST 2014	<u>96,413</u>

The notes on pages 23 to 43 form part of these financial statements.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS **FOR THE PERIOD ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

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

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

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

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.5 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% Straight line
Office equipment	-	20% Straight line
Computer equipment	-	25% Straight line

1.7 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Pensions

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

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

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

1.9 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from the previous schools to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Diocese of Salisbury Multi Academy Trust limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the period ended 31 August 2014.

3. VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	Total funds
	2014 £	2014 £	2014 £
Assets transferred from Local Authority on conversion	-	5,764,000	5,764,000
Funds received on conversion from Local Authority	35,894	-	35,894
Inherited defined benefit pension scheme liability	-	(614,000)	(614,000)
	<u>35,894</u>	<u>5,150,000</u>	<u>5,185,894</u>

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds	Restricted funds	Total funds
	2014 £	2014 £	2014 £
Hire of facilities	3,632	-	3,632
Trip income	16,602	-	16,602
Catering income	12,388	-	12,388
Music services income	5,364	-	5,364
Uniform sales	2,679	-	2,679
	<u>40,665</u>	<u>-</u>	<u>40,665</u>

5. Investment Income

	Unrestricted funds	Restricted funds	Total funds
	2014 £	2014 £	2014 £
Bank Interest	260	-	260
	<u>260</u>	<u>-</u>	<u>260</u>

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	Total funds
	2014 £	2014 £	2014 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	-	1,568,482	1,568,482
Start Up Grant	-	160,000	160,000
Pupil Premium	-	118,897	118,897
Capital Grant	-	124,855	124,855
	<u>-</u>	<u>1,972,234</u>	<u>1,972,234</u>
Other government grants			
SEN Funding	-	36,204	36,204
Other Grants received	-	413,064	413,064
DFC grants	-	23,740	23,740
	<u>-</u>	<u>473,008</u>	<u>473,008</u>
	<u>-</u>	<u>2,445,242</u>	<u>2,445,242</u>

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

7. OTHER INCOMING RESOURCES

	Unrestricted funds	Restricted funds	Total funds
	2014 £	2014 £	2014 £
Sundry income	1,397	11,960	13,357

8. RESOURCES EXPENDED

	Staff costs £	Premises £	Other costs £	2014 £
Academy's educational operations				
- Direct costs	1,314,737	46,473	415,199	1,776,409
- Allocated support costs	300,121	44,235	181,630	525,986
	<u>1,614,858</u>	<u>90,708</u>	<u>596,829</u>	<u>2,302,395</u>
 Governance costs	 -	 -	 87,387	 87,387
	<u>1,614,858</u>	<u>90,708</u>	<u>684,216</u>	<u>2,389,782</u>

9. GOVERNANCE COSTS

	Unrestricted funds	Restricted funds	Total funds
	2014 £	2014 £	2014 £
Governance Auditors' remuneration	-	10,015	10,015
Legal and professional fees	-	71,774	71,774
Governance expenses	-	5,598	5,598
	<u>-</u>	<u>87,387</u>	<u>87,387</u>

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

10. DIRECT COSTS

	Academy	Total 2014
	£	£
Pension income	13,000	13,000
Educational supplies	23,400	23,400
Educational consultancy	284,654	284,654
Technology costs	50,298	50,298
Staff development	11,968	11,968
Other direct costs	41,979	41,979
Educational trips	14,868	14,868
Agency and non agency staff	27,303	27,303
Wages and salaries	1,028,480	1,028,480
National insurance	66,002	66,002
Pension cost	167,984	167,984
Depreciation	46,473	46,473
	<u>1,776,409</u>	<u>1,776,409</u>

11. SUPPORT COSTS

	Academy	Total 2014
	£	£
IT Support costs	21,859	21,859
Cleaning and waste management	7,743	7,743
Maintenance of premises and equipment	33,907	33,907
Insurance	35,139	35,139
Security and transport costs	7,024	7,024
Catering costs	25,396	25,396
Bank charges	154	154
Other support costs	74,147	74,147
Agency and non agency staff	66,422	66,422
Energy costs	36,572	36,572
Wages and salaries	175,813	175,813
National insurance	4,260	4,260
Pension cost	34,965	34,965
Depreciation	2,585	2,585
	<u>525,986</u>	<u>525,986</u>

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

12. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2014 £
Depreciation of tangible fixed assets:	
- owned by the charity	49,058
	<u>49,058</u>

13. AUDITORS' REMUNERATION

	2014 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	10,015
	<u>10,015</u>

14. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £
Wages and salaries	1,204,295
Social security costs	70,262
Other pension costs (inc FRS17) (Note 28)	202,948
	<u>1,477,505</u>

b. Staff numbers

The average number of persons employed by the academy during the period expressed as full time equivalents was as follows:

	2014 No.
Teaching	30
Admin	36
Management	2
	<u>68</u>

c. Higher paid staff

No employee received remuneration amounting to more than £60,000 in the period.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

15. CENTRAL SERVICES

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

- Financial services
- Legal services
- Human resources
- Education support services
- Governance support services
- ICT support services
- Others as arising

The Trust charges for these on a percentage of GAG income that is appropriate to the individual school.

The actual amounts charged during the year were as follows:

	2014 £
Southbroom	25,476
Beaminster	18,687
Dunbury	16,778
Whitesheet	13,789
	<hr/>
Total	74,730 <hr/>

16. TRUSTEES' REMUNERATION AND EXPENSES

During the period, no Trustees received any remuneration. Those Trustees that work on the Activities of the Trust are charged to the Trust as a recharge from SALED.

During the period, no Trustees received any benefits in kind.

During the period ended 31 August 2014, expenses totalling £4,696 were reimbursed to 3 Trustees.

17. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2014 was £2,075. The cost of this insurance is included in the total insurance cost.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

18. OTHER FINANCE INCOME

	2014 £
Expected return on pension scheme assets	28,000
Interest on pension scheme liabilities	(41,000)
	<u>(13,000)</u>

19. TANGIBLE FIXED ASSETS

	Freehold property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 July 2013	-	-	-	-
Additions	60,522	64,041	7,068	131,631
Inherited from Local Authority	5,764,000	-	-	5,764,000
At 31 August 2014	<u>5,824,522</u>	<u>64,041</u>	<u>7,068</u>	<u>5,895,631</u>
Depreciation				
At 1 July 2013	-	-	-	-
Charge for the period	46,473	1,849	736	49,058
At 31 August 2014	<u>46,473</u>	<u>1,849</u>	<u>736</u>	<u>49,058</u>
Net book value				
At 31 August 2014	<u>5,778,049</u>	<u>62,192</u>	<u>6,332</u>	<u>5,846,573</u>

Included in land and buildings is freehold land at valuation of £2,276,000 which is not depreciated.

20. DEBTORS

	2014 £
Trade debtors	638
VAT repayable	149,618
Other debtors	73,061
Prepayments and accrued income	87,572
	<u>310,889</u>

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

21. CREDITORS:

Amounts falling due within one year

	2014
	£
Trade creditors	82,101
Other taxation and social security (see below)	31,737
Other creditors	13,006
Other creditors	1,847
Accruals and deferred income	176,548
	<hr/>
	305,239
	<hr/>

Other taxation and social security

	2014
	£
PAYE/NI control	31,717
VAT control	20
	<hr/>
	31,737
	<hr/>
	£

Deferred income

Resources deferred during the year	<hr/>
	52,715
	<hr/>

At the Balance sheet date the Trust was holding funds received for the following:

- Start up grant unspent at year end £14,907
- Free school meals funding received in advance £23,732
- Capital grant monies unspent at year end £14,076

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

22. STATEMENT OF FUNDS

	Brought Forward	Incoming resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward	
	£	£	£	£	£	£	£
Unrestricted funds							
General Funds - all funds	-	78,216	-	(6,776)	-	71,440	
Restricted funds							
Restricted Funds - all funds	-	2,332,347	(2,301,724)	-	-	30,623	
Pension reserve	-	(614,000)	(39,000)	-	(168,000)	(821,000)	
	-	1,718,347	(2,340,724)	-	(168,000)	(790,377)	
Restricted fixed asset funds							
Restricted Fixed Asset Funds - all funds	-	5,888,855	(49,058)	6,776	-	5,846,573	
Total restricted funds	-	7,607,202	(2,389,782)	6,776	(168,000)	5,056,196	
Total of funds	-	7,685,418	(2,389,782)	-	(168,000)	5,127,636	

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

- Unrestricted 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 funds (excluding pension reserve) represent funds received from the Department for Education and is specifically spent on the running of the Academies;
- Pension reserve represents the movements on the Local Government Pension Schemes' Liabilities;
- Restricted fixed asset funds represents resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

22. STATEMENT OF FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

Southbroom	(1,800)
Beaminster	41,761
Dunbury	11,516
Whitesheet	33,074
Central services	17,114
St Bartholomew's	398
	<hr/>
Total before fixed asset fund and pension reserve	102,063
Restricted fixed asset fund	5,846,573
Pension reserve	(821,000)
	<hr/>
Total	<u>5,127,636</u>

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

Name of academy	Amount of deficit £
Southbroom	1,800

This deficit is as a result of a deferred capital grant carried forward. This has been spent post year end

The academy is taking the following action to return the academy to surplus:

The School has budgeted a surplus in 2015 and current indications are that this will be achieved. The deficit arose this year as a result of some additional costs due to the start up of the school, which were unexpected.

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Southbroom	460,790	80,065	27,705	90,920	659,480
Beaminster	349,465	36,098	25,937	57,365	468,865
Dunbury	185,541	56,050	5,792	45,332	292,715
Whitesheet	211,319	42,776	9,590	37,815	301,500
Central	56,481	65,295	248,294	134,096	504,166
St Bartholomew's	-	-	-	1,160	1,160
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,263,596	280,284	317,318	366,688	2,227,886
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

SUMMARY OF FUNDS

	Brought Forward	Incoming resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward	
	£	£	£	£	£	£	£
General funds	-	78,216	-	(6,776)	-	71,440	
Restricted funds	-	1,718,347	(2,340,724)	-	(168,000)	(790,377)	
Restricted fixed asset funds	-	5,888,855	(49,058)	6,776	-	5,846,573	
	-	7,685,418	(2,389,782)	-	(168,000)	5,127,636	

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2014	2014	2014	2014
	£	£	£	£
Tangible fixed assets	-	-	5,846,573	5,846,573
Current assets	71,440	335,861	-	407,301
Creditors due within one year	-	(305,238)	-	(305,238)
Provisions for liabilities and charges	-	(821,000)	-	(821,000)
	71,440	(790,377)	5,846,573	5,127,636

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014
	£
Net incoming resources before revaluations	5,295,636
Returns on investments and servicing of finance	260
Depreciation of tangible fixed assets	49,058
Inherited defined benefit pension scheme liability	614,000
Increase in debtors	(310,889)
Increase in creditors	305,239
Donated assets	(5,764,000)
FRS 17 adjustments	39,000
	228,304

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £
Returns on investments and servicing of finance	
Interest received	(260)
	<u> </u>
	2014 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(131,631)
	<u> </u>

26. ANALYSIS OF CHANGES IN NET FUNDS

	1 July 2013 £	Cash flow £	Other non-cash changes	31 August 2014 £
Cash at bank and in hand:	-	96,413	-	96,413
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net funds	-	96,413	-	96,413
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

27. CONVERSION TO AN ACADEMY TRUST

On 1 December 2013 Southbroom CofE Junior School and Whitesheet CofE VA Primary School and on the 1 February 2014 Dunbury CofE VC Primary School and St Mary's Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diocese of Salisbury Multi Academy Trust limited from Wiltshire and Dorset Local Authorities for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as voluntary income.

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.

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

Southbroom CofE Junior School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus/(deficit) on LA funds	7,804	-	-	7,804
LGPS pension surplus/(deficit)	-	(68,500)	-	(68,500)
Total	7,804	(68,500)	-	(60,696)

The above net liabilities includes £7,804 that were transferred as cash

St Mary's Church of England Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus/(deficit) on LA funds	-	-	-	-
LGPS pension surplus/(deficit)	-	(84,000)	-	(84,000)
Net assets/(liabilities)	-	(84,000)	-	(84,000)

Dunbury CofE VC Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus/(deficit) on LA funds	-	-	-	-
LGPS pension surplus/(deficit)	-	(96,000)	-	(96,000)
Net assets/(liabilities)	-	(96,000)	-	(96,000)

Whitesheet CofE VA Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus/(deficit) on LA funds	21,890	-	-	21,890
LGPS pension surplus/(deficit)	-	(68,500)	-	(68,500)
Net assets/(liabilities)	21,890	(68,500)	-	(46,610)

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

28. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

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

Valuation of the Teachers' Pension Scheme

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

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

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

28. PENSION COMMITMENTS (continued)

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit schemes, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £96,000, of which employer's contributions totalled £74,000 and employees' contributions totalled £22,000. The agreed contribution rates for future years are 17.4% for Dorset and 25.2% for Wiltshire for employers. The employee rates will be as per the nationally agreed LGPS figures and will vary on their earnings.

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

As described in note 27 the LGPS obligation relates to the employees of the academy, who were the

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

28. PENSION COMMITMENTS (continued)

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 period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	2014 £
Present value of funded obligations	(1,665,000)
Fair value of scheme assets	844,000
	<hr/>
Net liability	(821,000)
	<hr/> <hr/>

The amounts recognised in the Statement of financial activities are as follows:

	2014 £
Current service cost	(100,000)
Interest on obligation	(41,000)
Expected return on scheme assets	28,000
	<hr/>
Total	(113,000)
	<hr/> <hr/>
Actual return on scheme assets	59,000
	<hr/> <hr/>

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

	2014 £
Opening defined benefit obligation	1,301,000
Current service cost	100,000
Interest cost	41,000
Contributions by scheme participants	22,000
Actuarial Losses	201,000
	<hr/>
Closing defined benefit obligation	1,665,000
	<hr/> <hr/>

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

28. PENSION COMMITMENTS (continued)

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

	2014 £
Opening fair value of scheme assets	687,000
Expected return on assets	28,000
Actuarial gains and (losses)	33,000
Contributions by employees	22,000
Contributions by employer	74,000
	<u>844,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £168,000.

The academy expects to contribute £115,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014
Equities	64.00 %
Government Bonds	18.00 %
Property	10.00 %
Cash / Liquidity	5.00 %
Alternative Assets	2.00 %
Absolute return portfolio	1.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014
Discount rate for scheme liabilities	3.80 %
Expected return on scheme assets at 31 August	4.20 %
Rate of increase in salaries	4.30 %
Rate of increase for pensions in payment / inflation	2.70 %
Inflation assumption (CPI)	2.70 %

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

	2014
Retiring today	
Males	22.57
Females	24.90
Retiring in 20 years	
Males	24.63
Females	27.23

DIOCESE OF SALISBURY MULTI ACADEMY TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2014

28. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows:

Defined benefit pension schemes

	2014 £
Defined benefit obligation	(1,665,000)
Scheme assets	844,000
	<hr/>
Deficit	(821,000)
	<hr/>
Experience adjustments on scheme liabilities	(201,000)
Experience adjustments on scheme assets	33,000
	<hr/>

29. RELATED PARTY TRANSACTIONS

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

During the period the Academy Trust was charged £64,975 by Saled Ltd, a subsidiary company of the Salisbury Diocesan Board of Education, for the cost of staff. At the year end a balance of £41,182 was due to Saled Ltd

During the period the Academy Trust was charged £255,820 by Mott MacDonald for the cost of project management in the set up of the Academy Trust, school improvement services and staff. At the year end a balance of £5,949 was due to Mott MacDonald

