

DIVERSE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

DIVERSE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

JR Rolph
M Blore
IC Wiggins

Trustees

JR Rolph (Chair)
M Tivey (Staff Trustee) (Resigned 31 August 2016)
A Knight (Resigned 31 August 2016)
CB Pickering (Chief Executive Officer & Accounting Officer)
CM Turner (Resigned 31 August 2016)
M Blore
J Dickens (Resigned 31 August 2016)
W Spooner (Staff Trustee) (Resigned 31 August 2016)
IC Wiggins (Resigned 31 August 2016)
R Turner (Resigned 31 August 2016)
M Quigley (Resigned 31 August 2016 and re-appointed 17 October 2016)
C Burn (Appointed 1 September 2015 and resigned 31 August 2016)

S Hall (Appointed 1 September 2016)

Senior management team

- Chief Executive Officer	CB Pickering
- Deputy CEO	D Clinton
- Executive Principal	D Cotton
- Executive Principal	L Davidson
- Executive Principal	N Holmes
- Academy Principal	K Hardy
- Academy Principal	C Saxelby
- Chief Operating Officer	G Corban
- Director of Finance and Corporate Services	J Fearon (Chief Financial Officer) (resigned on 22 September 2016)
- Chief Financial Officer	L Mosley (appointed on 31 October 2016)

Company secretary

A Elway

Company registration number

7664012 (England and Wales)

Registered office

c/o Tuxford Academy
Marnham Road
Tuxford
Newark
Nottinghamshire
NG22 0JH

DIVERSE ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Principal
Tuxford Academy	Tuxford	D Cotton
Retford Oaks Academy	Retford	D Cotton
East Leake Academy	East Leake	K Hardy
Holgate Academy	Hucknall	N Holmes
Tuxford Primary Academy	Tuxford	L Davidson
Walton Girls High School	Grantham	C Saxelby
Diverse Academies Trust (Central)	Kelham	
Independent auditor	RSM UK Audit LLP 7th Floor City Gate East Tollhouse Hill Nottingham NG1 5FS	
Bankers	Lloyds Bank 37 Castlegate Newark NG24 1BD	
Solicitors	Flint Bishops St Michaels Court St Michaels Lane Derby DE1 3HQ	

DIVERSE ACADEMIES TRUST

CHAIRMAN'S STATEMENT

The Diverse Academies Trust ('DAT') is the legal vehicle which owns the Academies within the DALP Partnership, apart from The National Church of England Academy in Hucknall which is owned by The National Church of England Trust ('NCEAT') at the insistence of The Diocese of Nottingham & Southwell. The Partnership Board is made up of Trustees from both Trusts.

2015/16 saw progress in all the DALP academies together with significant investment for the future. Overall reserves fell as a result, and will continue to decline in 2016/17.

During 2015/16 Walton Girls High School and Sixth Form in Grantham joined DALP and Queen Elizabeth Academy and Wainwright Primary Academy, both based in Mansfield, joined with effect from 1 September 2016. As a result DALP now comprises 7 secondary and 2 primary academies all of which benefit, or will benefit, from the delivery of high quality teaching & learning to every child. It is highly likely that further academies will join the DALP partnership during the next academic year. The DALP senior leadership team work closely with the Regional Schools Commissioner in identifying schools, both primary and secondary, that would benefit by joining the partnership.

DALP is benefitting from the dissemination of best practice across its academies and this is made possible by the support of a first class Corporate Services structure. This structure has been designed specifically to cater for the likely expansion of DALP in the next few years.

Whilst economies of scale have resulted in cost savings across the academies, the ability to become even more efficient becomes more and more of a challenge. Without adequate funding it is increasingly difficult to meet the challenges of providing high quality education for all pupils especially in view of increased employment costs. DALP has a number of academies built under the Private Finance Initiative ('PFI') which results in increasing costs of occupation with no ability for savings.

The much talked about 'National Funding Formula' may offer some help and, hopefully, the Government will look at increases in funding to at least cover the effects of inflation on academies. The likelihood of deficit budgets, with the consequent reduction in staffing costs, is in no-one's interest; especially the pupils.

Finally, much of the success of DALP is down to the quality and dedication of the teaching staff and the support staff, who go out of their way to ensure the best education for every pupil. This is borne out by the excellent results achieved across the academies and the improvements made by the schools that have recently joined the group. I would like to thank each and every one of them for their efforts.



John Rolph
Chair of DAT & DALP
17 February 2017

DIVERSE ACADEMIES TRUST

CHIEF EXECUTIVE STATEMENT

2015/2016 has been a challenging year. Key challenges have included:

1. Financial pressures resulting from additional costs which have had to be absorbed by academy budgets without increases in overall funding e.g. national insurance and pension payments, cost of living pay increases
2. Improving student outcomes in academies
3. Recruitment of high quality teachers
4. Balancing growth of the Trust with creating capacity within the Education and Business Directorates to meet the demands of additional academies
5. Responding to the rapidly evolving education system and managing the impacts of political changes
6. Recruitment of quality governors and governance restructuring
7. Managing the changes in the measures used to judge schools' outcomes in terms of exam performance e.g. Progress 8 and MAT accountability
8. Building the Multi Academy Trust infrastructure
9. Planning for future growth
10. Establishing a group headquarters which is value for money

The trust has embraced all these challenges and is in a very strong position to move forward towards its ambition of 30 academies across a number of regional hubs within its agreed geographical parameters.

The trust is financially secure and is fully aware of savings that will need to be made over the next 18 months to prevent in year deficits and to enable reserves to be built to an appropriate level.

The new governance structure at corporate and academy level is in place and embedding rapidly

The trust has a clear growth plan for 2016/2017 and a framework for medium and longer term growth.

The backroom services of the Trust are lean and cost effective. This has resulted in the trust being able to passport 96.1% of budget share to academies. Much of this cost is offset by resultant savings being made by academies.

Outcomes for students across the group have improved significantly with success stories in all academies, none more so than the academies that have improved from particularly low points on joining the trust.

Plans for growth have been agreed with the Regional Schools' Commissioner and the Board and the trust has built sufficient capacity to successfully manage this growth

The new HQ has been established at a very low cost without long term commitment

The academies are well placed to respond to changes in performance measures and performance measurement in terms of student progress

All academies are fully staffed and the trust has a robust succession planning and recruitment strategy in place.

The trust is well placed to respond to the changing political climate

Only a few governor vacancies now remain at local academy and trust board level.

2015/2016 was an exceptional year for the trust which is well placed to meet the new challenges it will face in 2016/2017



C B Pickering
Chief Executive Officer
17 February 2017

DIVERSE ACADEMIES TRUST

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates five secondary academies and one primary academy in Nottinghamshire and Lincolnshire for the age range of 2 to 19. The academies have a combined pupil capacity of 6,500 and had a roll of 5,300 in the school census at October 2016. Post the year end the trust took over the operations of 2 further academies in Nottinghamshire. Tuxford Academy leads the Trent Valley Teaching School which provides continuing professional development to teachers and support staff in approximately 30 schools. Tuxford and Holgate academies also provide delivery of alternative provision as part of trust's charitable objectives. There is also a wider provision of early years' education, before and after school activity and community use of facilities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee (registration number 7664012) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of Diverse Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Diverse Academies Trust.

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

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of trustees

New Articles of Association were adopted with effect from 1st May 2016. The previous arrangement was to have the chair of every Local Academy Board (LAB) as a Director. The Trust recognised that as it grew this would be unwieldy. The adopted changes were to move to the DfE model Articles of Association, which eliminates the need for all chairs of LABs to be Directors. The Trust must have two elected Parent trustees which was agreed to be done at a local level. Directors are appointed by nomination and approved by the members. This change facilitated segregation of duties between LABs and the main Board.

The Trust can appoint an additional 3 co-optees if they feel this is appropriate. Current trustees are shown on page 1. The trust seeks to recruit additional trustees with a broad spectrum of experience so it is better able to understand and challenge senior management decision making. External advice is sought as and when necessary.

DIVERSE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for each new Trustee will depend on their existing experience. The Academy Trust purchases support services which provide individual and full Academy Board training through an annual Training Programme which is reviewed each year to reflect any changes in practice and legislation. The Academy Trust will perform an annual skills audit of governors and should any gaps be identified training courses are offered to address these issues.

Organisational structure

The Executive Group consisting of CEO, COO, CFO, Deputy CEO, Executive Principals and Principals named the senior strategy team (SST) are responsible for creating the vision, mission and key strategies. This is done and refined annually and presented to the DALP Board for approval. Monitoring the execution of the key strategies is then prepared through a series of Board meetings and audit committee meetings. The Educational monitoring is achieved through a series of meetings called Challenge Support Intervene (CSI) meetings (6 times per annum) and Full Academy Reviews (FAR) which are completed once a year. Both processes monitor progress. This has included financial monitoring which will be done separately in 16/17.

The Diverse Academies Trust is the main decision making body but has delegated authority as below:-

The trust has pooled a number of key education and business support functions with National Church of England Academy Trust (NCEAT), through the Diverse Academies Learning Partnership (DALP). This has a joint board of DAT and NCEAT trustees. This manages shared staffing and services which is part of the 3.9% management charge. Additionally, it manages a number of shared support services in Marketing, Property, IT, MIS, Finance and HR. These costs are around a further 5% of spend and are recharged directly to academies.

Each local academy board is free to spend their budget and recruit in the framework of the annual budget, which is expected to at least break even. All budgets are approved by the main board. Any Academy in deficit must have its budget approved by the Board.

Each local academy board operates a pay committee to review annual incremental increases and other additional awards for staff including the academy principal. The DALP Board operate a senior staff pay committee to review executive principles and corporate staff salaries.

The trust also has a chairs of governors group, and a representative which will be a non voting trustee. This group is consulted upon for major strategic decisions and acts as a means of feeding local academy board views into the main board.

Arrangements for setting pay and remuneration of key management personnel

The DALP and Academy Boards operate pay and staffing committees which review the senior staff, executive principals and corporate staff salaries. Salaries are reviewed and aligned with nationally agreed terms and conditions as well as comparing to norms within the sector. Support staff salaries are reviewed in the context of national job evaluation framework.

Related parties and co-operation with other organisations

Whilst the Trust is a multi-academy trust responsible for its own affairs, it has entered into a partnership arrangement with The National Church of England Academy Trust Limited (NCEAT) with whom it has had a long standing collaboration agreement since 2007. The academy trust shares a Chief Executive, Deputy Chief Executive, Director of Finance and Resources, Director of Corporate Services and Company Secretary with NCEAT as it seeks to make on-going improvements to the efficiencies of its operations across both Academic and Support functions.

The relationship is detailed within a formal partnership agreement, the Diverse Academies Learning Partnership and this outlines the way that the 2 Trusts will work together. This involves the contribution to agreed central services including the staff highlighted above and the creation of a partnership board to oversee a variety of partnership activities covering both Academic and Support functions. Further information on transactions with related parties can be found in note 26.

DIVERSE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Principal activities

The academy trust's principal activities are the provision of education of pupils between the ages of 2 and 19 currently across the following academies:

- Tuxford Academy
- Retford Oaks Academy
- East Leake Academy
- Tuxford Primary Academy
- Holgate Academy
- Walton Girls High School and Sixth Form

Additionally the academy trust supports the development of teaching and learning through leading the Trent Valley Teaching School Alliance, support to other schools on improvement initiatives, and shared working with other schools in delivering alternative education.

Objects and aims

The academy trust's primary objective is the delivery of high quality teaching & learning to every child that attends one of its Academies. This is articulated through the objective for every academy to be rated as "Good" or better within three years after its next inspection.

The academy trust is committed to achieving this through the dissemination of best practice wherever that might be found with the academies and the Teaching School Alliance.

The trust seeks to collaborate with others where this improves the provision and resources available to our pupils.

Objectives, strategies and activities

The academy trust's objectives, strategies and activities are set as follows:

The Chief Executive recommends the key objectives for the forthcoming 3 years which are revised annually, from which comes the Annual Delivery Plan (ADP) to meet the milestones in the overall 3 year plan. This sets the overall position for the Academy Trust and the wider DALP partnership. The overall strategy and ADP are agreed by both the Trust and DALP boards. The 2 boards then monitor and evaluate progress against the plan as the year progresses.

The individual Academies set out their own individual priorities within this overall framework which are agreed and monitored by their own individual delegated governing bodies.

DIVERSE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Some of the key strategies and outcomes from the Trust were as follows:

To grow the Trust and Impact The Lives of more children

Walton Girls High joined DALP in the year and Wainwright Primary Academy with Queen Elizabeth Academy transferred from Delta Academy Trust on the 1st September. DALP has development plans to grow to 30 schools in the next 18 months.

Ensure All Academies have academic progress tracking processes that are fit for purpose

Secure systems are in place for all Academies.

To Raise the Profile Of DALP locally, regionally and nationally

All staff, governors, pupil and parents understand the DALP model, The CEO continues to work closely with the Regional Schools Commissioner and the Executive work closely with the DfE on a national stage.

To Ensure all Corporate Leadership and Management Structures were fit for purpose

This has been successful in year as the Trust has managed to incorporate 3 new schools but is still being developed for its next phase of growth.

Raise Standards in Maths Across The Trust

Successful outcomes in 2016, see KPIs, this is achieved through an effective challenge, support intervene methodology and Full Academy Reviews. This focuses on key data which is outcome based and completion of the strategic actions.

Ensure all academies provision for disadvantaged pupils is of high quality and effective

The improvement gap closure has improved in all academies.

Public benefit

The Trustees have complied with the duty in Part 3 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers or duties. In particular, the Governors consider how planned activities will contribute to the aims and objectives they have set. The Academy Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role, where the trust has full control of its facilities it seeks to ensure a broad community use is made of the school facilities outside of the school day and within the school day where this is practical.

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

During the 2015/2016 financial year DAT academies performed very well overall. On current DfE 2016 MAT performance data (unvalidated), we rank as significantly above the national average with regard to our secondary and primary performance. As ever, overall general improvements mask some disappointments and some spectacular successes.

The detailed performance is contained within the KPI section.

DIVERSE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Financial review

This set of accounts shows the financial performance of the academy trust for the year ended 31 August 2016. The statement of financial activities shows the Academy Trust made a surplus before other recognised gains and losses of £2,738k in the year ended 31 August 2016 (2015: deficit of £1,195k).

The Academy Trust held fund balances at 31 August 2016 of £36,856k (2015: £39,867k) comprising £597k (2015: £1,370k) of restricted general funds (excluding pension reserve) and £845k (2015: £900k) of unrestricted general funds and a pension reserve deficit of £14,071k (2015: £6,753k). The majority of the net assets relate to fixed assets (land and buildings) being £49,555k (2015: £43,651k).

The Trust has cash of £1.8m at the end of 2016. There was significant dilution of cash in the year, with an opening balance of £4.0m, partly due to the investment in the Hucknall 6th form centre of £1.7m. The Hucknall 6th form centre will allow expansion of Holgate and NCEAT pupil numbers and therefore financial performance. The balance funded the in year cash flow deficit. Clearly this level of deficit is not sustainable on an ongoing basis.

The plan during 2016/17 is to structure the organisation in a way to breakeven in 17/18. In September 2016 the transfer of Wainwright Primary Academy and Queen Elizabeth Academy occurred with anticipated transferred cash of £1.2m which will further boost cash balances. Work is already underway to underpin the necessary cost savings in 2016/17.

Main sources of funding

Donations and capital grants – see note 4.

The note includes capital grants from the EFA. The trust received a School Condition Fund (SCF) grant of £85k. This was for the 5 schools who were part of the trust in November 2015 and for National Church of England Trust, as DAT is the academy sponsor. Walton Girls High School and Sixth Form Academy received a grant of £203k to fund a new boiler under a bid Condition Improvement Fund (CIF) grant from the EFA. From April 2017 the trust anticipates that Walton Girls School and Sixth Form, Wainwright primary and Queen Elizabeth Academies will qualify for this grant and that the annual grant will rise to approximately £850k.

Funding for the Academy Trust educational operations - see note 5.

The main funding the Trust receives is the General Annual Grant of £22,408k (2015: £22,081k) for provision of education within its academies. This is funded by a formula based on pupil numbers, an element of small fixed payment per school and also recognises the level of deprivation. The EFA pays this funding.

Other trading activities - see note 6

This income includes voluntary contributions for school trips and school fundraising activity.

Transfers in of Academy Trust - see note 29

On the 1 June 2016 the Trust took over the operations of the Walton Girls High School and Sixth Form Academy. The Trust transferred all its assets and liabilities to the DAT. This included the school buildings, fixtures and fittings and equipment. This is shown as £5,589k of donated income. It also transferred its liabilities for pensions.

The Trust makes additional charges on a no profit basis for the provision of other education provision, this includes providing early years' places, before and after school clubs, places within alternative provision.

DIVERSE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Financial policies

The Trust has revised its policy on the funds that are retained from EFA income to meet the Trusts' core running cost. In 2016/17 this will be a flat 3.9% (excluding pupil premium and bursary funding). This still leaves 96.1% of funding delegated to academies.

Purchase of assets

During the year the Trust purchased a major additional asset, the former Hucknall College site for £1,161k, previously owned by New College Nottingham. The site will be used as a Sixth Form for The Holgate Academy and National Church of England Academy. The purchase costs will be recovered by section 106 funding which is expected to be received over the period 2016 to 2020.

Financial and risk management objectives and policies

The Trust considers any risk as an intrinsic part of any decisions it makes. The Trust operates a risk register that reviews both strategic, financial and operational risks, including the key ways of mitigating these risks. This register is presented to the Audit Committee to scrutinise. This process will be refined in 2016/17 using appropriate software to ensure all key risks are both identified and managed.

Reserves policy

Total usable reserves, defined as Restricted general reserves (excluding the pension reserves) and unrestricted reserves were £1,442k (2015: £2,270k).

The Trust seeks to maintain approximately a minimum of the equivalent of 30 days' turnover in usable reserves. The current balance is lower than this as reserves have funded the development of the Hucknall 6th form centre which will be repaid over the next 5 years from S106 monies.

The Trust holds reserves for the following reasons;

As a buffer to allow the Trust to meet year to year changes in pupil numbers without the need to make short term adjustments to staffing and also to meet the potential for on-going restructuring if reduced funding or student numbers dictate. It also holds cash for unforeseen circumstances.

To support the need to constantly invest in the infrastructure of the Trust to ensure that the quality of the environment is continually enhanced.

Pension deficit

The Trustees recognise that there is a significant pension deficit of £14,071k (2015: £6,753k) which can vary from time to time depending on economic circumstance. The Trustees concern themselves with the overall level of contribution necessary to meet its cash payments to the schemes.

Investment policy

The Academy Trust will look to invest any surplus funds it has in short term deposits which whilst not generating substantial returns ensures that the Academy Trust can gain easy access to its funds and minimise its exposure to any losses.

DIVERSE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Key performance indicators

Due to the diversity of the individual academies the Trust sets KPI's at an individual academy level. These targets are:

Achievement – Detailed targets are set which reflect the entry position of cohorts within each school, all the academies met their targets, some reserves have been used in Retford Oaks to support improvement activity within the school.

Use of resources – The curriculum design and use of teaching staff is reviewed annually in each academy. All academies met the targets set. In 2 academies this provided additional resources for improvement. The Trust achieved a teaching utilisation of 79% against a target of 78%. (this is before targeted intervention activity)

Recruitment – Total roll at 1 October 2015 was 4,363 compared to a target of 4,300. Recruitment at Tuxford Primary Academy has been well ahead of expectation with numbers growing in the year by over 25%.

Financial Health – Each Academy set an in-year budget which reflects in year income and historic reserves which may be used to support education and investment. All academies met their budget target.

East Leake Academy joined the Trust with a deficit of £477K, which was supported by a loan from the EFA. East Leake Academy has reduced this deficit to £441K and at the 31 August 2016 had reduced the loan from the EFA to £27K.

Tuxford Academy retained its outstanding status following its annual risk assessment by Ofsted. It also continued to lead vital school improvement work in the region through its responsibilities as a Teaching School – the lead school in the Trent Valley Teaching Schools' Alliance ('TVTSA').

KS4 results were in line with predictions as in previous years. English again performed relatively less well than Mathematics and thus is a focus for increased DALP CSI in 2016-2017.

Progress 8 performance is above prediction and is strong.

KS5 results improved again on 2015 in AS and A2 measures.

East Leake Academy retained its good status following a successful Section 8 inspection by Ofsted this year.

KS4 GCSE overall 5xA*CEM results improved by 7% on 2015. English 4LP increased markedly as did 3LP in Maths. The significant staffing changes to the Maths team are now reaping benefits.

Progress 8 predictions were accurate. The negative residual was caused exclusively by historically poor curriculum and qualifications planning (before the arrival of the current Principal). Such errors have been rectified for Year 11 in 2017. They could not be for 2016. KS5 results are significantly improved on 2015 outcomes.

Retford Oaks Academy was inspected by Ofsted in December 2015. This was a Section 8 monitoring inspection following the Section 5 inspection of May 2015. As we forecast, the academy was judged to be taking effective action. The far-reaching programme of DALP challenge, support and intervention has continued. This response has already resulted in significant improvements.

We believe that the academy will be amongst the most improved schools in England once national, validated data is published in December 2016/January 2017.

Its KS2 to KS4 VA performance has played a significant part in DALP's overall positive KS4 VA performance. KS5 results are also strong. Many academic subjects are now performing significantly above the national average. Less so in vocational subjects. The sixth form remains subject to increased CSI from DALP for 2016-2017.

Holgate Academy retained its good status following its annual risk assessment by Ofsted.

KS4 results strength: significant increase in 4LoP English; exceeded FFTD in Maths.

Progress 8 prediction was accurate and in line with expected outcomes for this year group.

KS5 results improved on 2015 in AS and A2 measures. All targets, bar those for pass rates, exceeded.

DIVERSE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Walton Girls High School joined the trust on 1 June 2016. The academy retained its good status following a successful Section 8 inspection by Ofsted this year.

KS4 results are a source of great celebration overall.

Progress in English (3LP and 4 LP) is outstanding.

Progress 8 performance is very strong (despite the failure to prepare for the P8 measure by previous academy leaders) – the result of the impact of a new Principal and strong senior leaders.

KS5 performance has increased on 2015 in a large number of measures.

Tuxford Primary Academy retained its good status following its annual risk assessment by Ofsted.

The VERY low starting point as a local authority primary school will remain a frustrating legacy up to 2017. The 2016 RAISE will indicate just how much. However, powerful improvement in Early Years and Phonics and strong KS1 performance is to be celebrated.

KS2 presents a very favourable picture – and the national debacle with regard to some KS2 assessment has actually worked in our favour. The nationwide steep decline in KS2 attainment and progress (largely the result of the assessment debacle) has NOT happened at TPA; in fact, our improvement has accelerated hugely in testing circumstances.

***All external examination performance data relates to Summer 2016 results.**

Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. At the date of this report, the ability of the company to continue as a going concern is dependent on the timing of receipts due under S106 planning arrangements in respect of Hucknall Sixth Form centre, the receipt of loan funding from an associated trust for which EFA permission has not yet been granted and the significant reduction of the cost base, not all of which have yet been secured. These matters constitute material uncertainties. The trustees have concluded that these outcomes are sufficiently likely to be able to conclude that the academy trust will have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Plans for future periods

The Academy Trust is looking to continue developing its activities and operations in the following areas:

Partnership

The Trust is seeking to further develop shared services across DALP in IT, MIS, Marketing, Finance and Facilities.

Quality of Provision

The Academy Trust is committed to the on-going development of its member Academies in terms of its academic performance targeting that individual Academies will be graded as Good or better by the time of the Ofsted inspection. The Trust has strengthened its Education Support Team by creating 4 more Executive Assistant roles to support school improvement and seconding school based staff into key roles in Maths, English, Science and PDBW.

Expansion of the Academy Trust

The Academy Trust, through DALP has built capacity to support new academies in the following manner.

- Allowing the integration of any feeder primary school into the group;
- Through school to school support which leads to partnership; or
- Increasing the size of the group where there is a strategic fit through proximity to existing schools or to bring additional expertise into the Trust.
- Working with the Regional School Commissioner (RSC) to support the sponsored conversion of schools or transfer of existing academies.

Wainwright Primary Academy and Queen Elizabeth's Academy transferred to the Trust on 1 September 2016. The Trust remains in discussion with the RSC regarding other schools. The Trust carries out a due diligence process prior to Trustees agreeing to add an academy.

DIVERSE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

The Trustees have adopted the statement of recommended practice (SORP) approach to identifying and managing the risks of the Academy Trust. The schedule of risks will be tabled at all Finance committee meetings of each academy and at the DALP Audit Committee, and mitigating actions agreed as required. The full Trustee group will review the risk register on an annual basis.

The financial risks facing the Trust over the next 12-24 months are:

Real terms reduction in Educational Funding

Increases in National Insurance and Teacher Pension Scheme contributions have contributed to the in-year deficit. Further cost pressures will come from reductions in the Education Service Grant and lack of inflationary increases in pupil funding.

The Trust needs to save a further 5% on current costs to ensure future balanced budgets. All academies are using reserves to phase in cost reductions to utilise natural wastage where possible. All Academies are anticipated making further savings in 2016/17 and plan to make additional savings in 2017/18 and 2018/19.

Changes to Education Funding

The Education Funding Agency is proposing to introduce a national funding formula to replace local models of funding.

Improving / maintaining inspection grades and academic results

Inspection grades and results have a significant impact on the ability of the Trust to continue to manage an Academy and on recruitment to an Academy.

The Trust has increased spend on its education improvement team to support academies to make continued improvements in their Education provision.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust holds funds as custodian on behalf of those post-16 students who are entitled to and in receipt of the Post-16 Bursary. For further details see note 28.

EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

The trust has a number of formal and informal structures which supports employee engagement and involvement. Employee engagement/involvement is explicit in the vision and strategy of the trust and its academies. In addition to this there is a formal collective bargaining arrangement with recognised trade unions which provides a vehicles to formally consult and engage with employees trade unions in respect of all people management practices.

The trust ensures through its recruitment, development and through the course of employment that all people management practices support disabled persons, in addition all reasonable adjustments are considered and reviewed to ensure the recruitment and retention of disabled persons.

DIVERSE ACADEMIES TRUST

TRUSTEES' REPORT (CONTINUED)

AUDITOR

In accordance with best practice and in order to ensure value for money the Trust is carrying out a tender process for external audit. The successful candidate will be appointed by the Board for the year 2016/17.

Statement as to disclosure of information to auditor

The Trustees have confirmed that as far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware. Each of the Trustees have confirmed that they have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' Annual Report is approved by order of the Board of Trustees and the Strategic Report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 17 February 2017 and signed on its behalf by:



JR Rolph
Chair

DIVERSE ACADEMIES TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
JR Rolph (Chair)	3	3
M Tivey (Staff Trustee) (Resigned 31 August 2016)	3	3
A Knight (Resigned 31 August 2016)	2	3
CB Pickering (Chief Executive Officer & Accounting Officer)	3	3
CM Turner (Resigned 31 August 2016)	1	3
M Blore	2	3
J Dickens (Resigned 31 August 2016)	3	3
W Spooner (Staff Trustee) (Resigned 31 August 2016)	1	3
IC Wiggins (Resigned 31 August 2016)	3	3
R Turner (Resigned 31 August 2016)	0	3
M Quigley (Resigned 31 August 2016 and re-appointed 17 October 2016)	3	3
C Burn (Appointed 1 September 2015 and resigned 31 August 2016)	3	3
S Hall (Appointed 1 September 2016)	0	0

The Members of the Trust approved increasing the number of Members from 3 to 5 at its meeting on 20 April 2015. There are currently 3 Members, although it remains our objective to recruit additional suitably qualified candidates. The Trust Board takes overall responsibility for the Trust's finances but it has delegated key decision making to the academy board of each individual academy. These academy boards set the academy's educational targets and budgets which are then approved by the Trust Board.

A full review of governance has taken place throughout the year and as a result local academy board governors have been reduced in number to enable them to focus on key strategic activities. All governors completed a skills audit and self-evaluation. The results of this were discussed and evaluated at the Chair of Local Academy Board meeting. Following this, training sessions are held to address any gaps identified. These included safeguarding and RAISE online training. This is completed annually. The Chairs of LABs meet with the Executive on a termly basis.

The Holgate Academy was awarded Governor Mark in February and other academies that haven't been assessed are progressing the award this year.

The new Trust Board is undertaking training in January 2017 with an external assessor.

A Governors' Conference for governors in all academies is being held in February 2017.

DIVERSE ACADEMIES TRUST

GOVERNANCE STATEMENT (CONTINUED)

The Audit Committee is a sub-committee of the main Board of Trustees. The Audit Committee provides an overview of controls in both trusts within the DALP partnership. The joint committee acts as the Audit Committee to Diverse Academies Trust and National Church of England Academy Trust. The purpose of the committee is to review the internal controls of the Trust, recommending an annual programme of work to test the controls and receive all reports on internal controls. The Committee makes recommendations to the Board on improvements and areas of concern.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of possible
M Mays	2	4
S Tongue	1	4
J Eastwood	3	4
M Quigley	4	4
S Odabashy	3	4
T Hill	4	4

Review of value for money

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

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

- Working with the leadership team of each academy to further review the deployment of educational staff. The academies use modelling tools which allow allocations by year group to be compared to best practice across the 11 to 19 sector. As a result of this all academies have made savings in 2015/16 and plan further saving over the next 3 years.
- Through these savings academies have been able to prioritise resources and have seen good outcomes in both exam results and, more importantly, in the levels of progress made by pupils. Areas of weakness have been identified and plans for improvement put in place.
- Improvement Plans have identified key areas for development and budgetary provision has been made to enable the Senior Leadership Team to carry out the necessary actions.
- Through the Diverse Academies Learning Partnership (DALP) the Trust has taken part in collaborative work in the development of curriculum, CPD and leadership. The Trust has made significant contributions to collaborative work and received support from the other partners in delivering its provision to achieve enhanced pupil outcomes. The Trust believes this collaborative working is an important aspect of the journey to achieve an " Outstanding " OFSTED rating and best practice within education.
- The DALP partnership has provided specialist input in Maths and English and it has also undertaken reviews of the effectiveness of school leadership and of SEN arrangements.
- Sharing the Chief Executive / Accounting Officer and Chief Financial Officer roles across the DALP partnership which lowers the cost for the Trust.
- The Trust has introduced a new payroll service at a lower cost per employee.
- During the year the Trust has further developed its shared services in IT, Finance and HR to lower the cost of providing this support across our academies.