

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2021

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

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Reference and Administrative Details

Members	JR Rolph, Chair of Members M Blore IC Wiggins (resigned 8 December 2021) EA Rew (appointed 18 January 2021) JS Parker (appointed 18 January 2021)
Trustees	M Quigley, MBE, Chair of Board of Trustees JR Rolph M Blore IR Storey PK Mabbott (resigned 24 November 2021) D Schwarz RJ Shearing (appointed 14 July 2021) AP Davies (appointed 14 July 2021) C Burn (resigned 22 July 2021)
Company registered number	7664012
Company name	Diverse Academies Trust
Principal and registered office	Diverse Education Centre Old Hall Drive Retford Nottinghamshire DN22 7EA
Company secretary	J Harrison Hill
Chief executive officer	D Cotton
Senior management team	D Cotton, Chief Executive Officer and Accounting Officer N Holmes, Chief Education Officer (Secondary) C Thornton, Chief Education Officer (Primary) G Corban, Chief Operating Officer (incorporating CFO)
Independent auditors	PKF Smith Cooper Audit Limited 2 Lace Market Square Nottingham NG1 1PB
Bankers	Lloyds Bank 202 High Street Lincoln LN5 7AP
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG12 1BJ

DIVERSE ACADEMIES TRUST
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Chairman's Statement
For the Year Ended 31 August 2021

The Chairman presents his statement for the year.

The Diverse Academies Trust ('DAT') is the legal vehicle which owns the Academies within the Diverse Academies Trust.

This is my second Annual Statement since I was elected Chair of the Trust, having been a Trustee and Academy Governor for many years.

The Trust has continued to strengthen the skill base and its ability to challenge all areas of the Trust's activities. In 2021, following a recruitment process, two new Trustees joined the Board towards the end of the financial year, and we look forward to seeing them develop in their roles and contributing to the future of the Trust.

Andrew Davies, Head of Asset Optimisation for a large utility company, brings extensive knowledge and experience gained across multiple business areas.

Having previously served as a Governor in an Academy for a Trust, Andrew is passionate about creating an environment where children can learn and develop to achieve their aspirations.

Rob Shearing, Chief Executive Officer for Wolverhampton City Credit Union, brings a comprehensive and established range of skills and experience developed at Executive, Director and Board level in the public, private and charitable sectors. Rob is passionate about making a difference in the education community for everyone and was actively involved in development of the National Citizen Service, working closely with ministers and senior leaders in the Department for Education.

Following Catherine Burn's decision to resign from the Board in July of this year, and Peter Mabbott has resigned after the financial year end in November 2021, we are continuing to try to strengthen our Board to the maximum of ten as agreed by Trustees.

A fundamental review of structures has been undertaken and our central cost base reduced. We continue to be aspirational and look forward to expanding our Trust when conditions allow as we continue to be in a financially stable position with reserves.

Our Mission Statement and Strategy are in final draft form and will be shared with Chairs and Vice Chairs of Academy Committees next term before sign off at the Board meeting. We have not lost sight of the fact that our prime objectives are the education of our students and to be an active member of the local community to ensure that everyone reaches their full potential.

The separation of the partnership with NCEAT is now complete and all minor issues are resolved.

I would like to thank all staff for their support and dedication to maintain the education and learning of our students during what continues to be a difficult time, and for the excellent results our students achieved again this year. I think we will all remember the previous period of the pandemic and all look forward to a more positive and stable future.


Mike Quigley MBE (Dec 14, 2021 13:59 GMT)

Mike Quigley, MBE

Chairman

Date: Dec 14, 2021

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Chief Executive's Statement
For the Year Ended 31 August 2021

The academic year 2020/21 has been unprecedented and challenging, yet against a backdrop of obstacles brought about by the global pandemic, we have sustained previous improvements within our academies and delivered further improvements.

The overwhelmingly positive response from all our staff, governors and communities during this time has been an instrumental factor in our continued success – and by all measures, it has been another successful year for the Trust.

We have responded to the challenges of Covid-19 – safeguarding all of our children and young people and providing high quality learning whether this has been face-to-face or online. During school closures, staff and communities pulled together in so many different ways, from delivering free school meal packages to vulnerable families to ensuring live lessons took place so that students and pupils continued to receive high quality learning experiences whilst at home.

Although this has been a very challenging time, we have collectively worked as a multi-academy trust and realised the significant benefits that this system was set up to deliver. When our academies reopened, they did so safely and efficiently, and the attendance of both our students and staff is testament to the controls and support we have put in place.

Over the last three years and following a significant period of growth and development for our Trust, we have restructured and re-aligned our mission, vision and values to ensure we operate as one organisation. Our culture of working together and placing our communities at the heart of our decision making now provides a consistent framework to academy and organisational improvement.

The financial position of our Trust remains strong. We have achieved three consecutive years of positive outturn, which has ensured a healthy cash flow, balance sheet and reserves. Initially, this was achieved by delivering on a number of cost efficiencies whilst at the same time improving quality, standards and effectiveness in everything that we do – from executive and senior leadership to practice in the classroom and business functionality. However, our focus over this year and further years will be to strengthen our longer term curriculum and workforce planning through the development of our leaders and consideration of external benchmarking information, such as the use of the ISBL School Optimisation Tool (I-SOT).

Working with our Trustees, we have reviewed and set a new direction of travel for the Trust. This is instrumental to ensuring that we continue to develop as one organisation and provide a clear line of sight for all our academies and people.

Our values are clear and uncompromising, and which our academies embrace in all of their diverse settings and communities. We continue to explore and set challenging but achievable goals supported by strategic objectives which are linked to our academy improvement plans. Governance remains a strength of our organisation – we have carried out reviews of our scheme of delegation and developed and monitored the impact of governance through our structures.

As statutory tests and examinations did not take place in 2021, teacher assessed grades were awarded across the Trust following a rigorous internal, transparent moderation process which was based on sector best practice. This process has been a resounding success. Ofqual have found no issues with our approach and, more importantly, our approach has been positively received and with very few appeals or concerns raised regarding how the grades were awarded.

2020/21 was another positive year in terms of financial consolidation. We have maintained our previous recovery with sustained focus on value for money, ensuring academic return on investment as well as realising efficiencies in all areas of our cost base. A key movement this year has been the engagement and empowerment of our leaders who have demonstrated a full commitment to ensuring our resources are managed effectively and are focused on making the greatest impact to the education of our students. Financial controls continue to be strong and strengthened further which is evidenced by robust internal and external scrutiny.

**Chief Executive's Statement continued
For the Year Ended 31 August 2021**

During 2020/21 we have increased the number of academies to 14, as we welcomed Hillocks Primary Academy to the Trust. We have been working with Hillocks as part of a service level agreement with the local authority for a number of years and their addition to our organisation has brought additional primary capacity – and we are already seeing the significant benefits of the multi-academy trust system through the rapid improvements within Hillocks.

The Trust has sustained and developed excellent and valued relationships with trade unions and professional associations through regular and transparent communication and consultation. This has been particularly relevant during Covid-19 and specifically with regard to the re-opening of schools whilst making sure all risk assessments and controls were in place to keep both staff and pupils as safe as possible.

In summary, the Trust has had a very positive year. We have continued to learn lessons relating to the pandemic, but we have maintained our focus on giving all our students a high quality educational offer.

D Cotton
D Cotton (Dec 15, 2021 11:31 GMT)

D Cotton
Chief Executive Officer
Date: Dec 15, 2021

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Trustees' Report
For the Year Ended 31 August 2021

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates six secondary schools, six primary schools and two special schools in Nottinghamshire and Lincolnshire for the age range 2 to 19. Our academies have a combined pupil capacity of 9,225*, a current PAN of 8,046 and a roll of 7,601 as at the schools' census point in October 2020. Hillocks Primary Academy joined us in December 2020 but hasn't been incorporated into these figures.

*We have reassessed capacity, and this is now based largely on our supplementary funding agreements. In terms of how this breaks down;

Total of all academies Years 1 to 11	7,437
Total of all academies Years 12 to 13	1,573
Total of all academies Nursesey age	215

Tuxford Academy lead the Trent Valley Teaching School Alliance which provided continuing professional development to teachers and support staff in approximately 28 schools. Due to changes from the Department for Education regarding Teaching schools, this will change in 2021/22 to the Redhill Teaching School Hub, of which Diverse Academies is a strategic partner providing training for Early Career Teachers and National Professional Qualifications. Trent Valley Teaching School Alliance (TVTSA) and the Institute will become one 'Diverse Association for Professional Learning' aiming to provide high quality professional and leadership development both to schools within and external to the Trust.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable 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 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 (DAT).

Details of the Trustees who served during the year, and to the date these accounts are approved 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 ceased to be a member.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Structure, governance and management (continued)

c. Trustees' indemnities

A Trustee may benefit from any indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them. This is in respect of any negligence, default or breach of trust or breach of duty for which they may be guilty in relation to the 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, provided also that any such insurance shall not extend to the costs of any unsuccessful defence of a criminal prosecution brought against the Trustees in their capacity as directors of the Trust.

d. Method of recruitment and appointment or election of Trustees

New Articles of Association were adopted with effect from 1 May 2016. The adopted changes were to move to the DfE model Articles of Association. The Trust meets its commitment to Parent representation by appointing Parent Academy Committee governors at a local level. Trustees are appointed either by nomination and approval by the Members under Article 50 or as co-opted trustees appointed by other non-co-opted trustees under Article 58. This change facilitated segregation of duties between Academy Committees (ACs) and the main Board and its committees.

For some time now, the Trustees have been considering their skill base and their ability to challenge all areas of the Trust's activities. In 2020, Trustees completed a skills audit to assess the Board's breadth and depth of skills, knowledge, and behaviour. A broad range of skills were held within the Board to enable Trustees to analyse data and have discussions which create robust challenge and support to hold the executives to account.

The Trust has embarked upon a recruitment programme to ensure succession planning and widen the diversity of the Board to ensure it is representative of the community which it serves and are actively looking to increase the Board from 7 to 10. Two trustees were appointed from this process.

Andrew Davies was appointed and brings with him a vast amount of senior operational leadership, change management and asset management experience gained through 17 years working within the water industry. He has previous experience of governance having been a Governor at a school for five years.

Rob Shearing was also appointed and brings with him experience as a director, having held chief executive and senior leadership roles across the public, private and charitable sectors.

Rob is passionate about making a difference in the education community for everyone and was actively involved in the rollout process and initial development of the National Citizen Service (NCS), working closely with ministers and senior leaders in the Department for Education.

Full details of current Trustees are shown on page 1.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for each new Trustee will depend on their existing experience. The Trust purchases support services which provide individual and full Academy Committee training through an annual training programme which is reviewed each year to reflect any changes in practice and legislation. This consists of internal and external training sourced via the Diverse Academies Institute. The Trust carries out regular skills audits of Trustees and, should any gaps be identified, training courses are offered to address these issues. The Governor and Trustee conference day for the Board and Executive Leaders was unfortunately cancelled due to Covid-19, with training for governors and trustees being carried out virtually using senior leaders in specialist areas to deliver training in subjects such as SEND, Relationship and Sex Education, Budget Planning and Safeguarding.

External advice is sought as and when necessary.

In March 2021 the Trust internal audit programme commissioned ICCA, to carry out an internal review of corporate governance, to review the suitability and effectiveness of the existing model of governance and membership composition, in order to ensure effective decision making is undertaken by the Trust Board in pursuit of achieving the Trust's strategic direction. As a result of the work carried out, Trustees were provided with substantial assurance that the areas of the control environment tested during the audit are designed and operating effectively with no significant weaknesses.

f. Organisational structure

Executive

Our Chief Executive Team, led by the CEO consists of three C-Level posts. These posts are the Chief Operation Officer (COO) – which incorporates the role of CFO – and two Chief Education Officers focused on secondary and primary and SEND. These posts are responsible for working with the Board of Trustees, for creating the vision, mission, and strategic objectives. Their strategic reports are refined and presented to the Trust Board for approval. Monitoring the execution of the key strategies is then achieved through a series of Board meetings and the Audit and Risk committee meetings.

In addition to this, the Executive Leadership Team has reduced by two posts during the year and now consists of five Executive Principals and one Executive Business Leader. This team is collectively responsible for planning, strategies and policies, and integrating with academy leadership teams to deliver rapid and sustained school improvement.

The quality and effectiveness of education is reviewed through a series of meetings called Academy Review Meetings (ARMs), which are held six times per year, via Education Review Meeting (ERMs), which are held four times per year, and by an annual Academy Improvement Review (AIR). All processes monitor Academy Improvement Plans which are presented to Academy Committees (local governance) and consolidated to a sub-committee of Trustees.

The Trust has a number of key education and business support functions – Communications and Marketing, Estates and Facilities, IT, MIS, Finance and HR, which provide high-quality technical support of staffing and services through a shared cost model. These are monitored and reviewed termly, focusing on business quality assurance, structure performance and value for money, through specific key performance indicators (KPIs).

During the year, several service level agreements have been put in place to support academies in other multi-academy trusts, and local authority schools, with school improvement. This has not only raised the quality of education and outcomes, but has given valuable continued professional development to our senior executives, leaders and staff.

The beginning of December 2020 saw the admission of Hillocks Primary Academy (formerly Hillocks Primary School) into the Trust, following a substantial period of collaborative working and Trust provided support. The capacity of key education and business support infrastructure already in place was sufficient without the need for increase in any area, creating further efficiencies across the Trust. Covid-19 has provided an unplanned

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Structure, governance and management (continued)

challenge to our academies, but the strength and depth of the Trust, through its leadership and technical support, has demonstrated the benefits of working as one organisation and which has provided high quality support to our children, young people and communities. This is something the executive team and Trustees are immensely proud of.

Governance

Trustees reviewed and consulted upon a new governance strategy, scheme of delegation, terms of reference and structure during the latter part of the 2019/20 year. This was to ensure that the delegated responsibilities were clear showing the separate tiers of governance between Members, Trustees and Governors on Academy Committees. Following review of Academy Committee feedback, the Governance and Partnership Committee is now holding a working party with representatives of Academy Committees to discuss improving communication between Board and Academy Committees, and to review the impact of the changes to the Scheme of Delegation for the coming year. Training sessions have been held throughout the year for trustees and governors, ensuring that people at each layer of governance are aware of their roles and responsibilities.

The Trust Board meets 6 times per year with a remit to develop and agree vision, values, and strategic direction, hold the executive to account for educational and financial performance, agree the Scheme of Delegation and Terms of Reference and discharge non delegated responsibilities.

The Trustees have delegated non-statutory powers and functions to the Trust Board committees whose remit is the oversight of strategy and impact in relation to business, pedagogy, and governance. This is carried out through the Audit and Risk committee (meets 3 times per year), Finance and Resources Committee (meets 6 times per year), Standards and Outcomes Committee (meets 6 times per year), Governance and Partnership Committee (meets 3 times per year) and Academy committees at each academy or group of academies (meet 6 times a year) whose remit is oversight of academy improvement, performance and stakeholder view.

A full review of the vision, mission and values of the Trust has been carried out. Throughout the year, work has been underway to align the strategic plan and objectives to the ethos of the Trust, ensuring the future direction of the Trust is clear. Work will continue to progress as the new vision, mission and values are rolled out to staff.

Covid impact on Governance and controls

Coronavirus (COVID-19) was declared a pandemic by the World Health Organisation on the 11 March 2020. It resulted in periods of school closure, partial opening and a return with social distancing measures and controls.

The Board and committees held virtual meetings throughout the year to ensure that the Trust maintained effective governance. The Trustees continued to support the Trust throughout this period by staying connected with senior leaders to ensure due diligence and support for the challenges of ensuring continuity of education for all pupils and navigating the roadmap for lifting lockdown. The significant disruption that children and young people have experienced in their education over the past year, and the challenges they have faced as a result, has been the focus of the Standards and Outcomes Committee and Trust. A mental health survey was carried out and recommendations for short term and long-term responses are now being implemented.

There were many examples of good practice during the closure of schools and the Executive Team and Trust intend to ensure that these approaches are reviewed and harnessed to support future learning and help recover lost learning for our students.

Costs associated with Covid-19 continue to be closely monitored and reported.

Each Academy Committee is able to spend their allocated budget and recruit within the framework of the annual budget, which is expected to at least break even. All budgets are approved by the Trust Board via the Finance & Resources Committee.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Trust Finance and Resources Committee are delegated responsibilities for performance and remuneration. They review and approve the Trust's Pay and Reward and Appraisal policies, receive the Chief Executive Officer pay and benefits recommendations from the CEO's Performance Review panel and receive and agree executive performance pay recommendations from the Chief Executive Officer and the Appraisal Trustee for the Chief Operating Officer and Chief Education Officers.

Salaries are reviewed and aligned with nationally agreed terms and conditions as well as comparing to norms within the sector. Business support salaries are reviewed in the context of national job evaluation frameworks.

The Trust has further developed and enhanced its staff salary sacrifice scheme to enable employees to benefit from reduced costs in health care, cycle to work scheme etc. Health and wellbeing initiatives are in place in all areas of the organisation.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	12
Full-time equivalent employee number	9

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	12
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£000**

Total cost of facility time*	12
Total pay bill	39,242
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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* £11,768.12 (paid into the Nottinghamshire County Council Trade Union Fund.)

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Structure, governance and management (continued)

i. Engagement with employees (including disabled persons)

The Trust has a number of formal and informal structures which supports employee engagement and involvement. Employee engagement/involvement is explicit in the Trust's vision, mission and values and HR strategy. In addition to this there is a consultative committee which engages employee recognised trade unions in discussing key organisation issues such as health & safety, development and other relevant employment issues.

Across the Trust there is a network of Wellbeing Champions who ensure that all staff have access to health and wellbeing support, advice and offers to support physical, mental and financial wellbeing, rigorous recruitment processes, professional development and people management practices and support throughout the course of employment. All members of staff are covered by the Equality Act, specifically with regards to protected characteristics.

In addition, all reasonable adjustments are considered and reviewed to ensure the recruitment and retention of all staff.

The interests of the company's employees

During the 2020/21 academic year we have supported our employees by offering flexibility in terms of working from home during lockdown and academy closures and supporting them in their return to work. A specific example of this is the Workload and Wellbeing Impact Assessment and Staff Survey that was conducted to 'temperature check' how staff were feeling when returning to work and what support they required. Results of the survey were shared with Leaders and actions taken to make improvements where required.

We need to foster the company's business relationships with suppliers, customers and others. As a Trust we work with a large number of suppliers and agencies, all of which have to meet certain criteria and demonstrate that they operate within legal regulations such as IR35, working time directive and the Modern Slavery Act. Letters of assurance and contracts are put in place to ensure we are satisfied that all companies meet these requirements.

j. Related parties and other connected charities and organisations

The Trust does not have any related party or other connected charities or organisations in the financial year.

Objectives and activities

a. Principal activities

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

Bracken Lane Primary Academy
East Leake Academy
Hillocks Primary Academy (joined the Trust on 1 December 2020)
Queen Elizabeth's Academy
Redgate Primary Academy
Retford Oaks Academy
Samuel Barlow Primary Academy
The Holgate Academy
Thrumpton Primary Academy
Tuxford Academy
Tuxford Primary Academy
Wainwright Primary Academy
Walton Academy
Yeoman Park Academy

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Objectives and activities (continued)

Most of our academies are either full or continue to significantly grow their pupil numbers.

The Diverse Association for Professional Learning is an integral part of enabling school improvement by connecting continuous professional development with organisational and individual development objectives.

The core strands of the Diverse Association are:

Teacher Development – which includes a lead role within a collaborative teaching school hub
Educational Support Development
Business Support Development

The above supports cross cutting development areas relating to leadership development and coaching.

b. Objectives and aims

The Trust's primary objective is the delivery of outstanding education, personal development and welfare provision which optimises the life chances of all students that attend one of its academies.

We achieve this through our core values of:

We empower | We respect | We care

Our core goals enable the Trust to operate as one organisation across diverse settings, with a strong organisational culture and achieve co-development through collaboration and partnership which is integral to our operations. The diverse educational needs of individual students and the priorities of local communities are met by the academies that serve them. In addition to outstanding student performance and outcomes in all settings, the development and welfare of our people is at the heart of our Trust and all of our colleagues are highly professional and technically skilled. We are financially efficient and stable, delivering outstanding value for money.

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

c. Objectives, strategies and activities

The Chief Executive and his Team work with Trustees to set a three year strategic development plan. Within this plan there are four key strategic objectives for the work across the Trust and the wider partnerships. These objectives are agreed by the Trust Board and the relevant committees to the Trust Board. The committees monitor and evaluate progress against the objectives as the year progresses.

Strategic objectives for the year 2020/ 2021

1. **To improve the clarity and alignment of the Trust's vision, ethos and strategic direction** so as to improve the consistency and quality in the educational provision.
2. **To improve outcomes for all pupils** so they achieve their full potential by developing leadership alongside an aspirational curriculum that allows flexible implementation using the best online technologies.
3. **To develop greater financial flexibility and agility** in order to be able to respond to changing improvement needs and to adjust to future cost pressures.
4. **To develop a greater understanding of all stakeholder and wider community views** in order to help shape and improve academies within the Trust.

The individual academies set out their own priorities within this overall framework via an Academy Improvement Plan, which is agreed and monitored by their own Academy Committees.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Objectives and activities (continued)

d. 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 Trustees consider how planned activities will contribute to the aims and objectives they have set. The 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

The Trust has continued to perform well in its core educational business despite another very challenging year due to Covid-19 and long periods of school lockdowns and disruption.

Our school review processes were adjusted at the start of the year in line with online learning and covid restrictions. Ofsted cancelled routine inspections during this period though Tuxford Academy received a monitoring visit to look at the quality of its online provision as part of a wider national monitoring exercise.

Exams and statutory tests did not take place in 2021. Teacher Assessed Grades (TAGs) were awarded for A Levels and GCSE's following a rigorous process of evidence gathering and moderation. All of our academies passed the moderation process successfully and without challenge. As was the case last year, the DFE will not be producing performance tables of GCSE and A-level results, and neither will Ofsted take them into account during resumed inspections.

Teacher assessments were made in the primaries supported by agreed tests used across the schools which, at Key Stage 2, were broadly in line with targeted attainment demonstrating improving trends other than at Hillocks Primary. There is confidence in both primary and secondary assessments due to robust moderation processes, however, the lack of validity of teacher assessments nationally means that this data will not be used to judge performance and there will be no national league tables this year. The national phonics screening was moved from June 2021 to December 2021 and interventions are in place to address gaps and accelerate progress. The new Reception baseline has been implemented, delayed from September 2020 and this information will be used to measure progress when this cohort reach the end of Year 6 in 2028. This will replace the progress measure currently based on Key Stage One SATs which will now be discontinued when this cohort reach the end of Year 2 in 2024.

TAGs and teacher assessments have been used internally to identify the successes and next priorities across our academies alongside the information from academy review processes.

Secondary Academies

The focus in our academies this year was on curriculum in its widest sense with the obvious emphasis on ensuring that the provision provided during extended periods of online learning was of good quality. Safeguarding our young people during this time was also paramount. Towards the end of the year the focus in our academies switched to recovery, and much use was made of the national tutoring programme alongside summer school provision. The educational recovery of our academies will feature strongly in recovery plans for the coming year.

Tuxford Academy

Tuxford Academy continued to develop its curriculum offer during the periods of lockdown with a highly developed blend of resources being used to support pupils. The outcomes obtained in the summer were in-line

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Strategic report (continued)

Achievements and performance (continued)

with the grades submitted in the TAG process.

East Leake Academy

Work on the curriculum at ELA continued at pace and built on the successes noted by Ofsted in the previous year. The outcomes awarded by TAG process were in-line with the grades submitted.

Queen Elizabeth's Academy

QEA continued to support its pupils well during periods of lockdown. The curriculum offer was well thought through and met the needs of the local community, many of whom had difficulty in accessing purely on-line resources. During the return in the summer term the high standard of pastoral care and behaviour seen at the academy was maintained.

The TAGs that were awarded in the summer reflected the grades that were submitted.

Walton Academy

Walton Academy has had another good year. The school delivered high quality support and learning through the lockdown period and the TAGs that were awarded were in-line with their high expectations. During the year WA continued to develop their work on curriculum and really moved the academy forward despite difficult circumstances.

Retford Oaks Academy

Like all our schools, ROA supported its pupils with their learning and support to a high standard during the lockdown period. Work done on the curriculum and improving the quality of SEND provision was particularly evident during this time. The TAG results obtained in the summer were as submitted.

The Holgate Academy

The main area of work at THA was improving the behaviour and engagement of pupils. Despite much disruption during lockdown and wider pupil absence due to COVID there was an observable behaviour shift in the right direction by the summer term. There has also been a much needed refresh of the school environment which has been well received by staff and pupils alike. The TAGs awarded this summer were as submitted.

Special Academies

Following the retirement of the previous Executive Principal, the remaining primary EPs assumed responsibility for each of the special academies and have continued to work with the shared leadership team to drive improvement across both schools.

A new Head of School role was created at Redgate Primary to ensure sufficient leadership capacity day to day in the academy and the previous Vice Principal was successful in her appointment into this role which has provided continuity. Redgate is now in a good position in terms of readiness for imminent re-inspection and all safeguarding concerns which led to the previous inadequate judgement (prior to conversion) have been addressed. Individual learning plans are used consistently across the academies and intervention for communication has been successfully prioritised and developed over the last year. Ensuring progression in individual subject areas is now a focus for 2021-22 to ensure the curriculum is aspirational for all pupils in every respect.

YPA is fortunate to have been selected as one of the first 50 schools to be rebuilt under the DfE programme. Work is underway and we are excited for the opportunities that this will provide in creating a provision of excellence for our young people. In the meantime, leaders are working to ensure that the environment fully meets the needs of children in the broadest sense. Leadership roles have been restructured to enable this and strengthening this is a focus for 2021-22. This has included further development of pathways and Post 16 provision which aligns with the national and local authority agenda to ensure all young people are able to fulfil their potential, particularly given the disruption of Covid.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Strategic report (continued)

Achievements and performance (continued)

Primary Academies

The primary academies were well placed to work together to maximise capacity and efficiencies to ensure remote learning was as effective as it could be. This enabled us to respond quickly and deliver a high quality online curriculum in a way that was accessible and had best impact. This has supported the continued improvement of the curriculum with streamlining of subjects to ensure the right core content to support the building of knowledge. This has been effective in planning for recovery and we have detailed knowledge of gaps in every academy which have been used to inform improvement plans. Each academy has continued to develop their curriculum to ensure it is personal to that setting, aspirational and meets the needs of pupils in their context with a clarity about intent.

Shared strategic leadership has been further developed with 3 key areas identified for 2021-22 linking with Trust objectives and individual academies: oracy, curriculum, and improvement of the quality of teaching through informed assessment.

We are pleased with the outcome of the two recent Section 8 Inspections at Bracken Lane Primary and Thrumpton Primary Academies. Section 8 inspections focus on the Quality of Education primarily along with safeguarding and both involved one inspector for 2 days. The inspections were extremely rigorous and confirmed that both continue to be good without an indication of decline. Findings were a fair reflection of both schools with areas for improvement in line with both self-evaluation of the academies and priorities identified in the improvement plans. We expect reports to be finalised shortly after the Christmas break with publication in January.

Bracken Lane Primary Academy

Work carried out over the last 2 years to improve progress in reading has been successful in securing improved attainment and progress across the school. A new Key Stage 2 team have been very well supported and developed by leaders to successfully improve consistency in the quality of teaching. Quality assurance processes have been developed to ensure self-evaluation and improvement planning is comprehensive. This information is now being very well used by leaders to identify and drive further improvement. The academy was very successful in addressing gaps to secure strong outcomes at the end of the year. BLPA is in the Ofsted window, however, this is likely to be a Section 8 inspection as a Good school.

Hillocks Primary Academy

Following conversion in December 2020, Hillocks has been effectively integrated into the Trust. The primary core curriculum has been adapted to the local context and is providing significantly more breadth and depth to children's learning with assessment processes being developed to maximise progress. Robust quality assurance processes are much better at informing school improvement and there is capacity in leadership to ensure success. However, there is much to do to ensure that outcomes improve sufficiently. Significant building work has taken place this summer which has transformed the environment and further enhanced the positive culture embedded throughout the academy.

Thrumpton Primary Academy

Leaders have continued to improve the breadth and depth of the curriculum and the impact of this is now being seen widely across the academy. This is evident in outcomes that have stabilised at least in line with local authority outcomes with any remaining gaps being known and informing improvement plans. Significant work has been carried out on the Poverty Proofing agenda, which has become more significant as a result of Covid, and with the increasing percentage of pupils being entitled to free school meals in the academy. Ensuring that PP strategy is as robust as possible in securing good academic progress for every child is an area for development in 2021-22.

Tuxford Primary Academy

Through the development work by leaders, inconsistencies in the teaching and progress in reading have been successfully addressed resulting in improved outcomes throughout the academy. Attainment in phonics has stabilised due to greater consistency of approach and is expected to improve further as an ongoing area for development. The curriculum continues to be enhanced to ensure it is aspirational with oracy an identified focus

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Strategic report (continued)

Achievements and performance (continued)

area for 2021-22 to enable children to excel.

Wainwright Primary Academy

Securing greater consistency in the quality of teaching has been a priority for the academy and this has been successfully moved on this year. Covid has presented particular challenges given the context of the school, with a further decline in the percentage of pupils entering foundation with communication skills significantly below that typically expected, and the number of pupils moving in and out of the academy due to relocation in other countries. However, leaders have worked effectively to manage this and adapt the curriculum and intervention resulting in excellent progress for EAL pupils. The teaching of phonics has been further consolidated, although this remains an area for development due to the starting points of children. Outcomes at the end of Year 6 have continued to improve with progress scores increasing again for a third year against Local Authority measures. Further development of the curriculum along with EAL intervention and oracy are priorities for the coming year.

Samuel Barlow Primary Academy

The significant building work which has taken place at SBPA has transformed the learning environment and this, along with the consistency of approach adopted by leaders, has embedded a positive behaviour culture across the academy. Development of the curriculum has been a focus for the last year which, supported by much improved consistency of quality teaching, is leading to improving outcomes at the end of Year 6. Covid has had considerable impact on the progress and attainment of children in the early years into Key Stage One. However, assessment is being used effectively to identify gaps and significant intervention is in place to ensure that this is addressed as quickly as possible. SBPA is expecting to receive a full Section 5 inspection in the near future.

a. Key performance indicators

The Trust sets KPIs at an individual academy level. These targets are:

Achievement – detailed performance targets are set which reflect the entry position of cohorts within each academy. In 2020/21 our academies have largely achieved the targets set bearing in mind the impact of Covid-19 and the changes in examination approach.

Use of resources – the curriculum design and use of teaching and support staff is reviewed annually in each academy. The use of curriculum-led financial planning (CLFP) is central to the allocation of resources and the overarching target of 79% contact ratio is something we strive for in the context of overall staffing as a percentage of income.

Financial health – each academy has a budget which is set at least breakeven if not a surplus. During 2020/21 we further developed our cost share model which is used to pool resources and costs and drive value for money in many areas of expenditure.

b. 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 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. The Trustees have concluded that these outcomes are sufficiently likely to be able to conclude that the 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.

Going concern and impact of Covid-19

The impact of the pandemic has been felt across the sector and has caused a significant amount of disruption. The Board and management have continued to make decisions to support and educate all their pupils during this period whilst adhering to the DfE guidance. The Trust has prioritised support for pupils' mental health and

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Strategic report (continued)

Achievements and performance (continued)

wellbeing whilst taking account of pupils' learning and further curriculum support needs. The Trust ensured that all decisions taken were in the best interest of staff and pupils.

The Trust continued to face some operational issues including:

- The ability to fundraise and generate rental income for events on school premises;
- Cancellation of trips;
- Cancellation of exams;
- Access for pupils with social-distancing measures in place;
- Staff sickness and absences.

Unfortunately, these issues have had a significant impact both in the short and long term, therefore the Trust had considered several measures to minimise impact:

- The Trust ensured that adequate risk assessments have been conducted and protective measures put in place to reduce risk to children and staff;
- Protective measures such as small class sizes and cleaning regimes;
- Effective communication with staff, parents, and carers, and responding to any concerns they may have regarding further opening.

Some of the other key challenges that management and Trustees have considered are as follows:

Covid impact Governance and controls: as referred to in the Governance section

Impact on audit work and external scrutiny: as referred to in the Risk and Control Framework in the Governance section

Financial Impact

Despite the Trust seeing some increases in certain costs as a result of the pandemic, for example cleaning, health and safety and supply staff costs, the Trust has managed well within the resources available. The vast majority of income has continued to be received and cost reductions have been seen across the Trust, for example, travel costs. This has been an opportunity for the Trust to review cost reductions over this period without causing detriment to Trust operations.

The Trust has kept a track of all Covid-19 related expenditure separately within the financial system.

To ensure that the Trust continues to effectively manage financial reporting, monthly management accounts and regular forecasting are, and will continue to be, carried out to ensure that the challenges related to the pandemic can be easily identified and control measures put in place to ensure significant impact is minimised.

The Trust has identified some risks and uncertainties related to the coming year which would have an impact on cash flow, these include:

- Increase in IT related expenditure, as technology is being utilised as an alternative measure.
- Capital related costs which have been delayed in previous years
- The timing of payments related to future S106 payments
- Consistency and timing of invoicing of PFI payments from the local authority.

c. Promoting the success of the company

Diverse Academies Trust is governed by its charitable objects. These charitable objects set out the purpose of the charity. The consequences of all decisions and activities of the charity are assessed by how they drive us towards achieving that long-term purpose, including by reference to the charity's strategy, vision and values. As an educational charity, we are accountable not only to our funders and direct beneficiaries (our pupils) but also

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Strategic report (continued)

Achievements and performance (continued)

their parents and the wider community. These stakeholders support us, engage with us, and challenge us. They ensure that the decisions we make as a charity, from the ground level through to the Board, are for their benefit. We are a value driven organisation, and our values mean that we are informed, shaped and powered by our determination to uphold our vision and values. Well-established involvement and consultation mechanisms, both direct (through parent and staff surveys) and indirect (through the involvement of parents and local people on our Academy Councils and Trust Board) ensure that decisions made by the Trustees are informed by the needs of the organisation's stakeholders.

Long-term consequences of any decision

Trustees consider the consequences of any strategic decision in the long-term as part of their assessment. We aim to ensure that as an organisation we balance our income and expenditure to ensure that our organisation remains sustainable in the long term. This is balanced against the needs of our pupils, staff and other stakeholders, and the community, to ensure we are spending the funding we receive from the government in the most effective way to support our aims, and with integrity. This financial year has included a review which further developed our cost share model which was used to pool resources and costs and drive value for money in many areas of expenditure in order to be able to respond to changing improvement needs and to adjust to future cost pressures.

The impact of the company's operations on the community and the environment

Details of how the Trustees give consideration to the impact on the community can be found in the section on Public Benefit. An example of how the Trust has considered its impact on the local community has been during the COVID-19 crisis, where a decision was made to continue to provide Free School Meals to those in need during holidays during the Pandemic. The Trust has also worked to ensure the schools remained open during holiday periods to support working parents within the local community during the COVID lockdown when other childcare options were not necessarily available. Following the reopening of Schools in March our attendance has been high and this is attributed to the communication throughout the Pandemic with students' parents/carers and the community.

The desirability of the company maintaining a reputation for high standards of business conduct

The Trust aims to conduct all its relationships with integrity and courtesy, and scrupulously to honour every business agreement. We subscribe to the principles of Ethical Leadership and are a pathfinder Trust. The Trustees have approved a number of policies that help to ensure the charity maintains high standards of business conduct; these include the Investment Policy, Anti-Fraud and Whistleblowing Policy, and Gifts and Hospitality Policy.

The need to act fairly as between members of the company

All members of the Trust are treated fairly and equally, and have the ability to directly contact Trustees or the Executive. They are invited to participate in training or strategic development events.

All matters reserved for decision by the Trustees are presented at Board or Committee meetings as appropriate. Trustees are briefed on any identified potential impacts and risks for our stakeholders and how they are to be managed. The Trustees take these factors into account before making a final decision which together they believe is in the best interests of the Trust and its stakeholders.

Financial review

2020-21 was a significant year for the Trust, building and developing the financial strategy put in place during 2018. This has placed it in a strong position to meet the challenges that lay ahead. The strategy focused on two main areas:

1. The shared leadership structure
2. The realignment of the business functions

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Strategic report (continued)

The Trust has carried out a full review of its financial controls. Accountability is strong and the cash position of the organisation is healthy. Some posts have been removed but there have been no compulsory redundancies

This set of accounts shows the financial performance of the Diverse Academies Trust for the year ended 31 August 2021. The statement of financial activities shows the Trust returned a deficit before other recognised gains and losses of £2,897k in the year ended 31 August 2021 (2020: deficit of £4,755k).

The total of restricted and unrestricted funds, the principal measure used by the ESFA to assess the financial health of a Trust, now stands at £1,355k. This represents an improvement of £74k from 31 August 2020.

The Trust held fund balances at 31 August 2021 of £23,567k (2020: £32,497k) comprising a surplus of £697k (2020: £392k) of restricted general funds (excluding pension reserve) and a surplus of £658k (2020: £889k) of unrestricted general funds and a pension reserve deficit of £48,306k (2020: £37,357k). The majority of the net assets relate to fixed asset funds (land and buildings) being £70,518k (2020: £68,573k).

The Trust has cash balances of £3,854k (2020: £2,042k) at the end of August 2021.

Further efficiency gains for 2020-21 have been identified and work is ongoing to review the organisational structure. The plan is to build upon the progress made and to channel all additional savings in to improving teaching and learning.

Financial policies

The Trust has continued to adopt the financial budgeting methodology developed over the last couple of years. The approach reviews the income received across the trust and a sophisticated methodology to sharing cost known as a 'Cost Share Model' as opposed to a fixed percentage charge to academies. All operational delivery costs both pay and non-pay are removed from academy budgets and incorporated into group costs, these include, HR, ICT, Marketing and Coms, Data and MIS, Estates and FM, Governance and Finance.

By moving towards an organisational budgeting approach this has supported the Trust to identify where certain processes and job roles are being duplicated both centrally and within the academies themselves, which is neither efficient nor good practice. Secondly, by aligning and moving a number operational costs to a single central point it is much easier to be able to identify where savings, brought about by economies of scale and bulk procurement practices, can be made.

a. Reserves policy

Total useable reserves, defined as restricted general reserves (excluding the pension reserves) and unrestricted reserves were in a surplus position of £1,355k (2020: £1,281k).

The Trust holds reserves to achieve the following objectives:

1. The need for our ongoing financial stability and security
2. That financial security and stability is achieved to secure the best possible educational opportunities for our students
3. To protect the Trust from future funding variations
4. To protect the Trust against lagged funding
5. To provide funds for capital investment or large revenue projects
6. To fund, where necessary, building academic or operational capacity in advance of need

The target for total reserves is between 2.5% to 3% of GAG income. This would mean holding approximately £1m - £1.2m of reserves.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

b. Investment policy

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

c. Principal risks and uncertainties

The Trustees have adopted the statement of recommended practice (SORP) approach to identifying and managing the risks of the Trust. The schedule of risks is tabled at all Finance and Resources portfolio meetings of each academy and at the Trust Audit and Risk Committee, and mitigating actions agreed as required and reported to the Board by the chair of the committee at each meeting.

d. Financial 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. The overarching Trust register is presented to the Audit & Risk Committee to scrutinise. All academies have their own risk register which is scrutinised by governors on local Academy Committees.

e. Pension deficit

The Trustees recognise that there is a significant pension deficit of £48,306k (2020: £37,357k) 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.

f. Principal funding

Donations and capital grants – see note 4.

The note includes capital grants from the ESFA.

Funding for the Diverse Academies Trusts' educational operations - see note 5.

The main funding the Trust receives is the General Annual Grant of £41,535k (2020 £37,287k) 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 ESFA pays this funding.

Other trading activities see note 6.

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

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, and places within alternative provision.

Fundraising

The Trust carries out a limited amount of fundraising and is mindful of the communities within which it operates. In the circumstances when fundraising is undertaken, systems and controls are in place to separate and protect funds. The trust is mindful of its responsibilities under the Charities (Protection and Social Investment) Act 2016 and legal rules, and ensures all activities are agreed and monitored by senior leaders in compliance with relevant legal rules. Recognised standards are applied to ensure that fundraising is open, honest, and respectful, protecting the public from undue pressure to donate. Complaints are handled and monitored through the Trust's complaints procedure.

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Streamlined energy and carbon reporting

The Academy Trust's greenhouse gas emissions and energy consumption are as follows:

	2021	<i>2020</i>
Energy consumption used to calculate emissions (kWh)	7,042,295	<i>5,600,050</i>
Energy consumption breakdown (kWh):		
Gas	5,358,300	<i>3,826,510</i>
Electricity	1,683,995	<i>1,773,539</i>
Transport fuel	48,251	<i>57,958</i>
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	981	<i>704</i>
Owned transport	12	<i>15</i>
Total scope 1	993	<i>719</i>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	358	<i>413</i>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	12	<i>48</i>
Total gross emissions (in tonnes of CO2 equivalent):	1,363	<i>1,180</i>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.17	<i>0.16</i>

The Academy Trust has followed and used the following quantification and reporting methodologies:

- the 2019 HM Government Environmental Reporting Guidelines;
- the GHG Reporting Protocol - Corporate Standard; and
- the 2020 UK Government's Conversion Factors for Company Reporting.

We have excluded the PFI schools from the above calculations as the energy is managed by Nottinghamshire County Council.

Intensity measurement

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

This year we have converted a further primary school to academy status, as part of the transfer process we secured funding to improve the heating and lighting systems. The buildings having been constructed in the 1920's main school and 1950's hall, it was not suitably insulated to benefit from the use of air source heat pumps, as such in this case we have had to using high efficiency gas boilers along with replacing the old lighting system with LED.

We are now at a difficult point with some of our academies, as highlighted in last year's report. SALIX has moved to funding wholly in line with their programme of decarbonisation – supporting very high efficiency systems. Whilst we fully support this, many of the academies we manage are at a stage where it is not feasible yet to replace their heating systems or the building types, CLASP, traditional solid brick (circa 1880-1950's) do not support the use of the type of heating system required by the revised funding programmes, mainly due to the

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Trustees' Report (continued)
For the Year Ended 31 August 2021

Streamlined energy and carbon reporting (continued)

inefficiency of the buildings thermal mass or lack of air tightness.

This though leaves us with several buildings that are now not suitable for newer more efficient heating systems and potentially not eligible for any additional funding to support improvement beyond what the trust can allocate. These are the buildings in most need of replacement, but do not yet fit within the required criteria for it. As such we must continue and manage their use of energy as cost effectively as we can while progressing suitable solutions to the overall situation.

We are fortunate that one of our academies (CLASP construction) has been selected by the DfE in the first phase of the new school building programme for full replacement, this will be constructed net zero.

We will continue to research and seek alternative solutions that provide more efficient and reduced use of energy as they become available. We have started dialogue with Nottinghamshire County Council to look at the options for the three PFI academies we manage. Requesting these heating systems as part of the end of contract lifecycle work be upgraded to a more efficient solution such as air source or similar.

Plans for future periods

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

- Embed the Trust vision, mission and values along with focused strategic objectives which tie together performance and stakeholder engagement.
- A review and implementation of a Trust-wide school improvement model which brings together leaders, governors and technical experts as we empower teams to explore, prepare, deliver and sustain improvement within academies.
- Undertake a review of our growth strategy and consider how we focus on improving our academies and provide continued support for other single academy trusts, multi-academy trusts and local authority schools.

Funds held as custodian on behalf of others

The 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 32.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on _____ and signed on its behalf by:


Mike Quigley MBE (Dec 14, 2021 13:59 GMT)

.....
M Quigley, MBE
(Chair of Trustees)

DIVERSE ACADEMIES TRUST
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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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility of the Accounting Officer to the CEO. As such the Accounting Officer was responsible 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 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 6 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Quigley, MBE, Chair of Board of Trustees	6	6
JR Rolph	6	6
M Blore	5	6
IR Storey	6	6
PK Mabbott	5	6
D Schwarz	6	6
RJ Shearing (appointed 14 July 2021)	0	0
AP Davies (appointed 14 July 2021)	0	0
C Burn	2	6

During the year two new Trustees joined the Board and one Trustee resigned.

Due to the continued pandemic the postponed conference with Senior Executives of the Trust was not able to be held, however virtual training for trustees and governors was held covering a number of different skills and areas led by specialists in these fields within the Trust.

The Board evaluates itself by ensuring there is a mix of skills sets and new trustees are appointed to fill any knowledge gaps. The Trust is in the process of recruiting trustees to expand the Board and allow for succession planning and greater diversity representative of the communities which it serves. At the last Board meeting of the academic year two new Trustees were appointed as co-opted Trustees under article 58.

The Audit and Risk Committee is a subcommittee of the main Board of Trustees. The Audit and Risk Committee provides an overview of controls within Diverse Academies Trust. The purpose of the committee is to achieve internal scrutiny which delivers objective and independent assurance for the Trust through a process of reviewing the internal controls of the Trust, recommending an annual programme of work to test the controls and receive all reports on internal controls. Monitoring and reviewing risk management including health and safety, and financial management policies and reporting arrangements. The Committee makes recommendations to the Board on improvements and areas of concern.

Due to Covid 19 the Audit and Risk committee planned an extra meeting for the year cycle and met 4 time.

Following the external governance review and recommendations from the Internal governance review carried out by ICCA the Board took the decision to have only Trustees as members of the Audit and Risk Committee from

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Governance Statement (continued)

Governance (continued)

the next academic year.

The Trust sets out annually an Internal audit plan as for 2020/21 the following audits were carried out:

- Key Financial Controls
- Health and safety
- Governance
- Procurement
- Covid 19 Management
- Safeguarding

With review of the previous year's internal audits recommendations being carried out for:

- Alternative provision
- Attendance
- ICT and Security
- Value for Money/Best Value
- Staff Expenses

From these internal audits recommendations were made and ongoing monitoring is carried out, changes arising from the audits are the development of an alternative provision policy and quality assurance framework for alternative provision, consistency of attendance monitoring, job descriptions aligned to cyber security, mapping of disaster recovery plans, expenses forms updated. The Audit and Risk Committee appointed a new external agency to carry out internal audit for 2021/22, monitoring and review of previous recommendations will be carried out by the external agency to ensure continued good practice.

The committee met 4 times in the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
I Storey (Chair)	4	4
P Mabbott (Trustee)	3	4
M Quigley (Trustee)	4	4
T Hill (resigned 28 April 2021)	1	3
G Gadie (resigned 28 April 2021)	1	3
P Bryn-Jones (resigned 28 April 2021)	0	3

The Finance and Resources Committee is a sub-committee of the main Trust Board. The purpose of the Finance and Resources Committee is to oversee the financial performance of the organisation and making sure its money is well spent. Following the Scheme of Delegation review, Performance and Remuneration was incorporated into the Finance and Resources Committee at the start of the year, and the functions were performed by this committee.

The committee met 7 times in the year, 6 planned meetings and one extraordinary meeting to approve the budget, attendance was as follows:

Trustee	Meetings attended	Out of a possible
J Rolph (Chair)	7	7
P Mabbott	7	7
I Storey	7	7

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Governance Statement (continued)

Review of value for money

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

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

- Working with the leadership team of each academy to further review the deployment of educational and staff. The academies use modelling tools which allow allocations by year group to be compared to best practice across the Early Years to Sixth Form. As a result, all academies have made savings in 2020/21 and plan further savings over the next 3 years.
- Ensuring academies have been able to prioritise resources. Thus we have seen some excellent 2020-21 outcomes in both exam results and, more importantly, in the levels of progress made by pupils. Areas of weakness have been identified and appropriate improvement plans put in place.
- Ensuring academies' improvement plans identify the right areas for development, and that budgetary provision is then made to enable leaders to carry out the necessary actions.
- The Trust making 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 a vital aspect of its commitment to deliver outstanding education to the very large numbers of children and young people in its academies.
- The partnership has provided specialist input in Maths and English and it has also undertaken reviews of the effectiveness of school leadership, behaviour management, safeguarding and SEND arrangements.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Diverse Academies Trust for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- a review of monthly management accounts;
- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

The risk and control framework (continued)

- against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
 - clearly defined purchasing (asset purchase or capital investment) guidelines;
 - delegation of authority and segregation of duties;
 - identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint an external agency called ICCA to carry out the internal audit across the Trust on a rolling programme across the academies.

This external agency has been re-tendered for 2021/22.

The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Academy Trust's financial systems. The role of the Audit and Risk Committee is to provide the Trust's Board with an on going independent oversight of the Trust's financial affairs. Specifically, it falls to the Audit and Risk Committee to provide the Trust's Board with independent assurance that:

- The financial responsibilities of the Governing Bodies (Academy Committees) are being properly discharged;
- Resources are managed in an efficient, economical and effective manner;
- Sound systems of internal financial control are being maintained; and,
- Financial considerations are fully taken into account in reaching decisions.

Areas that were covered in Key Financial Controls Internal Audits by ICCA (reviewing the 20-21 year) were :

- General Ledger;
- Cash and Banking;
- Purchasing and Creditor Payments; and,
- Other Income and Debtors.

The Academies that were covered were for this period were:

- East Leake Secondary Academy
- Hillocks Primary Academy
- Tuxford Secondary Academy

The Board of Trustees confirm that ICCA have delivered their schedule of work as planned.

Covid impact on audit work and external scrutiny

Social distancing has also had an impact on how auditors obtain evidence they require as well as communicate. To ensure that the quality of audit evidence has maintained the Trust has carried out planned audit approaches and the increase in the use of technology.

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Governance Statement (continued)

Review of effectiveness

As Accounting Officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. He has regular meetings with senior leaders to ensure that all policies and processes are adhered to and which adhere to the Academies Financial Handbook. During the year in question the review has been informed by:

- the work of the internal auditor;;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit & Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. His report is received at each Committee meeting for scrutiny.

Approved by order of the members of the Board of Trustees and signed on their behalf by:


Mike Quigley MBE (Dec 14, 2021 13:59 GMT)

.....
M Quigley, MBE
Chair of Trustees
Date: Dec 14, 2021


D Cotton (Dec 15, 2021 11:31 GMT)

.....
D Cotton
Chief Executive & Accounting Officer
Dec 15, 2021

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Diverse Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2020.

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


D Cotton (Dec 15, 2021 11:31 GMT)

D Cotton
Chief Executive & Accounting Officer
Date: Dec 15, 2021

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Statement of Trustees' Responsibilities
For the Year Ended 31 August 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


Mike Quigley MBE (Dec 14, 2021 13:59 GMT)

.....
M Quigley
(Chair of Trustees)

Date: Dec 14, 2021

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Diverse Academies Trust

Opinion

We have audited the financial statements of Diverse Academies Trust (the 'academy trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Diverse Academies Trust
(continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of Trustees

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

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

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Diverse Academies Trust
(continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- Management bias in respect of accounting estimates and judgements made;
- Management override of control;
- Posting of unusual journals or transactions;
- Non-compliance with the Academy Financial Handbook and Accounts Direction.

We focussed on those areas that could give rise to a material misstatement in the Company financial statements. Our procedures included, but were not limited to:

- Enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance where available;
- Reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular pension liabilities;
- A separate limited scope regularity review has been undertaken in respect of compliance with the Academy Financial Handbook and our report in respect of this is contained within the financial statements.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Diverse Academies Trust
(continued)

Use of our report

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

Sarah Flear (Senior Statutory Auditor)
for and on behalf of
PKF Smith Cooper Audit Limited

Date:

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Diverse Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 2 July 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Diverse Academies Trust during the year 1 September 2020 to 31 August 2021 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 Diverse Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Diverse Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Diverse Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Diverse Academies Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Diverse Academies Trust's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions included the following:

- Planned our assurance procedures including identifying key risks;
- Carried out a programme of substantive testing, including review of the programme of work and findings in relation to internal scrutiny;
- Undertook controls testing where considered appropriate;
- Concluded on the procedures undertaken.

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Diverse Academies Trust and
the Education & Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

PKF Smith Cooper Audit Limited
2 Lace Market Square
Nottingham
NG1 1PB

Date:

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2021

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000	
Note						
Income from:						
Donations and capital grants	4	5	(1,445)	4,978	3,538	1,417
Other trading activities	6	601	704	-	1,305	2,055
Investments	7	-	-	-	-	2
Charitable activities	5	-	50,590	-	50,590	44,732
Teaching schools	33	-	127	-	127	256
Total income	606	49,976	4,978	55,560	48,462	
Expenditure on:						
Raising funds	8	837	-	-	837	1,409
Charitable activities	8	-	54,146	3,296	57,442	51,561
Teaching schools	33	-	178	-	178	247
Total expenditure	837	54,324	3,296	58,457	53,217	
Net (expenditure)/income	(231)	(4,348)	1,682	(2,897)	(4,755)	
Transfers between funds	20	-	(261)	261	-	-
Net movement in funds before other recognised gains/(losses)	(231)	(4,609)	1,943	(2,897)	(4,755)	
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	28	-	(6,033)	-	(6,033)	(6,042)
Net movement in funds	(231)	(10,642)	1,943	(8,930)	(10,797)	
Reconciliation of funds:						
Total funds brought forward	889	(36,965)	68,573	32,497	43,294	
Net movement in funds	(231)	(10,642)	1,943	(8,930)	(10,797)	
Total funds carried forward	658	(47,607)	70,516	23,567	32,497	

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

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)
Registered number: 7664012

Balance Sheet
As at 31 August 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	16	71,371	70,287
		71,371	70,287
Current assets			
Debtors	17	2,770	3,503
Cash at bank and in hand	25	3,854	2,042
		6,624	5,545
Creditors: amounts falling due within one year	18	(5,886)	(5,862)
		738	(317)
Net current assets / liabilities		738	(317)
Total assets less current liabilities		72,109	69,970
Creditors: amounts falling due after more than one year	19	(236)	(116)
		71,873	69,854
Net assets excluding pension liability		71,873	69,854
Defined benefit pension scheme liability	28	(48,306)	(37,357)
		23,567	32,497
Total net assets		23,567	32,497
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	20	70,516	68,573
Restricted income funds	20	699	392
		71,215	68,965
Restricted funds excluding pension asset	20	71,215	68,965
Pension reserve	20	(48,306)	(37,357)
		22,909	31,608
Total restricted funds	20	22,909	31,608
Unrestricted income funds	20	658	889
		23,567	32,497
Total funds		23,567	32,497

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)
Registered number: 7664012

Balance Sheet (continued)
As at 31 August 2021

The financial statements on pages 35 to 69 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Mike Quigley MBE (Dec 14, 2021 13:59 GMT)

.....
M Quigley
(Chair of Trustees)
Date: Dec 14, 2021

The notes on pages 39 to 69 form part of these financial statements.

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2021

	Note	2021 £000	<i>2020</i> <i>£000</i>
Cash flows from operating activities			
Net cash provided by operating activities	22	790	<i>1,008</i>
Cash flows from investing activities			
	24	902	<i>(687)</i>
Cash flows from financing activities			
	23	120	<i>(55)</i>
Change in cash and cash equivalents in the year		1,812	<i>266</i>
Cash and cash equivalents at the beginning of the year		2,042	<i>1,776</i>
Cash and cash equivalents at the end of the year	25, 26	3,854	<i>2,042</i>

The notes on pages 39 to 69 form part of these financial statements

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2021

1. General information

Diverse Academies Trust is a charitable company limited by guarantee. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' Report.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Diverse Academies Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling which is the functional currency of the Academy Trust. Monetary amounts are rounded to the nearest whole £1,000, except where otherwise indicated.

2.2 Going concern

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

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2021

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the Academy Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

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

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

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2021

2. Accounting policies (continued)

2.4 Expenditure

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

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

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

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Freehold property	- between 10 and 50 years straight line
Long-term leasehold land	- over the lease term of 125 years straight line
Leasehold property	- between 8 and 50 years straight line
Furniture and equipment	- between 3 and 15 years straight line
Computer equipment	- between 3 and 5 years straight line
Motor vehicles	- between 7 and 10 years straight line

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

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

2.8 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

DIVERSE ACADEMIES TRUST
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2021

2. Accounting policies (continued)

2.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2.10 PFI arrangements

The Trust has Private Finance Initiative (PFI) arrangements in place at 3 schools. These arrangements cover maintenance and facility management/caretaking arrangements. The academies make a contribution which was determined at the start of the contract and is increased by RPI annually. Payments are accounted for in the period to which they relate.

2.11 Operating leases

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

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

2. Accounting policies (continued)

2.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

2.13 Agency arrangements

The Academy Trust acts as an agent in the administering and distributing of 16-19 bursary funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The Trust can use up to 5% of the allocation for its own administrative costs and this is recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included in the Balance Sheet as amounts due to the ESFA. The funds received and paid and any balances held are disclosed in note 32.

2.14 Fund accounting

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

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

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

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Income from donations and capital grants

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Donations	5	-	27	32	120
Capital Grants	-	-	3,108	3,108	1,297
Transfer on conversion	-	(1,445)	1,843	398	-
	<u>5</u>	<u>(1,445)</u>	<u>4,978</u>	<u>3,538</u>	<u>1,417</u>
<i>Total 2020</i>	<u>54</u>	<u>47</u>	<u>1,316</u>	<u>1,417</u>	

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

5. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
DfE/ESFA grants			
General Annual Grant (GAG)	41,535	41,535	37,287
Other DfE/ESFA grants			
Other DfE/ESFA grants	1,082	1,082	857
Pupil premium	2,086	2,086	2,080
Teachers' pay and pension grant	1,847	1,847	1,083
Universal Infant Free School Meals	141	141	129
Coronavirus Catch-up Funding	535	535	-
Other Coronavirus Funding	158	158	-
	<hr/>	<hr/>	<hr/>
	47,384	47,384	41,436
Other Government grants			
Local Authority Grants	1,219	1,219	1,406
Special Education Projects	984	984	827
	<hr/>	<hr/>	<hr/>
	2,203	2,203	2,233
Exceptional government funding			
Coronavirus Job Retention Scheme grant	-	-	375
	<hr/>	<hr/>	<hr/>
	-	-	375
Other Income			
School trip income	1,003	1,003	688
	<hr/>	<hr/>	<hr/>
	1,003	1,003	688
	<hr/>	<hr/>	<hr/>
	50,590	50,590	44,732
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2020</i>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	44,732	44,732	

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the Academy Trust's funding for Universal Infant Free School Meals, Teachers' Pay and Pension grant, and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

6. Income from other trading activities

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Hire of facilities	18	-	18	147
Other income	583	704	1,287	1,214
Management charges	-	-	-	694
	<u>601</u>	<u>704</u>	<u>1,305</u>	<u>2,055</u>
<i>Total 2020</i>	<u>1,819</u>	<u>236</u>	<u>2,055</u>	

7. Investment income

	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Short term deposits	-	-	2
	<u>2</u>	<u>2</u>	
<i>Total 2020</i>	<u>2</u>	<u>2</u>	

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

8. Expenditure

	Staff Costs	Premises	Other	Total	<i>Total</i>
	2021	2021	2021	2021	<i>2020</i>
	£000	£000	£000	£000	<i>£000</i>
Expenditure on raising voluntary income:					
Direct costs	799	-	38	837	1,409
Academies educational operations:					
Direct costs	34,231	-	2,684	36,915	32,730
Support costs	8,724	3,984	7,819	20,527	18,831
Teaching school	138	-	40	178	247
	<u>43,892</u>	<u>3,984</u>	<u>10,581</u>	<u>58,457</u>	<u>53,217</u>
<i>Total 2020</i>	<u><u>39,462</u></u>	<u><u>3,610</u></u>	<u><u>10,145</u></u>	<u><u>53,217</u></u>	

9. Analysis of expenditure by activities

	Activities	Support	Total	<i>Total</i>
	undertaken	costs	funds	<i>funds</i>
	directly	2021	2021	<i>2020</i>
	2021	£000	£000	<i>£000</i>
	£000	£000	£000	<i>£000</i>
Academies educational operations	36,915	20,527	57,442	51,561
	<u>36,915</u>	<u>20,527</u>	<u>57,442</u>	<u>51,561</u>
<i>Total 2020</i>	<u><u>32,730</u></u>	<u><u>18,831</u></u>	<u><u>51,561</u></u>	

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Staff costs	8,724	7,741
Technology costs	553	1,028
Governance costs	80	58
Pemises costs	3,984	3,610
Other support costs	4,221	3,586
Depreciation	2,965	2,808
	<u>20,527</u>	<u>18,831</u>

10. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021 £000	<i>2020 £000</i>
Operating lease rentals	104	52
Depreciation of tangible fixed assets	2,965	2,808
Fees paid to auditors for:		
- audit	39	44
- other services	2	4
	<u>39</u>	<u>44</u>

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Gifts made by the trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses
- Compensation payments

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Wages and salaries	30,661	<i>28,082</i>
Social security costs	3,070	<i>2,795</i>
Pension costs	9,663	<i>8,150</i>
	43,394	<i>39,027</i>
Agency staff costs	369	<i>394</i>
Staff restructuring costs	129	<i>41</i>
	43,892	<i>39,462</i>

Staff restructuring costs comprise:

	2021	<i>2020</i>
	£000	<i>£000</i>
Redundancy payments	40	<i>-</i>
Severance payments	89	<i>41</i>
	129	<i>41</i>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs were non-statutory/non-contractual payments totalling £76,000 (2020: £20,000). Individually, the payments were: £13,000, £13,000, £2,000, £5,000, £30,000, and £13,000.

c. Staff numbers

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

	2021	<i>2020</i>
	No.	<i>No.</i>
Teachers	507	<i>485</i>
Administration	588	<i>572</i>
Management	35	<i>23</i>
	1,130	<i>1,080</i>

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

11. Staff (continued)

d. Higher paid staff

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

	2021	2020
	No.	<i>No.</i>
In the band £60,001 - £70,000	16	12
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	11	7
In the band £100,001 - £110,000	3	3
In the band £110,001 - £120,000	3	4
In the band £120,001 - £130,000	-	1
In the band £140,001 - £150,000	1	-
	=====	=====

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £690,000 (2020 - £787,000).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, no Trustee expenses have been incurred (2020 - £1,000).

13. Trustees' and Officers' insurance

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees's and Officers' indemnity element from the overall cost of the RPA scheme membership.

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

14. PFI charges

Maintenance of premises costs includes the following PFI charges:

	2021	<i>2020</i>
	£000	<i>£000</i>
Tuxford Academy	707	<i>696</i>
Retford Oaks Academy	576	<i>576</i>
East Leake Academy	350	<i>316</i>
	<hr/> 1,633 <hr/>	<hr/> <i>1,588</i> <hr/>

These amounts are paid to the local authority, are index linked and the Trust is committed to these payments until 2033.

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

15. Central services

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

- Chief Executive
- School Improvement
- Marketing
- HR
- IT
- Finance

The Academy Trust charges for these services on the following basis:

The approach has seen the Trust centralise all operational costs such as marketing, finance, HR, data and MIS, governance and estates and facilities to ensure the organisation is operating efficiently whilst also delivering a high class quality service to all its academies.

The costs have been shared across the academies using a fair but sophisticated formula taking account of need and requirement within each academy.

The actual amounts charged during the year were as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Tuxford Academy	316	<i>167</i>
Retford Oaks Academy	179	<i>113</i>
East Leake Academy	211	<i>118</i>
Holgate Academy	231	<i>119</i>
Tuxford Primary Academy	57	<i>25</i>
Walton Girls High School	212	<i>83</i>
Queen Elizabeth's Academy	57	<i>74</i>
Wainwright Primary Academy	117	<i>33</i>
Thrumpton Primary Academy	51	<i>19</i>
Bracken Lane Primary Academy	47	<i>19</i>
Samuel Barlow Primary Academy	34	<i>20</i>
Yeoman Park Primary Academy	83	<i>20</i>
Redgate Primary Academy	39	<i>11</i>
Total	1,634	<i>821</i>

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

16. Tangible fixed assets

	Freehold property £000	Leasehold property £000	Long-term leasehold land £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Assets under the course of construction £000	Total £000
Cost or valuation								
At 1 September 2020	8,228	66,585	7,314	1,383	1,684	159	233	85,586
Additions	597	872	-	328	425	-	-	2,222
Transferred on conversion	-	1,500	327	-	-	-	-	1,827
Disposals	-	-	-	(33)	(709)	(23)	-	(765)
Transfers between classes	233	-	-	-	-	-	(233)	-
At 31 August 2021	<u>9,058</u>	<u>68,957</u>	<u>7,641</u>	<u>1,678</u>	<u>1,400</u>	<u>136</u>	<u>-</u>	<u>88,870</u>
Depreciation								
At 1 September 2020	893	12,163	409	682	1,049	103	-	15,299
Charge for the year	320	2,193	60	173	206	13	-	2,965
On disposals	-	-	-	(33)	(709)	(23)	-	(765)
At 31 August 2021	<u>1,213</u>	<u>14,356</u>	<u>469</u>	<u>822</u>	<u>546</u>	<u>93</u>	<u>-</u>	<u>17,499</u>
Net book value								
At 31 August 2021	<u><u>7,845</u></u>	<u><u>54,601</u></u>	<u><u>7,172</u></u>	<u><u>856</u></u>	<u><u>854</u></u>	<u><u>43</u></u>	<u><u>-</u></u>	<u><u>71,371</u></u>
At 31 August 2020	<u><u>7,335</u></u>	<u><u>54,422</u></u>	<u><u>6,905</u></u>	<u><u>701</u></u>	<u><u>635</u></u>	<u><u>56</u></u>	<u><u>233</u></u>	<u><u>70,287</u></u>

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
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16. Tangible fixed assets (continued)

Included within freehold property is land with a value of £944,000 (2020: £944,000) which is not depreciated.

17. Debtors

	2021	<i>2020</i>
	£000	<i>£000</i>
Due within one year		
Trade debtors	166	578
Other debtors	19	18
Prepayments and accrued income	1,881	2,072
Tax recoverable	704	835
	2,770	<i>3,503</i>
	2,770	<i>3,503</i>

18. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£000	<i>£000</i>
Other loans	67	36
Trade creditors	2,310	2,279
Other taxation and social security	721	661
Other creditors	809	761
Accruals and deferred income	1,979	2,125
	5,886	<i>5,862</i>
	5,886	<i>5,862</i>

Included in other loans are amounts of £67,000 (2020: £36,000) payable to the ESFA in relation to Salix loan funding. These loans do not bear any interest and are not secured against any asset. £67,000 per annum is repayable. The age analysis for the loans can be seen in note 19.

	2021	<i>2020</i>
	£000	<i>£000</i>
Deferred income at 1 September 2020	723	568
Resources deferred during the year	1,138	723
Amounts released from previous periods	(723)	(568)
	1,138	<i>723</i>
	1,138	<i>723</i>

Included within deferred income is grant funds and other donations received in advance of entitlement and trip income received for trips not taking place until after the year end.

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Notes to the Financial Statements
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19. Creditors: Amounts falling due after more than one year

	2021	<i>2020</i>
	£000	<i>£000</i>
Other loans	236	<i>116</i>
	=====	<i>=====</i>

Included within the above are amounts falling due as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Between one and two years		
Other loans	66	<i>34</i>
	=====	<i>=====</i>
Between two and five years		
Other loans	170	<i>82</i>
	=====	<i>=====</i>

Included in other loans are amounts of £236,000 (2020: £116,000) payable to the ESFA in relation to Salix loan funding. These loans do not bear any interest and are not secured against any asset.

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

20. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds - all funds	889	606	(837)	-	-	658
Restricted general funds						
General Annual Grant (GAG)	319	41,535	(40,942)	(261)	-	651
Other DfE/ESFA Grants	-	3,763	(3,763)	-	-	-
Pupil premium	-	2,086	(2,086)	-	-	-
Other Govt Grants & LA Grants	-	2,203	(2,203)	-	-	-
Other restricted funds	73	1,834	(1,859)	-	-	48
Pension reserve	(37,357)	(1,445)	(3,471)	-	(6,033)	(48,306)
	(36,965)	49,976	(54,324)	(261)	(6,033)	(47,607)
Restricted fixed asset funds						
Capital grants	4,183	3,108	(579)	-	-	6,712
Inherited funds	64,065	1,843	(2,298)	-	-	63,610
Capital expenditure from GAG	(632)	-	(419)	261	-	(790)
Donations	957	27	-	-	-	984
	68,573	4,978	(3,296)	261	-	70,516
Total Restricted funds	31,608	54,954	(57,620)	-	(6,033)	22,909
Total funds	32,497	55,560	(58,457)	-	(6,033)	23,567

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

20. Statement of funds (continued)

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

Restricted general funds

GAG, other DfE Group grants and local authority grants are to be applied for the primary purpose of the Trust in line with the master funding agreement and other specific funding letters. Other restricted funds represent amounts transferred from donations, together with income derived from educational and nursery provisions, school trips and the Teaching School. These funds are applied for the primary purpose of the Trust and for the provision of these services and to the extent they relate to carried forward GAG funding, this has been transferred to the GAG reserve.

Restricted fixed asset funds

The restricted fixed asset funds are resources which are applied to a purpose imposed by the DfE where the specific capital asset acquired or created is held for a specific purpose.

In the year ended 31 August 2016, the Trust extended the capacity at one of its academies through the purchase of a new building due to an increased demand for pupil places in the catchment area. An agreement was reached with the local authority to fund the build cost through grant income but on deferred s106 receipts. In the current financial year £271,000 (2020: £NIL) has been received from s106 receipts, with the remainder of £950,000 to be received when certain milestones are met, based on the achievement of occupancy rates of a new housing development. Therefore there are £950,000 of funds yet to be received which have not been recognised in grant income in the Statement of Financial Activities under the Charity SORP, as entitlement to the income has not yet been fully achieved.

Unrestricted funds

Unrestricted funds represent other incoming resources to the Trust applied for the general purpose of the Trust at the discretion of the Trustees.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

20. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2020 £000</i>
Unrestricted funds					
General Funds	831	1,875	(1,817)	-	889
Restricted general funds					
General Annual Grant (GAG)	167	37,287	(37,135)	-	319
Other DfE/ESFA grants	-	2,069	(2,069)	-	-
Pupil premium	-	2,080	(2,080)	-	-
Other Govt Grants & LA Grants	-	2,233	(2,233)	-	-
Other restricted funds	132	1,602	(1,661)	-	73
Pension reserve	(28,702)	-	(2,613)	(6,042)	(37,357)
	<u>(28,403)</u>	<u>45,271</u>	<u>(47,791)</u>	<u>(6,042)</u>	<u>(36,965)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	3,390	1,297	(504)	-	4,183
Transfer on conversion	66,369	-	(2,304)	-	64,065
Capital expenditure from GAG	169	-	(801)	-	(632)
Donations	938	19	-	-	957
	<u>70,866</u>	<u>1,316</u>	<u>(3,609)</u>	<u>-</u>	<u>68,573</u>
Total Restricted funds	<u>42,463</u>	<u>46,587</u>	<u>(51,400)</u>	<u>(6,042)</u>	<u>31,608</u>
Total funds	<u><u>43,294</u></u>	<u><u>48,462</u></u>	<u><u>(53,217)</u></u>	<u><u>(6,042)</u></u>	<u><u>32,497</u></u>

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Diverse Academies Trust	1,357	<i>1,281</i>
Restricted fixed asset fund	70,516	<i>68,573</i>
Pension reserve	(48,306)	<i>(37,357)</i>
Total	23,567	<i>32,497</i>

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

20. Statement of funds (continued)

Total cost analysis by academy

The Trust has opted not to show an analysis of expenditure or fund balance by individual academy as it is not thought to be meaningful for the following reasons:

Diverse Academies Trust has seen a significant shift in the budget setting process to a much more trust wide approach, which has resulted in the trust pooling it's reserves across all academies to ensure a long term financially sustainable and viable organisation, the main features being;

1. Ability to invest in education for the children and facilities
2. Ability to survive structural changes in the financial flows in the educational sector
3. Strength to be able to deliver efficiency savings on a medium to long term basis
4. Maintain a healthy cash position, to cope with short term financial shocks

The approach has seen the Trust centralise all operational costs such as marketing, finance, HR, data and MIS, governance and estates and facilities to ensure the organisation is operating efficiently whilst also delivering a high class quality service to all its academies.

The costs have been shared across the academies using a fair but sophisticated formula taking account of need and requirement within each academy.

Whilst the Trust has not pooled GAG but moved to an approach of pooling reserves and resources with a more centralised budget setting process, the academies within the trust have and will see the following benefits:

- Resolve inequalities;
- Target support more effectively, for example by driving rapid improvement in individual academies or improving facilities;
- Have greater flexibility to respond to specific needs in individual academies, compared to top-slicing of GAG for specific services delivered;
- Support recovery plans for academies in financial difficulty, strengthening the Trust's overall financial sustainability in the medium to long term.

By moving towards an organisational budgeting approach this has helped the organisation to identify where certain processes and job roles are being duplicated both centrally and within the academies themselves, which is neither efficient nor good practice. Secondly, by aligning and moving a number of operational costs to a single central point it is much easier to be able to identify where savings, brought about by economies of scale and bulk procurement practices, can be made. Thirdly, this also helps identify where academies have previously focused on 'the nice' as opposed to 'the needed', or in most cases both, against a backdrop of a sector, nationally, under financial pressure.

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Notes to the Financial Statements
For the Year Ended 31 August 2021

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	286	-	71,085	71,371
Current assets	5,925	699	-	6,624
Creditors due within one year	(5,317)	-	(569)	(5,886)
Creditors due in more than one year	(236)	-	-	(236)
Provisions for liabilities and charges	-	(48,306)	-	(48,306)
Total	658	(47,607)	70,516	23,567

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Restricted fixed asset funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Tangible fixed assets	45	-	70,242	70,287
Current assets	4,430	1,115	-	5,545
Creditors due within one year	(3,586)	(723)	(1,553)	(5,862)
Creditors due in more than one year	-	-	(116)	(116)
Provisions for liabilities and charges	-	(37,357)	-	(37,357)
Total	889	(36,965)	68,573	32,497

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Net expenditure for the year (as per Statement of Financial Activities)	(2,897)	<i>(4,755)</i>
Adjustments for:		
Depreciation	2,965	<i>2,808</i>
Capital grants from DfE and other capital income	(3,108)	<i>(1,297)</i>
Interest receivable	-	<i>(2)</i>
Defined benefit pension scheme cost less contributions payable	2,853	<i>2,086</i>
Defined benefit pension scheme finance cost	618	<i>527</i>
Decrease/(increase) in debtors	733	<i>(138)</i>
Increase in creditors	24	<i>1,779</i>
Net assets transferred from Local Authority	(398)	<i>-</i>
Net cash provided by operating activities	790	<i>1,008</i>

23. Cash flows from financing activities

	2021	<i>2020</i>
	£000	<i>£000</i>
New/(repayments of) borrowing	120	<i>(55)</i>

24. Cash flows from investing activities

	2021	<i>2020</i>
	£000	<i>£000</i>
Dividends, interest and rents from investments	-	<i>2</i>
Purchase of tangible fixed assets	(2,222)	<i>(1,986)</i>
Capital grants from DfE Group	3,108	<i>1,297</i>
Cash transferred on conversion	16	<i>-</i>
Net cash provided by/(used in) investing activities	902	<i>(687)</i>

25. Analysis of cash and cash equivalents

	2021	<i>2020</i>
	£000	<i>£000</i>
Cash in hand and at bank	3,854	<i>2,042</i>

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

26. Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	New borrowings £000	Other non- cash changes £000	At 31 August 2021 £000
Cash at bank and in hand	2,042	1,812	-	-	3,854
Debt due within 1 year	(36)	36	-	(67)	(67)
Debt due after 1 year	(116)	-	(187)	67	(236)
	<u>1,890</u>	<u>1,848</u>	<u>(187)</u>	<u>-</u>	<u>3,551</u>

27. Conversion to an academy trust

On 1 December 2020 Hillocks Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Diverse Academies Trust from Nottinghamshire County Council for £NIL consideration.

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

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

	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets			
Leasehold land and buildings	-	1,827	1,827
Current assets			
Cash - representing budget surplus on restricted fixed asset funds	-	16	16
Non-current liabilities			
Defined benefit pension liability	(1,445)	-	(1,445)
Net (liabilities)/assets	<u>(1,445)</u>	<u>1,843</u>	<u>398</u>

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

28. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council and Lincolnshire County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £772,000 were payable to the schemes at 31 August 2021 (2020 - £717,000) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £4,803,000 (2020 - £4,325,000).

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

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

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

28. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £2,650,000 (2020 - £2,281,000), of which employer's contributions totalled £2,052,000 (2020 - £1,740,000) and employees' contributions totalled £ 598,000 (2020 - £541,000). The agreed contribution rates for future years are 18.3 per cent for employers and 5.5 - 12.5 per cent for employees.

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.

Principal actuarial assumptions

	2021	<i>2020</i>
	%	%
Rate of increase in salaries	1.7 - 3.2	2.5 - 3.3
Rate of increase for pensions in payment/inflation	2.9	2.2 - 2.3
Discount rate for scheme liabilities	1.7	1.6 - 1.7

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	21.2 - 21.6	21.4 - 21.8
Females	23.6 - 24.3	23.7 - 24.4
<i>Retiring in 20 years</i>		
Males	22.0 - 22.9	22.4 - 23.2
Females	25.1 - 25.7	25.2 - 25.9

Sensitivity analysis

	2021	<i>2020</i>
	£000	£000
Discount rate +0.1%	85,313	67,052
Discount rate -0.1%	90,001	70,288
Mortality assumption - 1 year increase	91,399	70,999
Mortality assumption - 1 year decrease	84,008	66,377

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
For the Year Ended 31 August 2021

28. Pension commitments (continued)

Share of scheme assets

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Equities	25,776	<i>18,968</i>
Gilts	1,165	<i>1,102</i>
Bonds	2,776	<i>3,011</i>
Property	4,033	<i>4,026</i>
Cash and other liquid assets	1,595	<i>1,145</i>
Other	3,974	<i>3,037</i>
Total market value of assets	39,319	<i>31,289</i>

The actual return on scheme assets was £4,929,000 (2020 - £752,000).

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Current service cost	4,905	<i>3,826</i>
Interest income	(532)	<i>(532)</i>
Interest cost	1,132	<i>1,049</i>
Administrative expenses	18	<i>10</i>
Total amount recognised in the Statement of Financial Activities	5,523	<i>4,353</i>

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

	2021	<i>2020</i>
	£000	<i>£000</i>
At 1 September	68,645	<i>56,558</i>
Conversion of academy trusts	2,305	<i>-</i>
Current service cost	4,905	<i>3,826</i>
Interest cost	1,132	<i>1,049</i>
Employee contributions	598	<i>541</i>
Actuarial losses	10,430	<i>7,006</i>
Benefits paid	(391)	<i>(335)</i>
At 31 August	87,624	<i>68,645</i>

DIVERSE ACADEMIES TRUST
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Notes to the Financial Statements
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28. Pension commitments (continued)

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

	2021	<i>2020</i>
	£000	<i>£000</i>
At 1 September	31,288	27,856
Conversion of academy trusts	860	-
Interest income	532	532
Actuarial gains	4,397	964
Employer contributions	2,052	1,740
Employee contributions	598	541
Benefits paid	(391)	(335)
Administration expenses	(18)	(10)
At 31 August	39,318	31,288

29. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Not later than 1 year	72	45
Later than 1 year and not later than 5 years	101	42
	173	87

30. Members' liability

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

31. Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the year.

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Notes to the Financial Statements
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32. Agency arrangements

The Trust administers the disbursement of the 16-19 bursary funds on behalf of the ESFA. During the year it received £73,000 (2020: £66,000) and disbursed £66,000 (2020: £57,000). An amount of £29,000 (2020: £34,000) was repayable to the ESFA as at 31 August 2021 and is included in other creditors. The Trust retained a beneficial interest in individual transactions such that £5,000 (2020: £5,000) has been recognised in income and expenditure in the Statement of Financial Activities.

33. Teaching school trading account

	2021	2021	2020	2020
	£000	£000	£000	£000
Income				
Direct income				
Other income	127		256	
Total income		127		256
Expenditure				
Direct expenditure				
Direct staff costs	138		121	
Staff development	40		-	
Total direct expenditure	178		121	
Other staff costs	-		28	
Technology costs	-		1	
Other costs	-		20	
External education consultancy	-		77	
Total other expenditure	-		126	
Total expenditure		178		247
(Deficit)/surplus from all sources		(51)		9
Teaching school balances at 1 September 2020		(25)		(34)
Teaching school balances at 31 August 2021		(76)		(25)









Diverse Academies Trust 2021 (00000002)

Final Audit Report

2021-12-15

Created:	2021-12-14
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