

DIVERSE ACADEMIES TRUST

(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 August 2023

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

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DIVERSE ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	M Blore A Davies (resigned 12 July 2023) J Parker (resigned 27 November 2023) E Rew J Rolph, Chair of Members
Trustees	M Blore L Donald N Marriott (resigned 8 November 2023) J Mordue M Quigley MBE, Chair of Board of Trustees J Rolph D Schwarz IR Storey R Shearing (resigned 21 June 2023)
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 Statutory Auditors 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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Chair's statement
For the year ended 31 August 2023

The Chair presents his statement for the year.

The Trusts strategic objectives have remained a focus throughout the year and progress has allowed further refinement of the workstreams to continue to progress and advance the quality of educational offer across the Trust.

The Trust Board has continued to review and update progress towards the self-evaluation undertaken in 2021-2022 and an external review was commissioned and undertaken in November 2022. Following the review the Board created a working party comprised of Trustees and Chairs of Governors to develop an action plan to address areas for development.

The Trust's financial health remains positive. The Trust was successful last year in securing the SchoolMark accreditation scheme celebrating running an efficient resource model based on sound strategy and this year have engaged with the School Resource Management Advisors to further develop our work to make best use of our available resources and to provide the best possible education for our pupils.

The Board have continued to work on developing the growth strategy with Executive Leaders holding further discussion around a growth plan, while developing the appetite to risk with risk appetite statements in the process of being developed.

R Shearing resigned from the Trust Board in June 2023 and N Marriott resigned after the academic year-end in November 2023. The Board will seek to review and recruit new Trustees over the coming year, continuing to actively widen diversity and skills. This links in to work which the Executive team have been undertaking with an external equity, diversity and inclusion advisor and will seek advice to ensure recruitment encourages a wider audience.

Trustees appointed in the previous year have settled into their roles and are taking up additional responsibilities as Link Safeguarding Trustee and Link Careers Trustee aligned with their skills.

We are confident that our reflective approach will ensure that the Board continues to go from strength to strength embracing opportunities as they arise.

M Quigley, MBE

Date:

DIVERSE ACADEMIES TRUST
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Chief Executive's Statement
For the year ended 31 August 2023

The academic year 2022/23 has been another successful year for the Trust. We have continued to respond positively to the challenges brought about by the global pandemic and have strived to return to 'business as usual' for all our staff and students. We are now at the end of year two in the delivery of our 5-year strategic plan. The 2021 to 2026 strategic plan clearly sets out the Trust's vision, mission, values – as well as defining three strategic objectives.

Strategic Objective 1: Develop a high-performing organisation which is agile and sustainable within an ever-changing global context.

Strategic Objective 2: Secure the best outcomes for all pupils and students, so they achieve their full potential academically and have the skills to be able to actively contribute to a global society.

Strategic Objective 3: Embed the integration of school business professionals to enable school improvement, ensuring SBPs lead on all aspects of resource management which demonstrates value for money and an academic return of investment.

The strategic plan also sets out the Trust's school improvement model of Explore, Prepare, Deliver, Sustain, based on the Education Endowment Foundations 'a schools' guide to implementation'. We have seen the continued positive impact of using this model during the academic year 2022/ 2023 with four more academies within the Trust receiving strong Ofsted inspection outcomes. All four secured an overall effectiveness judgement of 'good'. For two of these academies it is the first time they have received an Ofsted judgement of 'good' in their history. Both Wainwright Primary Academy and Queen Elizabeths' Academy were re-brokered into Diverse Academies Trust due to their previous poor performance and have now been judged 'good' for overall effectiveness by Ofsted. In addition, Wainwright Primary Academy received four out of five outstanding judgements. This is a fantastic recognition to the significant school improvement capability and capacity across the Trust and the impact our school improvement framework is having on the Trust's academies.

We have continued to strengthen how we invest in our people, in particular the further development of the Diverse Association for Professional Learning. Our association has provided a significant amount of targeted professional learning, which has been developed through a needs analysis process across the Trust. Our Personal Development Plan is now a well embedded process across the Trust and clearly captures individual staff evaluations and wider organisational evaluations of impact. The Diverse Association for Professional Learning has established itself as a provider of a wide-ranging offer for both Trust staff and wider associate members. Furthermore, to ensure we have skilled and knowledgeable professionals across all areas of the Trust, we have now developed business standards for all business support roles. These form the backbone of business support development plans and have driven future performance and development of individuals and teams.

Our financial position remains strong despite many unknowns at the beginning of the academic year. Our approach to holistic, collaborative budget planning, with an efficient and effective curriculum at its heart, has given us the flexibility to target improvement priorities whilst maintaining a sensible level of free reserves. Our use of contemporary benchmarking data to evaluate our Trust against our peers and a curriculum resourcing model underpinned by a set of core principles remains central to our long-term financial wellbeing.

The Trust has also been successful in securing new buildings for both Yeoman Park Academy and Holgate Academy. Alongside this the Trust was successful in its free school presumption bid for a new school at the Thoresby Vale development in Edwinstowe. Plans are progressing well, and we expect the new school to be open in September 2025.

In summary, we continue to strengthen the impact of our mission to nurture curiosity, develop wellbeing and empower children and young people to go beyond their aspirations. By working together we are making a difference in our diverse communities and in the lives of those who learn with us and work with us.

D Cotton
Chief Executive Officer

Date:

DIVERSE ACADEMIES TRUST
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Trustees' report
For the year ended 31 August 2023

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a Trustees' report, and a directors' report and strategic 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 9,851 and a roll of 8,553 as at the schools' census point in October 2022.

Due to changes from the Department for Education regarding Teaching schools, in 2021/22 Diverse Academies Trust developed the Association of Professional Learning. As a Designated OLEVI Centre, the Association also offers a breadth of sector-leading OLEVI programmes. Furthermore, we extend this wealth of professional development opportunities to colleagues across the region, through our Associated Partners programme. The Association complements the work of Redhill Teaching School Hub – of which Diverse Academies Trust is a strategic partner – and which has a focus on initial teacher training, early career framework and national professional qualifications.

Structure, governance and management

a. Constitution

The 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.

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.

DIVERSE ACADEMIES TRUST
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Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

The Trust is currently operating under the Articles of Association 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 recruited through a process of application and interview based on skills, competencies and experiences required by the Board to fulfil their duties. Appointment is 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 as set out in the Articles of Association.

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 on succession planning for the Chair of the Board role and are in the process of embarking on the appointment process for 2024/2025.

R Shearing resigned as a Trustee on 21 June 2023.

J Mordue and L Donald were appointed to the Board as Trustees in academic year 2021/2022 and have settled into their roles. L Donald is using his experience and knowledge of safeguarding in education for his role as Link Safeguarding Trustee. J Mordue is taking on the role of Careers Link Trustee for the new academic year 2023/2024. N Marriott was also appointed as Trustee in academic year 2021/2022 but resigned due to external commitments in November 2023.

Full details of current Trustees are shown on page 1.

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 online training for both trustees and governors through The National College. There is also a bespoke training programme reviewed each year to provide training virtually using our senior leaders in specialist areas to deliver training in subjects such as SEND, Relationship and Sex Education, Budget Planning and Safeguarding. The Trust carries out regular skills audits of Trustees and Governors and, should any gaps be identified, training courses are offered to address these issues.

Meetings are held with key executive leaders and the governance professional for new Trustees as part of the induction process and ensure understanding of information and processes, share key information, and discuss the vision mission and values of the Trust.

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Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

f. Organisational structure

Executive

Our Chief Executive Team, led by the CEO consists of three C-Level posts. These posts are the Chief Finance and Operations Officer (CFOO) and two Chief Education Officers focused on secondary, 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.

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 subcommittee of Trustees.

The Trust has a number of key central 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).

Governance

Trustees reviewed the governance strategy, scheme of delegation, terms of reference and structure to ensure that the delegated responsibilities were clear, showing the separate tiers of governance between Members, Trustees and Governors on Academy Committees. 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, with link roles having clear descriptions and training meetings to support link visits.

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 year progress update has been reviewed by the Board, providing information on progress made toward the strategic objectives following the approval and integration of the five-year strategic plan.

Covid impact on Governance and controls

Trustees and executive leaders have used the lessons learned during Covid to ensure that good practice implemented during this time and the approaches are reviewed and harnessed to support future learning and help recover lost learning for our students.

Trustees have continued to hold the subcommittee meetings 'virtually' to promote a more flexible approach for trustees work life balance to encourage recruitment of trustees and be more sustainable in the approach reducing printing and travelling.

The significant disruption that children and young people experienced in their education during Covid lockdowns, and the challenges they have faced as a result, continues to be the focus of the Standards and Outcomes Committee and Trust.

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Trustees' report (continued)
For the year ended 31 August 2023

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 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	7
Full-time equivalent employee number	6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	7
1%-50%	-
51%-99%	-
100%	-

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

Total cost of facility time	9
Total pay bill	45,533
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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i. Related parties and other connected charities and organisations

The Trust is an independent company with no affiliation to outside bodies, although there are a number of professional links with other schools and third- party organisations. The Trust works closely with a wide variety of organisations in the field of education.

Diverse Academies Trust is a strategic partner to the Redhill Teaching School Hub, providing training for Early Career Teachers and National Professional Qualifications.

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Trustees' report (continued)
For the year ended 31 August 2023

Structure, governance and management (continued)

j. 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 2022/23 academic year we have supported our employees by continuing to offer a range of flexible options regarding their work life balance. Offering flexibility, Workload and Wellbeing has been a key feature of the Staff Survey carried out in the summer term and will continue to act as a key 'temperature check' on how staff are feeling and what support they require. Results of the survey were shared with Leaders and action plans are in place to focus on key improvement areas.

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

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. We have considered the engagement and relationships of the Trust with our stakeholders throughout this report.

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Trustees' report (continued)
For the year ended 31 August 2023

Objectives and activities

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

Bracken Lane Primary Academy
East Leake Academy
Hillocks Primary Academy
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

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.

a. Objects 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.

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Trustees' report (continued)
For the year ended 31 August 2023

Objectives and activities (continued)

b. 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 three 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 2022/2023

1. Develop a high performing organisation which is agile and sustainable within an ever changing global context.
2. Secure the best outcomes for all pupils and students, so they achieve their full potential academically and have the skills to be able to actively contribute to a global society.
3. Improve the integration, agility and flexibility of resource management to enable the sustainability of school improvement.

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.

c. 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 Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

This year we have continued to develop our progress monitoring systems to ensure robust intervention to maximise pupil progress and outcomes. We continue to see the impact of the pandemic particularly in certain year groups and for our more disadvantaged pupils and communities. The greatest residual challenge continues to be attendance with increased levels of absence in our secondary academies and persistent absence significantly higher than previously. In particular, school related anxiety has increased along with exam refusal. Review of attendance processes and procedures has improved consistency and had some impact however there is much to do and this remains our greater priority for 2023-24.

Secondary Academies

The focus in our academies this year was on the quality of education in its widest sense with the obvious emphasis on ensuring that pupils returned to full time education post Covid and that students and staff were prepared for the first sets of examinations in three years. Safeguarding our young people during this time was also paramount. We noted that behaviour routines across most of our settings needed re-establishing post Covid.

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Trustees' report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

Tuxford Academy

Tuxford Academy has a strong curriculum offer in place with a wide breadth of subjects. The academy is focusing on enhancing students' education by driving high expectations in all areas including curriculum implementation and behaviour standards. The outcomes in the summer were in-line with predictions and all pupils seeking a place at university were successful. The academy received an Ofsted inspection this year and was rated good in all areas.

East Leake Academy

East Leake Academy continues to develop their curriculum, focusing this year on assessment and high-quality implementation of teaching. Developing reading and support for SEND students is a priority for this academic year. This summer, the academy achieved GCSE results in line with predictions. The principal left for another position at the end of the summer term and we were delighted with the appointment of Tom Reid.

Queen Elizabeth's Academy

The new principal in post since summer 2022 continues to make improvements in the academy along with her now established leadership team. This year QEA received an Ofsted inspection and was rated good for the first time in its history. This is a real achievement to be proud of. Attendance of pupils remains an issue at the academy and whilst the summer examination results show an improving picture, they will still need to be a focus to improve them further.

Walton Academy

WA was visited by Ofsted this year and received a rating of good in all areas. The summer examination results were again excellent at both KS4 and KS5. The pastoral and academic curriculum continues to be developed. 2023-2024 will be the first co-ed cohort to take GCSE examinations.

Retford Oaks Academy

Outcomes at both KS4 and KS5 were slightly lower than expected with attendance of examination pupils being an issue in both key stages. The focus for academy this year was resetting behaviour systems under a new principal and continuing to support those pupils identified with SEND.

The Holgate Academy

After the visit from Ofsted last year the focus in the academy was around improving standards and raising aspirations. A new acting principal was in place from Easter and the academy has worked hard to establish consistent routines. A monitoring visit from Ofsted in the summer term confirmed that the plans and actions that the academy were taking were the right ones. Attendance remains low and the academy is working with the DfE attendance advisor on a strategy to improve it. It remains a focus for the next year along with outcomes which due to attendance related issues were not high enough.

Special Academies

Yeoman Park Academy

Significant development of the curriculum has taken place in response to the Ofsted inspection. Progression in all subjects is now in place along with improved provision for reading. Further work is taking place to secure middle leader capacity for consistent and effective quality assurance. Timescales for the completion of the new build have been pushed back due to delay from the DfE to contractors and local authority legal processes. This is now likely to be early 2025.

Redgate Primary Academy

The academy continues to improve with greater consistency in curriculum progression. The rigour of quality assurance has been further developed and is being used effectively to ensure the high expectations of the leadership team are followed through into high quality educational provision and teaching.

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Trustees' report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

Primary Academies

Bracken Lane Primary Academy

Outcomes at Bracken Lane this year were among the strongest seen at the school. This is as a result of the improvement of assessment processes and use of information at a teacher and school level to inform the curriculum. The relatively new team has been very well developed with coaching used effectively to support less experienced teachers.

Hillocks Primary Academy

Significant improvement has been secured in the academy with behaviour and provision for SEND being particular strengths. A high quality curriculum framework is in place however further work is necessary to ensure that assessment is used effectively to maximise pupil progress. We were pleased that these strengths and areas for further development were accurately reflected in the recent Ofsted inspection. The new principal has the best skills set to rapidly improve this along with securing high quality provision in the early years.

Samuel Barlow Primary Academy

The academy has experienced significant challenge with increasing numbers of pupils with SEND with a disproportionate number of EHCPs. Combined with the number of social care concerns, this has placed increased demands on leaders. A team around the academy has been established with plans in place for inclusion, early years and reading. Additional support is also being put in place to ensure that assessment processes are accurate and used effectively to predict outcomes.

Thrumpton Primary Academy

The academy continues to flourish and has made good progress against the Ofsted areas for improvement. Outcomes in reading were impacted this year with attainment being lower than that predicted. The demands of the test are being reviewed and work taking place to ensure pupils develop greater fluency and stamina. Impact of the implementation of the phonics scheme has been significant with improvements in children progress and attainment, securing better foundations for reading at an earlier stage.

Tuxford Primary Academy

Continued development of the curriculum has taken place with progression in place for all subjects. This has been enhanced by shared working with Tuxford Secondary Academy. The academy also continues to work on building relationships with parents and the local community. This work will be continued by the new principal.

Wainwright Primary Academy

Wainwright Primary has continued to go from strength to strength and we are delighted by the recognition by Ofsted in the outcomes of the inspection. Plans are being put in to place to ensure that we share the best practice that has been developed across the Trust, particularly regarding the work on oracy through the Voice 21 project.

The primary and special group has worked together to identify the priorities for 2023-24 aligned with the strategic plan for the Trust. These include the continued work on phonics to further strengthen early reading and improvement of fluency and stamina along with oracy and writing. As a Trust priority we also continue to tackle issues with attendance where appropriate including securing a positive culture for non-statutory aged pupils. Work on diversity, equity and inclusion is also being progressed linked to curriculum development for this year.

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Trustees' report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

a. Key performance indicators

Achievement - Targets for statutory outcomes are set using FFT benchmarks and agreed at an executive level and reported to the Standards and Outcomes Committee for the board. Secondary academies are in line with national averages other than Retford Oaks, Queen Elizabeth's and Holgate Academies. All primary academies have shown improvement on previous years. Progress outcomes are broadly in line with national other than Hillocks and Samuel Barlow Academies.

Use of resources - Curriculum design and use of teaching and support staff is reviewed annually in each academy. The use of integrated curriculum financial planning (ICFP) and benchmarking is embedded within our budget planning and forecasting cycle and is central to the allocation of resources. We have introduced core curriculum modelling to further strengthen our commitment to maximising the impact our resources have on outcomes for students.

Financial health - Each academy sets its budget with the aim to achieve an in year surplus or breakeven position. A cost share model is utilised to ensure resources are pooled securing economies of scale and the sharing of best practice benefits all academies across the trust

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.

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 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.

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Trustees' report (continued)
For the year ended 31 August 2023

Strategic report (continued)

Achievements and performance (continued)

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 following the return from lockdown, has been how the Trust will work to recover lost learning and the impact of the pandemic on mental health and wellbeing.

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

The Trust continued to enjoy a strong and stable financial position during the academic year 2022/23 despite pressures from increasing costs. We aligned our financial strategies to the overarching Trust objectives, it's vision, mission and values and set in place a three year strategy focussing on sustainable planning, underpinned by robust approach to integrated curriculum financial planning and a commitment to ensuring value for money in all that we do. Accountability throughout all levels of the organisation is strong, our leaders make decisions with well informed financial insight to ensure we maximise the academic return on our investments and our improvement priorities are realised.

This set of accounts shows the financial performance of the Diverse Academies Trust for the year ended 31 August 2023. The statement of financial activities shows the Trust returned a surplus before other recognised gains and losses of £159k in the year ended 31 August 2023 (2022: deficit of £4,462k).

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 £1,567k. This represents a reduction of £426k from 31 August 2022.

The Trust held fund balances at 31 August 2023 of £69,685k (2022: £65,555k) comprising a surplus of £545k (2022: £1,299k) of restricted general funds (excluding pension reserve) and a surplus of £1,022k (2022: £694k) of unrestricted general funds and a pension reserve deficit of £3,468k (2022: £6,622k). The majority of the net assets relate to fixed asset funds (land and buildings) being £71,586k (2022: £70,184k).

The Trust has cash balances of £7,976k at the end of August 2023.

Total fund balances have moved from a deficit of £4,462k in 21/22 to a surplus of £159k in 22/23. This largely due to positive movements in fixed asset reserves as a result additional income and the timing of related expenditure and a reduction in LGPS related costs expensed.

Financial policies

The Trust has continued to adopt and strengthen the budgeting methodology developed over the last few 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

DIVERSE ACADEMIES TRUST
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Trustees' report (continued)
For the year ended 31 August 2023

Strategic report (continued)

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.

a. Reserves policy

Total useable reserves, defined as restricted general reserves (excluding the pension reserves) and unrestricted reserves were in a surplus position of £1,567k (2022: £1,993k).

The Trust holds reserves to achieve the following objectives:

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

The target for total reserves is between 2.5% to 5% of GAG income. This would mean holding approximately £1.45m - £2.9m of reserves.

b. Investment policy

The Trust is committed to maximising returns on funds held in reserve. Short and medium-term deposits ensure 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.

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

- Changes to Education Funding
- Pay increase linked to cost of living
- Energy market volatility
- Long term planning for potential reductions in pupil numbers linked to place and demographics
- Recruitment and retention

Risks relating to estates management

During 2022/23 we commissioned new condition surveys which are currently being undertaken. These surveys will consider the physical condition of the buildings alongside the use of energy, with the push to becoming Net Zero which will require increasing investment.

The Holgate Academy is on the School Rebuilding Programme, however with the uncertainty around the timing for this to happen, we will continue to ensure the building remains safe and fit for purpose whilst still investing to enhance the opportunities for the students attending.

Our partnership with Minster Trust (Mitre) for the use of the Hucknall Sixth Form Centre will come to an end in August 2025; this will leave us with a potentially surplus facility to manage or dispose of. The building has significant value and options are being assessed to determine its future or a disposal strategy that maximises the return which can then be reinvested.

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Trustees' report (continued)
For the year ended 31 August 2023

The PFI agreement at East Leake Academy comes to an end in 2027. The DfE are working with NCC as the owners of the building to determine the scope required to close this project down and transfer it. We have tried to engage with both parties to gain an understanding of the process and requirements, however as yet we have not been directly involved in the process. We will continue to pursue this as the management of the building becomes our responsibility at the end of this agreement.

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 £3,468k (2022: £6,622k) 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 Trust's educational operations - see note 5.

The main funding the Trust receives is the General Annual Grant of £50,831k (2022: £46,503k) 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 services, 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.

DIVERSE ACADEMIES TRUST
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Trustees' report (continued)
For the year ended 31 August 2023

Streamlined energy and carbon reporting

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

	2023	<i>2022</i>
Energy consumption used to calculate emissions (kWh)	6,676,860	<i>6,176,670</i>
Energy consumption breakdown (kWh):		
Gas	4,474,197	<i>4,234,670</i>
Electricity	1,963,929	<i>1,750,916</i>
Transport - staff mileage	129,130	<i>87,195</i>
Transport - minibus	109,604	<i>103,889</i>
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	818	<i>773</i>
Owned transport	36	<i>42</i>
Total scope 1	854	<i>815</i>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	407	<i>339</i>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	30	<i>21</i>
Total gross emissions (in tonnes of CO2 equivalent):	1,291	<i>1,175</i>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.16	<i>0.15</i>

The 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 2022 UK Government's Conversion Factors for Company Reporting.

We continue to exclude the PFI schools from the above calculations, as the energy they use is supplied and paid for through the PFI agreements. It is procured via Nottinghamshire County Council and includes a variety of indexation formulas that mean the consumption is not easy to establish as we have no sight of any invoicing.

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

Work to replace Yeoman Park Academy (CLASP construction) with a new building as part of the DfE School Rebuilding Programme commenced in October 2023. This is due to complete in spring 2025. Once finished the target is for this to operate at Net Zero, meaning it produces as much energy as it consumes.

The Holgate Academy has also been selected within the same programme to be replaced, this also will be constructed to Net Zero, however as yet no dates have been set for the start of this project.

We are currently undertaking condition surveys of our academy buildings, these will conclude in spring 2024. They include a full assessment of the energy usage, efficiency of the plant and equipment within them, the type

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Trustees' report (continued)
For the year ended 31 August 2023

Streamlined energy and carbon reporting (continued)

and nature of the building construction, materials, insulation levels, glazing, etc.

The aim of this is to assist us as we assess and implement methods to improve the efficiency of the buildings we have to retain.

We will continue to research and seek alternative solutions that provide more efficient and reduced use of energy as they become available.

We continue dialogue with Nottinghamshire County Council to look at the options for the three PFI academies we have, including requesting the heating systems are upgraded to a more efficient solution, such as air source or similar, as part of the end of contract lifecycle work.

The greater concern is that we already know some of our building types do not suit newer efficient heating systems such as air source heat pumps, where they deliver lower temperature heating over a longer period. As some of these buildings are older and poorly insulated even with some upgrading, the benefit is significantly outweighed by the potential cost. 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.

Plans for future periods

The Trust is committed to continued development of its activities and operations. We are determined to build upon the wider foundations already laid. Our focus will be in the specific targeted areas:

1. Develop and embed a single school improvement model across all academies within the trust.
2. Establish a route to high quality professional learning for all staff through our Diverse Association for Professional Learning to further develop our high performing organisation.
3. Continued development of our school business professionals.
4. Focus on our long term workforce plans and staff engagement by developing our approach to recruitment, retention and attraction.
5. Continued development of our culture and practice for equity, diversity and inclusion.
6. Strengthen and fully embed our Governance and growth strategies.
7. Develop and embed mature systems and operations to maximise their impact and efficiency.
8. Develop our practice to ensure our capacity and capability fully supports organisational performance and development.

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 31.

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Trustees' report (continued)
For the year ended 31 August 2023

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:

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 to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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.

Chair/Vice Chair of Governor and Trustee meetings have taken place in November 2022 and a Governance Conference was held in July 2023 for all Governors and Trustees.

The Head of Governance and Governance professional to the Board also provide support, advice and guidance to Trustees. With additional information and guidance available through the Boards membership of the National Governance Association and registration with Confederation of Schools Trust. Legal support is also purchased, and external advice is sought as and when necessary.

The Trust Board commissioned a follow up external governance review in November 2022. The purpose was to evaluate progress made on areas for improvement identified in the previous external review, carried out in 2019, and review current strengths and areas for development. An action plan has been created from this review and progress is underway to strengthen areas raised. The concluding statement from the review gave the Board assurance that arrangements for governance within the Trust are well developed, Members and Trustees are delivering a very high standard of governance effectiveness, commenting that the Trust takes the importance of effective governance very seriously and robust and comprehensive governance scrutiny is being applied at all levels of the Trust's governance arrangements.

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

Trustee	Meetings attended	Out of a possible
M Blore	6	6
L Donald	3	6
N Marriott	5	6
J Mordue	6	6
M Quigley MBE, Chair of Board of Trustees	6	6
J Rolph	5	6
D Schwarz	6	6
IR Storey	5	6
R Shearing	3	5

During the year one Trustee resigned.

Virtual training sessions for Trustees and governors were held covering a number of different skills and areas led by specialists in these fields within the Trust.

The Trust annually requires Trustees, Governors, and any Key Management Personnel to complete a declaration of interest form to capture conflicts of interest where an individual could be influenced, or could be

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Governance Statement (continued)

Governance (continued)

perceived as being influenced, by their personal interests while they're carrying out their duties. This register is kept up to date throughout the year and reviewed by the Trust Board annually.

At each Trust meeting or Academy meeting attendees are required to consider if the items to be discussed may raise a conflict of interest.

The meetings held by the Trust Board and Academy Committees all consider and adhere to the seven Nolan Principles of Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.

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.

The Board uses data from varying sources to ensure triangulation of information received such as Ofsted inspection reports, examination and key stage results and pupil attendance data, using these to compare against national averages. For financial data I-SOT is utilised. I-SOT applies either Primary or Secondary thresholds to data to produce a RAG rated dashboard. These thresholds are reviewed and updated twice a year, by the Institute of School Business Leaders. The thresholds used in the RAG rating are based on DfE statistical data.

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. The Committee provides an overview of controls within Diverse Academies Trust. The purpose of the committee is to deliver objective and independent assurance for the Trust through a process of internal scrutiny. This includes reviewing the internal controls of the Trust; recommending an annual programme of work to test the controls and receiving associated reports; and monitoring and reviewing risk management across all areas including in particular areas of risk that may prevent the achievement of our strategic objectives. The Committee makes recommendations to the Board on improvements and on any areas of concern, compliance and other areas of risk that may prevent the achievement of our strategic objectives.

The Committee scheduled three meetings in its annual cycle, in addition to this a second Risk Appetite meeting was held (following the previous meeting in February 2022) for all Trustees to review and discuss the Board's appetite to risk and tolerance levels.

The Trust develops an internal audit plan each year. The delivery of the internal audit programme in 2022/2023 was undertaken predominantly by ICCA, and Karen Bonser Business Consultancy:

- Follow up of previous recommendations
- Business Continuity and Contingency/Emergency Planning: Trust, HQ and all academies.
- Key Financial Controls

Audits undertaken by internal staff:

- Safeguarding: Single Central Record
- Attendance/Behaviour
- GDPR
- Websites

The Committee has reviewed recommendations from these audits and will receive reports on ongoing monitoring.

The Committee has appointed an alternative internal audit provider for 2023/2024, Wylie Bisset, with an agreed programme of audits.

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Governance Statement (continued)

Governance (continued)

The committee met 3 times in the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
I Storey (Chair)	3	3
M Quigley, MBE	3	3
R Shearing	3	3

The Finance and Resources Committee is also a sub-committee of the main Board of Trustees. Performance and Remuneration functions form part of the remit of this committee. 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.

The committee met 6 times in the year, attendance was as follows:

Trustee	Meetings attended	Out of a possible
J Rolph (Chair)	6	6
I Storey	5	6
L Donald	5	6
N Marriott	2	6

Review of value for money

As accounting officer, the CEO has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- Working collaboratively with leaders across the Trust to ensure the deployment of resources is carefully modelled against national benchmarking data and our own Trust parameters. A continued and strengthened use of integrated curriculum financial planning (ICFP) has led to increased efficiency, whilst pinpointing effective use of available resources.
- 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 receiving 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.
- Have effectively used relevant funding to ensure the Trust's estate is safe, well-maintained, and complies with relevant regulations. With all projects undertaken we ensure that they achieve best value. For larger capital projects our appointed consultants prepare a detailed scope of work and specification in line with our requirements, which is competitively tendered. For general maintenance projects we select several contractors suitable for the nature of work, which provide quotations base on the anticipated value.

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Governance Statement (continued)

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 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 2022 to 31 August 2023 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 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 Trust's significant risks that has been in place for the year 1 September 2022 to 31 August 2023 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 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 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 Trust previously had a successful contract with ICCA (2018-2021) for our internal audit programme. We re-tendered the contract and Cooper Parry were appointed for a minimum of 2 years (2021 to 2023) however they unexpectedly withdrew from the contract during 2022. As a result, as ICCA knew our organisation, we engaged them to complete the mandatory audits, with a blended approach for other audits, until new internal auditors were appointed during the summer of 2023.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. The role of the Audit and Risk Committee is to provide the Trust's Board with an ongoing 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:

- To review all financial risk and control related disclosure statements, together with any associated reports and opinions from executive management, the external and internal auditors and prior to endorsement by the Trust Board.
- To review any recommendations made by the Secretary of State for Education for improving the financial management of the Trust or its academies.

Areas that were covered in Key Financial Controls Internal Audits by ICCA (reviewing the 22-23 year) were:

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

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Governance Statement (continued)

The risk and control framework (continued)

Audit and Risk Committee receive all internal audit reports. They also receive the Accounting Officer report which outlines quality assurance reviews and ongoing compliance checks. Audit and Risk report into Trust Board at each full meeting as required by the Academy Trust Handbook.

Review of effectiveness

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- the work of the external auditors;
- correspondence from ESFA e.g. FNtl/Ntl and 'minded to' letters.

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

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

M Quigley, MBE
Chair of Trustees

D Cotton
Chief Executive & Accounting Officer

Date:

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Statement of Regularity, Propriety and Compliance

As accounting officer of Diverse Academies Trust, I have considered my responsibility to notify the 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, including for estates safety and management, under the funding agreement between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2022.

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

D Cotton
Chief Executive & Accounting Officer

Date:

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Statement of Trustees' responsibilities
For the year ended 31 August 2023

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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

M Quigley MBE
(Chair of Trustees)

Date:

DIVERSE ACADEMIES TRUST
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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 'trust') for the year ended 31 August 2023 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 2022 to 2023 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

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:

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 and;
- non-compliance with the Academy Trust Handbook and Academy Accounts Direction.

We focussed on those areas that could give rise to a material misstatement in the Trust 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;
- a separate limited scope regularity review has been undertaken in respect of compliance with the Academy Trust Handbook and our report in respect of this is contained within these 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 charitable 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 charitable 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 charitable 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

Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

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 2022 to 2023, 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 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our 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 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

PKF Smith Cooper Audit Limited
Statutory Auditors

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 2023

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Note					
Income from:					
Donations and capital grants	4	-	-	4,645	2,881
Other trading activities	6	932	344	-	1,216
Investments	7	1	-	-	1
Charitable activities: Funding for the academy trust's educational operations	5	-	58,079	-	52,522
Teaching schools		-	117	-	122
Total income	933	58,540	4,645	64,118	56,742
Expenditure on:					
Raising funds	8	605	-	-	1,094
Charitable activities: Trust educational operations	8	-	59,314	3,717	59,692
Teaching school		-	323	-	418
Total expenditure	605	59,637	3,717	63,959	61,204
Net income/(expenditure)	328	(1,097)	928	159	(4,462)
Transfers between funds	20	-	(474)	474	-
Net movement in funds before other recognised gains/(losses)	328	(1,571)	1,402	159	(4,462)
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes	27	-	4,221	-	46,808
Net derecognition of defined benefit pension scheme asset	27	-	(250)	-	(358)
Net movement in funds	328	2,400	1,402	4,130	41,988

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the year ended 31 August 2023

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	<i>Total funds</i>
	2023	2023	2023	2023	<i>2022</i>
Note	£000	£000	£000	£000	<i>£000</i>
Reconciliation of funds:					
Total funds brought forward	694	(5,323)	70,184	65,555	<i>23,567</i>
Net movement in funds	328	2,400	1,402	4,130	<i>41,988</i>
Total funds carried forward	1,022	(2,923)	71,586	69,685	<i>65,555</i>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 38 to 69 form part of these financial statements.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)
Registered number: 7664012

Balance sheet
As at 31 August 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	16	69,670	70,519
		69,670	70,519
Current assets			
Debtors	17	1,782	2,035
Cash at bank and in hand		7,976	5,709
		9,758	7,744
Creditors: amounts falling due within one year	18	(6,170)	(5,916)
		3,588	1,828
Net current assets			
		73,258	72,347
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	19	(105)	(170)
		73,153	72,177
Net assets excluding pension liability			
Defined benefit pension scheme liability	27	(3,468)	(6,622)
		69,685	65,555
Total net assets			
		69,685	65,555
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	71,586	70,184
Restricted income funds	20	545	1,299
		72,131	71,483
Restricted funds excluding pension asset	20	72,131	71,483
Pension reserve	20	(3,468)	(6,622)
		68,663	64,861
Total restricted funds			
Unrestricted income funds	20	1,022	694
		69,685	65,555
Total funds			
		69,685	65,555

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)
Registered number: 7664012

Balance sheet (continued)
As at 31 August 2023

The financial statements on pages 33 to 69 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

M Quigley MBE
(Chair of Trustees)

Date:

The notes on pages 38 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 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	296	1,629
Cash flows from investing activities			
Cash flows from investing activities	24	2,036	292
Cash flows from financing activities			
Cash flows from financing activities	23	(65)	(66)
Change in cash and cash equivalents in the year		2,267	1,855
Cash and cash equivalents at the beginning of the year		5,709	3,854
Cash and cash equivalents at the end of the year	25, 26	7,976	5,709

The notes on pages 38 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 2023

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 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 (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Income

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

• **Grants**

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

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

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

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.3 Income (continued)

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 Trust has provided the goods or services.

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 Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 Taxation

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

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

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2023

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

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 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 2023

2. Accounting policies (continued)

2.9 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 4 sites. 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
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.12 Pensions

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

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

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

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

As a result of the assumptions applied by the actuary, the actuarial valuation at the year-end has resulted in a surplus position for one academy within the Trust. The recognition of a surplus under FRS102 should only be made to the extent that an employer can expect to secure economic benefit from it, either by paying a reduced rate of contributions or taking a refund. It is not anticipated that the next actuarial valuation will result in a reduction to contributions and the Trust has no option to take a refund. The surplus for the affected academy has therefore been removed and is shown as a breakeven position at the year-end. The derecognition adjustment is shown as other recognised gains/losses. No offsetting has been applied against the other academy LGPS liabilities present at the year-end.

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 31.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2023

2. Accounting policies (continued)

2.14 Fund accounting

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

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

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

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 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Income from donations and capital grants

	Unrestricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Donations	-	462	462	192
Capital Grants	-	4,183	4,183	2,689
	-	4,645	4,645	2,881
<i>Total 2022</i>	192	2,689	2,881	

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2023

5. Funding for the Trust's charitable activities

	Restricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
DfE/ESFA grants			
General Annual Grant (GAG)	50,831	50,831	46,503
Other DfE/ESFA grants			
Other DfE/ESFA grants	554	554	580
Pupil premium	2,686	2,686	2,461
Universal Infant Free School Meals	157	157	145
	<hr/> 54,228	<hr/> 54,228	<hr/> 49,689
Other Government grants			
Local Authority grants	1,613	1,613	1,235
Special Education Projects	1,101	1,101	1,172
	<hr/> 2,714	<hr/> 2,714	<hr/> 2,407
Other income			
School trip income	1,137	1,137	426
	<hr/> 1,137	<hr/> 1,137	<hr/> 426
	<hr/> 58,079	<hr/> 58,079	<hr/> 52,522
	<hr/> 58,079	<hr/> 58,079	<hr/> 52,522
	<hr/> <hr/> 52,522	<hr/> <hr/> 52,522	<hr/> <hr/>
<i>Total 2022</i>	<hr/> <hr/> 52,522	<hr/> <hr/> 52,522	<hr/> <hr/>

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2023

6. Income from other trading activities

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Hire of facilities	37	-	37	38
Other income	895	344	1,239	1,178
	<u>932</u>	<u>344</u>	<u>1,276</u>	<u>1,216</u>
<i>Total 2022</i>	<u>723</u>	<u>493</u>	<u>1,216</u>	

7. Investment income

	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Short term deposits	<u>1</u>	<u>1</u>

8. Expenditure

	Staff Costs 2023 £000	Premises 2023 £000	Other 2023 £000	Total 2023 £000	<i>Total 2022 £000</i>
Expenditure on raising funds:					
- Direct costs	567	-	38	605	1,094
Academies educational operations:					
- Direct costs	38,956	-	3,480	42,436	38,120
- Support costs	7,470	5,017	8,108	20,595	21,572
Teaching school					
- Direct costs	69	-	203	272	216
- Allocated support costs	-	-	51	51	202
	<u>47,062</u>	<u>5,017</u>	<u>11,880</u>	<u>63,959</u>	<u>61,204</u>
<i>Total 2022</i>	<u>46,466</u>	<u>4,112</u>	<u>10,626</u>	<u>61,204</u>	

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Notes to the financial statements
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8. Expenditure (continued)

9. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Academies educational operations	42,436	20,595	63,031	59,692
Teaching school	272	51	323	418
	<u>42,708</u>	<u>20,646</u>	<u>63,354</u>	<u>60,110</u>
<i>Total 2022</i>	<u>38,336</u>	<u>21,774</u>	<u>60,110</u>	

Analysis of direct costs

	Academies educational operations 2023 £000	Teaching school 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Staff costs	38,956	69	39,025	35,535
Educational supplies	1,457	203	1,660	1,415
Examination fees	675	-	675	608
Professional services and educational consultancy	1,348	-	1,348	778
	<u>42,436</u>	<u>272</u>	<u>42,708</u>	<u>38,336</u>
<i>Total 2022</i>	<u>38,120</u>	<u>216</u>	<u>38,336</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academies educational operations 2023 £000	Teaching school 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Staff costs	7,470	-	7,470	9,877
Technology costs	448	-	448	352
Governance costs	65	-	65	68
Premises costs	5,017	-	5,017	4,112
Other support costs	4,136	51	4,187	4,119
Depreciation	3,459	-	3,459	3,246
	<u>20,595</u>	<u>51</u>	<u>20,646</u>	<u>21,774</u>
<i>Total 2022</i>	<u>21,572</u>	<u>202</u>	<u>21,774</u>	

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2023 £000	<i>2022 £000</i>
Operating lease rentals	140	96
Depreciation of tangible fixed assets	3,459	3,246
Fees paid to auditors for:		
- audit	30	30
- other services	9	9
	<u>339</u>	<u>335</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

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Notes to the financial statements
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11. Staff

a. Staff costs

Staff costs during the year were as follows:

	2023	<i>2022</i>
	£000	<i>£000</i>
Wages and salaries	34,071	<i>31,460</i>
Social security costs	3,497	<i>3,225</i>
Pension costs	8,141	<i>10,948</i>
	45,709	<i>45,633</i>
Agency staff costs	1,260	<i>822</i>
Staff restructuring costs	93	<i>11</i>
	47,062	<i>46,466</i>

Staff restructuring costs comprise:

	2023	<i>2022</i>
	£000	<i>£000</i>
Redundancy payments	-	<i>7</i>
Severance payments	93	<i>4</i>
	93	<i>11</i>

b. Severance payments

The Trust paid 5 severance payments in the year (2022 - 1), disclosed in the following bands:

	2023	<i>2022</i>
	No.	<i>No.</i>
£0 - £25,000	3	<i>1</i>
£25,001 - £50,000	2	<i>-</i>

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Notes to the financial statements
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11. Staff (continued)

c. Staff numbers

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

	2023	2022
	No.	<i>No.</i>
Teachers	504	544
Administration	703	645
Management	45	36
	<u>1,252</u>	<u>1,225</u>
	<u><u>1,252</u></u>	<u><u>1,225</u></u>

The average headcount expressed as full-time equivalents was:

	2023	2022
	No.	<i>No.</i>
Teachers	461	466
Administration	423	400
Management	44	35
	<u>928</u>	<u>901</u>
	<u><u>928</u></u>	<u><u>901</u></u>

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Notes to the financial statements
For the year ended 31 August 2023

11. Staff (continued)

d. Higher paid staff

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

	2023	2022
	No.	<i>No.</i>
In the band £60,001 - £70,000	30	21
In the band £70,001 - £80,000	11	2
In the band £80,001 - £90,000	7	6
In the band £90,001 - £100,000	3	2
In the band £100,001 - £110,000	3	3
In the band £120,001 - £130,000	3	3
In the band £170,001 - £180,000	1	1
	=====	=====

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of key management personnel benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £687,000 (2022 - £693,000).

12. Trustees' remuneration and expenses

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

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

13. Trustees' and Officers' insurance

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

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14. PFI charges

Maintenance of premises costs includes the following PFI charges:

	2023	<i>2022</i>
	£000	<i>£000</i>
Tuxford Academy	708	<i>670</i>
Retford Oaks Academy	525	<i>552</i>
East Leake Academy	422	<i>365</i>
Retford Education Centre (previously incorporated into Retford Oaks)	105	<i>-</i>
	1,760	<i>1,587</i>

The PFI costs related to Tuxford for 2022 have been restated due to the inclusion of utility costs in 2022.

These amounts are index linked and paid to the local authority. The Trust is committed to the following payments under PFI arrangements:

	2023	<i>2022</i>
	£000	<i>£000</i>
Less than 1 year	1,755	<i>1,672</i>
Between 1 and 5 years	6,894	<i>6,867</i>
Greater than 5 years	6,253	<i>7,566</i>
	14,902	<i>16,105</i>

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15. Central services

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

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

The 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:

	2023	<i>2022</i>
	£000	<i>£000</i>
Tuxford Academy	370	364
Retford Oaks Academy	288	267
East Leake Academy	250	255
Holgate Academy	319	285
Tuxford Primary Academy	52	51
Walton Academy	244	222
Queen Elizabeth's Academy	209	171
Wainwright Primary Academy	80	81
Thrumpton Primary Academy	46	44
Bracken Lane Primary Academy	43	41
Samuel Barlow Primary Academy	52	49
Yeoman Park Academy	51	117
Redgate Primary Academy	26	62
Hillocks Primary Academy	62	57
Total	2,092	<i>2,066</i>

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Notes to the financial statements
For the year ended 31 August 2023

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 2022	9,247	70,325	7,641	1,873	1,864	136	26	91,112
Additions	164	923	-	270	636	-	617	2,610
Transfers between classes	-	26	-	-	-	-	(26)	-
At 31 August 2023	<u>9,411</u>	<u>71,274</u>	<u>7,641</u>	<u>2,143</u>	<u>2,500</u>	<u>136</u>	<u>617</u>	<u>93,722</u>
Depreciation								
At 1 September 2022	1,575	16,664	532	1,034	685	103	-	20,593
Charge for the year	383	2,411	63	233	359	10	-	3,459
At 31 August 2023	<u>1,958</u>	<u>19,075</u>	<u>595</u>	<u>1,267</u>	<u>1,044</u>	<u>113</u>	<u>-</u>	<u>24,052</u>
Net book value								
At 31 August 2023	<u>7,453</u>	<u>52,199</u>	<u>7,046</u>	<u>876</u>	<u>1,456</u>	<u>23</u>	<u>617</u>	<u>69,670</u>
At 31 August 2022	<u>7,672</u>	<u>53,661</u>	<u>7,109</u>	<u>839</u>	<u>1,179</u>	<u>33</u>	<u>26</u>	<u>70,519</u>

Included within freehold property is land with a value of £944,000 (2022: £944,000) which is not depreciated.

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Notes to the financial statements
For the year ended 31 August 2023

17. Debtors

	2023	2022
	£000	£000
Due within one year		
Trade debtors	33	97
Other debtors	22	6
Prepayments and accrued income	1,175	1,426
Tax recoverable	552	506
	1,782	2,035
	1,782	2,035

18. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Other loans	66	66
Trade creditors	1,943	2,144
Other taxation and social security	833	767
Other creditors	934	858
Accruals and deferred income	2,394	2,081
	6,170	5,916
	6,170	5,916

Included in other loans are amounts of £66,000 (2022: £66,000) payable to the ESFA in relation to Salix loan funding. These loans do not bear any interest and are not secured against any asset. The age analysis for the loans can be seen in note 19

	2023	2022
	£000	£000
Deferred income at 1 September 2022	1,117	1,138
Resources deferred during the year	1,509	1,117
Amounts released from previous periods	(1,117)	(1,138)
	1,509	1,117
	1,509	1,117

Included within deferred income is grant funds (£1,234,000) and other donations (£22,000) received in advance of entitlement, trip income received for trips (£248,000) not taking place until after the year end and other income of £5,000.

19. Creditors: Amounts falling due after more than one year

	2023	2022
	£000	£000
Other loans	105	170
	105	170

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Notes to the financial statements
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19. Creditors: Amounts falling due after more than one year (continued)

2023	<i>2022</i>
£000	<i>£000</i>

Included within the above are amounts falling due as follows:

2023	<i>2022</i>
£000	<i>£000</i>

Between one and two years

Other loans

49	<i>65</i>
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Between two and five years

Other loans

56	<i>105</i>
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Included in other loans are amounts of £105,000 (2022: £170,000) payable to the ESFA in relation to Salix loan funding. These loans do not bear any interest and are not secured against any asset.

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20. Statement of funds

	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2023 £000
Unrestricted funds						
General Funds	694	933	(605)	-	-	1,022
Restricted general funds						
General Annual Grant (GAG)	1,200	50,831	(50,962)	(680)	-	389
Other DfE/ESFA Grants	-	554	(554)	-	-	-
Pupil Premium	-	2,686	(2,686)	-	-	-
UIFSM	-	157	(157)	-	-	-
Other Govt Grants & LA Grants	-	2,714	(2,714)	-	-	-
Teaching school	-	117	(323)	206	-	-
Other restricted funds	99	1,481	(1,424)	-	-	156
Pension reserve	(6,622)	-	(817)	-	3,971	(3,468)
	<u>(5,323)</u>	<u>58,540</u>	<u>(59,637)</u>	<u>(474)</u>	<u>3,971</u>	<u>(2,923)</u>
Restricted fixed asset funds						
Capital grants	7,827	4,183	(932)	-	-	11,078
Inherited funds	61,273	-	(2,337)	-	-	58,936
Capital expenditure from GAG	-	-	(448)	474	-	26
Donations	1,084	462	-	-	-	1,546
	<u>70,184</u>	<u>4,645</u>	<u>(3,717)</u>	<u>474</u>	<u>-</u>	<u>71,586</u>
Total Restricted funds	<u>64,861</u>	<u>63,185</u>	<u>(63,354)</u>	<u>-</u>	<u>3,971</u>	<u>68,663</u>
Total funds	<u><u>65,555</u></u>	<u><u>64,118</u></u>	<u><u>(63,959)</u></u>	<u><u>-</u></u>	<u><u>3,971</u></u>	<u><u>69,685</u></u>

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

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20. Statement of funds (continued)

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.

Pension reserve

The pension reserve represents the movements on the Local Government Pension Scheme liability. See note 27 for further detail on the movements in the reserve during the year and a reconciliation of the closing position.

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 2016 the Trust purchased a sixth form centre via the funding agreed from Section 106. So far the Trust has received 6 payments from Section 106 with a further 4 payments remaining. In this financial year the Trust received one payment.

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 Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2023.

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20. Statement of funds (continued)

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

	<i>Balance at 1 September 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2022 £000</i>
Unrestricted funds						
General Funds	658	916	(1,094)	214	-	694
Restricted general funds						
General Annual Grant (GAG)	651	46,503	(45,085)	(869)	-	1,200
Other DfE/ESFA Grants	-	580	(580)	-	-	-
Pupil Premium	-	2,461	(2,461)	-	-	-
UIFSM	-	145	(145)	-	-	-
Other Govt Grants & LA Grants	-	2,407	(2,407)	-	-	-
Teaching school	-	122	(418)	296	-	-
Other restricted funds	48	919	(944)	76	-	99
Pension reserve	(48,306)	-	(4,766)	-	46,450	(6,622)
	<u>(47,607)</u>	<u>53,137</u>	<u>(56,806)</u>	<u>(497)</u>	<u>46,450</u>	<u>(5,323)</u>
Restricted fixed asset funds						
Capital grants	6,712	2,375	(783)	(477)	-	7,827
Inherited funds	63,610	-	(2,337)	-	-	61,273
Capital expenditure from GAG	(790)	-	(184)	974	-	-
Donations	984	314	-	(214)	-	1,084
	<u>70,516</u>	<u>2,689</u>	<u>(3,304)</u>	<u>283</u>	<u>-</u>	<u>70,184</u>
Total Restricted funds	<u>22,909</u>	<u>55,826</u>	<u>(60,110)</u>	<u>(214)</u>	<u>46,450</u>	<u>64,861</u>
Total funds	<u><u>23,567</u></u>	<u><u>56,742</u></u>	<u><u>(61,204)</u></u>	<u><u>-</u></u>	<u><u>46,450</u></u>	<u><u>65,555</u></u>

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Notes to the financial statements
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20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2023 were allocated as follows:

	2023	<i>2022</i>
	£000	<i>£000</i>
Diverse Academies Trust	1,567	<i>1,993</i>
Restricted fixed asset fund	71,586	<i>70,184</i>
Pension reserve	(3,468)	<i>(6,622)</i>
Total	69,685	<i>65,555</i>

The Trust has opted not to show an analysis of 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
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20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2023 £000	<i>Total 2022 £000</i>
Diverse Academies Trust	715	1,692	39	1,266	3,712	8,149
Tuxford Academy	6,359	985	689	2,040	10,073	8,758
Retford Oaks Academy	4,574	744	770	1,054	7,142	6,183
East Leake Academy	4,449	669	347	780	6,245	5,755
Holgate Academy	5,618	1,101	741	1,009	8,469	7,061
Tuxford Primary Academy	1,039	178	46	278	1,541	1,421
Walton Academy	4,207	840	274	748	6,069	4,953
Queen Elizabeth's Academy	3,136	650	335	813	4,934	4,374
Wainwright Primary Academy	1,643	246	105	371	2,365	2,147
Thrumpton Primary Academy	939	157	57	208	1,361	1,290
Bracken Lane Primary Academy	858	149	51	214	1,272	1,178
Samuel Barlow Primary Academy	1,081	184	52	218	1,535	1,386
Yeoman Park Primary Academy	2,066	232	107	344	2,749	2,567
Redgate Primary Academy	984	142	35	110	1,271	1,165
Hillocks Primary Academy	1,218	198	68	278	1,762	1,571
Trust	38,886	8,167	3,716	9,731	60,500	57,958

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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Restricted fixed asset funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	-	-	69,670	69,670
Current assets	5,623	2,219	1,916	9,758
Creditors due within one year	(4,601)	(1,569)	-	(6,170)
Creditors due in more than one year	-	(105)	-	(105)
Provisions for liabilities and charges	-	(3,468)	-	(3,468)
Total	1,022	(2,923)	71,586	69,685

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £000</i>	<i>Restricted funds 2022 £000</i>	<i>Restricted fixed asset funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Tangible fixed assets	497	-	70,022	70,519
Current assets	4,877	2,705	162	7,744
Creditors due within one year	(4,680)	(1,236)	-	(5,916)
Creditors due in more than one year	-	(170)	-	(170)
Provisions for liabilities and charges	-	(6,622)	-	(6,622)
Total	694	(5,323)	70,184	65,555

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22. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023	<i>2022</i>
	£000	<i>£000</i>
Net income/(expenditure) for the year (as per Statement of financial activities)	159	<i>(4,462)</i>
Adjustments for:		
Loss on disposal of fixed assets	-	4
Depreciation	3,459	<i>3,246</i>
Capital grants from DfE and other capital income	(4,645)	<i>(2,689)</i>
Interest receivable	(1)	<i>(1)</i>
Defined benefit pension scheme cost less contributions payable	579	<i>3,985</i>
Defined benefit pension scheme finance cost	235	<i>781</i>
Decrease in debtors	253	<i>735</i>
Increase in creditors	257	<i>30</i>
Net cash provided by operating activities	296	<i>1,629</i>

23. Cash flows from financing activities

	2023	<i>2022</i>
	£000	<i>£000</i>
Repayments of borrowing	(65)	<i>(66)</i>

24. Cash flows from investing activities

	2023	<i>2022</i>
	£000	<i>£000</i>
Dividends, interest and rents from investments	1	<i>1</i>
Purchase of tangible fixed assets	(2,610)	<i>(2,398)</i>
Capital grants from DfE and other capital income	4,645	<i>2,689</i>
Net cash provided by investing activities	2,036	<i>292</i>

25. Analysis of cash and cash equivalents

	2023	<i>2022</i>
	£000	<i>£000</i>
Cash in hand and at bank	7,976	<i>5,709</i>

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26. Analysis of changes in net debt

	At 1 September 2022 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2023 £000
Cash at bank and in hand	5,709	2,267	-	7,976
Debt due within 1 year	(66)	65	(65)	(66)
Debt due after 1 year	(170)	-	65	(105)
	<u>5,473</u>	<u>2,332</u>	<u>-</u>	<u>7,805</u>

27. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £887,000 were payable to the schemes at 31 August 2023 (2022 - £772,000) 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.

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27. Pension commitments (continued)

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 31 March 2016 TPS actuarial valuation results were implemented from 1 September 2019. The key elements of the valuation and subsequent consultation were:

- 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 latest actuarial TPS valuation results, as at 31 March 2020, were released in October 2023. The revised employer contribution rate, arising from this valuation, is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £5,187,000 (2022 - £4,878,000).

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 Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £3,071,000 (2022 - £2,708,000), of which employer's contributions totalled £2,399,000 (2022 - £2,103,000) and employees' contributions totalled £672,000 (2022 - £605,000). The agreed contribution rates for future years are 21.8 - 24.6 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on [GOV.UK](https://www.gov.uk).

As at 31 August 2023, the actuarial valuation for the Trust includes a surplus on the Lincolnshire County Council scheme totalling £608,000. This surplus has not been recognised within the financial statements.

High UK corporate bond yields have resulted in a high accounting discount rate which contributed to the closing surplus position. There is no specific guidance in FRS102 in relation to surplus balances, therefore reference has been made to IAS 19. This requires any surplus recognition to be limited to the present value of economic benefits available in the form of either refunds or reduced future contributions (the asset ceiling).

The right to a refund would occur in the form of a credit payable to the Trust, for example on exiting the pension fund. Whether any refund is provided is governed by Regulation 64 of the 2013 Local Government Pension Scheme Regulations and set out in the specific local authority funding strategy statement. The payment of this credit is at the discretion of the local authority based on a variety of pre-determined factors. Given there are no circumstances to suggest an exit from the fund and the determination of any credit is outside the control of the Trust, there is no basis to recognise any surplus.

With regards to reduced contributions, IAS 19 references minimum funding requirements used by certain schemes which limit the scope for contribution reductions. The LGPS administering authority must obtain a rates and adjustments certificate every three years that shows the contributions to be paid by each employer to the pension fund for the following three years, thereby limiting the availability of any contribution reductions. Additionally, the local authority funding strategy statement provides for potential reductions in future contributions, but these would be at the discretion of the local authority with, in the majority of cases, academies being part of a stabilisation approach which sets a limit on any change to contributions e.g., to 1% of pay per year. This suggests minimum funding requirements are applicable to the Trust as determined by IAS19. Actuary asset ceiling calculations which assume minimum funding requirements exist, provide an asset ceiling adjustment resulting in a closing position of £Nil.

Based on the above, it cannot be determined that a flow of future benefits is probable therefore no asset has been recognised.

Principal actuarial assumptions

	2023	2022
	%	%
Rate of increase in salaries	3.90	3.25 - 3.90
Rate of increase for pensions in payment/inflation	2.90	2.90 - 2.95
Discount rate for scheme liabilities	5.30	4.25
Inflation assumption (CPI)	2.90	2.90 - 3.00

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27. Pension commitments (continued)

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

	2023	<i>2022</i>
	Years	<i>Years</i>
<i>Retiring today</i>		
Males	19.5 - 20.4	<i>21.2 - 21.7</i>
Females	22.6 - 23.2	<i>23.7 - 24.4</i>
<i>Retiring in 20 years</i>		
Males	20.8 - 21.7	<i>22.1 - 23.0</i>
Females	24.0 - 24.6	<i>25.1 - 25.8</i>

Sensitivity analysis

	2023	<i>2022</i>
	£000	<i>£000</i>
Discount rate +0.1%	41,790	<i>46,193</i>
Discount rate -0.1%	43,498	<i>48,663</i>
Mortality assumption - 1 year increase	43,815	<i>48,751</i>
Mortality assumption - 1 year decrease	41,482	<i>46,108</i>

Share of scheme assets

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

	At 31	<i>At 31 August</i>
	August 2023	<i>2022</i>
	£000	<i>£000</i>
Equities	23,487	<i>24,675</i>
Gilts	704	<i>878</i>
Bonds	2,497	<i>3,031</i>
Property	4,472	<i>5,894</i>
Cash and other liquid assets	2,330	<i>2,223</i>
Other	6,282	<i>4,446</i>
Total market value of assets	39,772	<i>41,147</i>

The actual return on scheme assets was £137,000 (2022: £228,000 loss).

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27. Pension commitments (continued)

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

	2023	<i>2022</i>
	£000	<i>£000</i>
Current service cost	2,978	6,069
Interest income	(1,793)	(665)
Interest cost	2,008	1,446
Administrative expenses	23	19
Total amount recognised in the Statement of financial activities	3,216	<i>6,869</i>

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

	2023	<i>2022</i>
	£000	<i>£000</i>
At 1 September	47,410	<i>87,624</i>
Current service cost	2,978	6,069
Interest cost	2,008	1,446
Employee contributions	672	605
Actuarial gains	(9,456)	<i>(47,701)</i>
Benefits paid	(981)	<i>(633)</i>
At 31 August	42,631	<i>47,410</i>

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

	2023	<i>2022</i>
	£000	<i>£000</i>
At 1 September	40,788	<i>39,318</i>
Interest income	1,793	665
Actuarial losses	(5,235)	<i>(893)</i>
Employer contributions	2,399	2,103
Employee contributions	672	605
Benefits paid	(981)	<i>(633)</i>
Administration expenses	(23)	<i>(19)</i>
Reintroduction of brought forward pension surplus	358	-
Derecognition of pension asset	(608)	<i>(358)</i>
At 31 August	39,163	<i>40,788</i>

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28. Operating lease commitments

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

	2023	<i>2022</i>
	£000	<i>£000</i>
Not later than 1 year	168	<i>73</i>
Later than 1 year and not later than 5 years	340	<i>110</i>
Later than 5 years	3	<i>-</i>
	511	<i>183</i>
	511	<i>183</i>

29. 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.

30. Related party transactions

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

Expenditure related party transactions

During the year the Trust made purchases of £5,000 (2022: £nil) from the Institute of School Business Leaders, an entity for which G Corban, a member of the Trust's key management personnel, is also a Trustee. There were no amounts outstanding as at 31 August 2023 (2022: £nil).

E Corban, spouse of G Corban, a member of the Trust's key management personnel, was employed by the Trust. E Corban's appointment was made in open competition and G Corban was not involved in the decision-making process regarding appointment. E Corban was paid within the normal pay scale for her role and received no special treatment as a result of her relationship to a member of the Trust's key management personnel. E Corban left the employment of the Trust during the year.

L Stocks, brother in law of D Cotton, a member of the Trust's key management personnel, is employed by the Trust. L Stocks' appointment was made in open competition and D Cotton was not involved in the decision-making process regarding appointment. L Stocks is paid within the normal pay scale for his role and receives no special treatment as a result of his relationship to a member of the Trust's key management personnel.

S Truseler, partner of the son of M Blore, Trustee and Member, is employed by the Trust as SENCO and Strategic Development Lead for SEND Diverse Academies Trust. M Blore was not involved in the decision-making process for the appointment. S Truseler is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship with a Trustee/Member.

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31. Agency arrangements

The Trust administers the disbursement of the 16-19 bursary funds on behalf of the ESFA. During the year it received £62,000 (2022: £57,000) and disbursed £56,000 (2022: £48,000). An amount of £41,000 (2022: £53,000) was repayable to the ESFA as at 31 August 2023 and is included in other creditors. The Trust retained a beneficial interest in individual transactions such that £6,000 (2022: £9,000) has been recognised in income and expenditure in the Statement of financial activities.