

DIVERSE ACADEMIES TRUST

(A company limited by guarantee)

Annual report and financial statements

For the year ended 31 August 2024

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Chair's statement	3
Chief Executive's Statement	4
Trustees' report	5 - 20
Governance statement	21 - 27
Statement of regularity, propriety and compliance	28
Statement of trustees' responsibilities	29
Independent auditors' report on the financial statements	30 - 33
Independent reporting accountant's report on regularity	34 - 35
Statement of financial activities incorporating income and expenditure account	36 - 37
Balance sheet	38 - 39
Statement of cash flows	40
Notes to the financial statements	41 - 74

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Rolph, Chair of Members M Blore J Parker (resigned 27 November 2023) E Rew C Shuttleworth (appointed 2 September 2024) S Kelly (appointed 14 December 2023)
Trustees	M Blore L Donald IR Storey J Mordue M Quigley MBE, (Resigned as Chair on 2 September 2024) J Rolph D Schwarz, (Appointed Chair on 2 September 2024) R Vizma (appointed 31 January 2024) P Simpson (appointed 15 April 2024) N Marriott (resigned 8 November 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)

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
For the year ended 31 August 2024

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
(A company limited by guarantee)

Chair's statement
For the year ended 31 August 2024

The Chair presents his statement for the year.

The year has seen a consistent focus on the Trust's strategic objectives, and as workstreams have advanced alongside frameworks of best practice so too has the quality of education provided throughout the Trust validated by recent Ofsted inspections. This has allowed for further refinement of the workstreams.

After reviewing and approving the Trust's growth strategy and growth plan, which took capacity and priorities into account, bids were submitted for free schools, which were successful with two new free schools due to open within the Trust in 2025.

During the year, the Trust was able to test its adaptability and agility in the wake of one of our primary academy sites flooding, causing significant damage. For the nine months that were required for the repairs and renovations, executives and staff were able to quickly arrange alternate accommodation with the least amount of disturbance to the students, offering a secure and welcoming atmosphere.

The Trust's financial health remains positive. Benchmarking is undertaken and work is being established to create needs-based plans to guarantee sustainability and agility into future years.

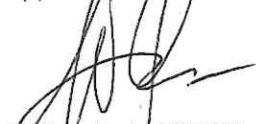
In addition to the two successful free schools' bids, the Trust successfully secured funding for the school rebuilding programme for Yeoman Park Academy which is being rebuilt as a state-of-the-art special school, due to open in 2025 and The Holgate Academy is due to be rebuilt, this date is yet to be confirmed by the DfE.

The risk register was completely redesigned to make sure it accurately reflected our risks and mitigations and the Board is currently in the process of creating risk appetites for the register.

Following the Academy Trust Handbook and reserves guidance the Board has agreed the revised reserves policy and have set out the reserve plan for the year.

Miss Marriott had resigned from her role as Trustee in November 2023. Two new trustees were appointed during the year: Mr R Vizma in January 2024 and Mr P Simpson in April 2024, both of whom possess experience in the education sector. To guarantee the longevity of a robust Board, an assessment of the Board's makeup, competencies, and experience was conducted, and a recruitment strategy was put in place to address succession planning. Alongside this, succession planning for Chair of Board was undertaken for my end of term of office in October 2024, one trustee expressed an interest, and development and training was undertaken to support them in the role, in September 2024 Mr D Schwarz was appointed the new Chair of the Board.

I have no doubt that the Board will continue to grow and seize opportunities as they present themselves with the appointment of Mr Schwarz as Chair of Trustees from September 2024, and his vision for the Board and approach.



M Quigley, MBE (Chair from 2019 to 2024)

Date:

4/12/2024

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Chief Executive's Statement
For the year ended 31 August 2024

The academic year 2023/24 has been a successful one for the Trust. We have, quite literally, weathered storms and pushed forward positively, despite global turbulence and the extant challenges that persist as a result of the pandemic. We are three years into our five-year strategic plan which sets out the Trust's vision, mission and values and defines our three strategic objectives.

Strategic Objective 1: Develop a high performing organisation which is agile and sustainable within an everchanging 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 on 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 impact of using this model during the academic year 2023/2024 with positive Ofsted inspection outcomes. Hillocks Primary Academy was praised for the positive progress it has made since joining the Trust in December 2020 and The Holgate Academy continues to make excellent progress, recognised by Ofsted in June 2024, both of which provide a clear illustration of the significant school improvement capability and capacity across the Trust and the impact our school improvement framework is having on the Trust's academies. 12 of our 14 academies are graded good or outstanding by Ofsted.

Working with our Trustees we have considered our approach to trust growth with purpose. We do not see growth as a means to an end but as a process of creating the opportunity for schools and academies to work together, emphasising our 'golden thread' of school improvement, placing communities at the heart of our decision making and embracing our role as system leaders.

We look forward to the opening of our new primary free school, Thoresby Vale Primary Academy, in September 2025 and the relocation of Yeoman Park Academy to brand new buildings on the same site in Mansfield Woodhouse in February 2025. Alongside this, the Trust was also successful in its free school presumption bid for a new special school in Mansfield, built on the site of the old Ravensdale School, and we expect the Horizons Academy to open in January 2026.

We have continued to reinforce the investment we put into our people and further develop the Diverse Association for Professional Learning. Our association provides 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 thanks to our approach to holistic, collaborative budget planning, with an efficient and effective curriculum at its heart whilst giving us the flexibility to target improvement priorities and maintain a steady 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.

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:

4/12/2024

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report
For the year ended 31 August 2024

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2023 to 31 August 2024. 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 8,620 as at the schools' census point in October 2023 and 8672 at the schools' census point in January 2024.

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. 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.

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
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

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 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 are 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 had embarked on succession planning for the Chair of the Board role in 2023/24 and have appointed a new Chair of the Board in September 2024. Trustees also considered planning for future board development and succession, which involved evaluating the present board's skills and competencies and identifying areas for recruitment to strengthen the board for the future.

N Marriott resigned as Trustee due to external commitments in November 2023. Two new trustees were appointed during the year: R Vizma in January 2024 and P Simpson in April 2024, both of whom possess experience in the education sector. 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, quality of education 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 to ensure understanding of information and processes, share key information, and discuss the vision mission and values of the Trust.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

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 and consolidated to a subcommittee of Trustees.

The Trust has several key central business support functions – Corporate Affairs, Estates and Facilities, IT, MIS, Finance and People (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 and benchmarking.

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 six 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 four times per year), Finance and Resources Committee (meets six times per year), Standards and Outcomes Committee (meets six times per year), Governance and Partnership Committee (meets five times per year) and Academy Committees at each academy or group of academies (meet six times per 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.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Structure, governance and management (continued)

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

The Trust Finance and Resources Committee have delegated responsibilities for performance and remuneration. They review and approve the Trust's pay, 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 reviewed and enhanced its approach to staff benefits schemes to ensure employees can benefit from reduced costs in health care, cycle to work schemes alongside a host of other opportunities. Health, wellbeing and advice 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	14
Full-time equivalent employee number	13

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	14
1%-50%	-
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£000
Total cost of facility time	10
Total pay bill	38,189
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	- %
---	-----

i. Related parties and other connected charities and organisations

The Trust is an independent company with no affiliation to outside bodies, although there are professional links with other schools and 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.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Structure, governance and management (continued)

j. Engagement with employees (including disabled persons)

The Trust has a number of formal and informal structures which support staff engagement such as regular staff surveys. Employee engagement is explicit in the Trust's vision, mission and values and people strategy. In addition to this there is a consultative committee which engages 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. There are also rigorous recruitment processes, professional development and people management practices and support throughout the course of employment.

Our diversity, equity and inclusion (DEI) policy outlines our commitment to promoting a positive and diverse culture in which all our people are valued and supported to reach their full potential. We have long established practices in the recruitment, selection, retention and training of staff, from early engagement with applicants to assess whether adjustments are required at any point during the recruitment process to ensuring that all our people have access to high quality occupational health services. We work closely with organisations, such as Access to Work to support disabled members of staff ensuring they have access to appropriate support and equipment. Our people team (HR) supports leaders and managers to ensure they receive the right level of guidance to effectively support their teams. Access to training, career development and promotion opportunities are fair for all our staff.

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

The interests of the company's employees

During the 2023/24 academic year we have supported our employees by continuing to offer a range of flexible options regarding their work life balance. Flexible working, workload and wellbeing is a key theme that we examine closely in our annual staff surveys which will continue to act as a key instrument, informing us how staff are feeling and what support they require. Results of surveys are 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 place high importance in maintaining strong 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 comply with our statutory responsibility and publish our payment practices every six months on the Companies House portal and we have considered the engagement and relationships of the Trust with our stakeholders throughout this report. 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. See 'Promoting the success of the company' for further details on how we engage with stakeholders.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

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 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.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Objectives and activities (continued)

b. Objectives, strategies and activities

The Chief Executive and his team work with Trustees to set a rolling three-year 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 2023/2024

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. 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 on investment.

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

Secondary Academies

Attendance has been a significant focus for secondary academies this year with improvements to tracking systems and more timely interventions being put in place to support families. As a result, the overall attendance has risen in all our settings, but next year the aim will be to reduce the number of those pupils who are persistently absent from school which is still too high.

There has also been much work done on improving the quality of education in our academies particularly in monitoring and intervening with those students preparing for examinations. We noted that pupil behaviour across our settings has improved from the previous year with key indicators improving throughout the year. There will still need to be a focus on the quality of teaching around adapting teaching strategies for those pupils identified as having SEND.

Tuxford Academy

Tuxford Academy continues to refine its strong curriculum offer with a wide breadth of subjects in both key stages. The outcomes in the summer were in line with predictions and all pupils seeking a place at university were successful. The onsite provision for vulnerable students is a strength of the academy.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Strategic report (continued)

Achievements and performance (continued)

East Leake Academy

East Leake Academy has made strong progress this year with the new principal and leadership team having a strong impact. The results obtained in GCSE examinations were its strongest in recent times. The quality of education and support that the school gives to all its pupils is of a high standard.

Queen Elizabeth's Academy

The leadership team have worked hard to improve attendance in the academy post pandemic and improvements are now being seen but work still needs to be done to improve things further. The summer exam results were in line with expectations, though not where we would want them to be. We are confident that the work carried out in the academy will result in improved outcomes moving forward.

Walton Academy

The summer examination results were pleasing in both KS4 and KS5. Overall progress is down from previous years but were in line with other similar academies in our trust – this was the first year that a mixed cohort of pupils sat GCSE examinations. The school is now fully co-ed in all year groups.

Retford Oaks Academy

Outcomes at both KS4 and KS5 were lower than expected with attendance of examination pupils being an issue in both key stages. Concerns around the progress of pupils in English GCSE examinations are being carefully considered and acted upon.

The Holgate Academy

The Holgate Academy had a full inspection in July, and we were delighted when the school was removed from a category of concern and was clearly shown to be making improvements in all the areas identified during the last inspection. As a result of this the DFE have removed the termination notice that was in place for the academy.

The work with the behaviour hub and attendance support from the DFE have all seen big improvements in the key metrics. There was also an improvement in the KS4 examination results with a big improvement in attainment. This is clearly a work in progress and will need to be sustained and improved upon in future years.

Primary and Special Academies

Significant work has taken place across the primary and special academies to improve attendance with focus on key groups. This has led to improvements in all settings. Key to this has been the development of the inclusion teams providing a joined up, consistent approach to family support and intervention. We now have family support advisors as part of this team in all academies.

The curriculum development work has continued, however the curriculum and assessment review instigated by the Department for Education, alongside our own ever evolving review, has resulted in a rethink of our approach. This has provided clarity to plans for 2024-25.

We have seen increasing numbers of pupils with SEND along with complexity of need presenting a challenge to capacity for support and access to appropriate provision for children with EHCPs. This demands an increasing focus on securing high quality adaptive teaching.

Yeoman Park Academy

Much work has taken place to refine the curriculum including reading to ensure that every learning opportunity is maximised. The personal development offer has also been significantly improved providing greater depth and breadth to opportunities for pupils. These combined have resulted in strong attendance and destinations information. We continue to await the graded inspection, now overdue. Pupils and staff are due to move into the new school building after February half term and the transition is being carefully planned.

Redgate Primary Academy

Continued development of the curriculum has resulted in wider opportunities for pupils evidenced in the improved levels of independence and engagement of children along with good progress in learning. The

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Strategic report (continued)

Achievements and performance (continued)

changing profile of need has resulted in the development of communication and emotional awareness with self-regulation.

The attendance of both special academies sits above the national average for special schools demonstrating the strong relationships with children and families.

Primary Academies

Bracken Lane Primary Academy

Outcomes at Bracken Lane have remained strong with particular success in maths. Strengthening of the approach to the teaching of phonics has secured improvements to attainment. The academy is commended on this success in spite of disruption as a result of the building work and temporary move to DAT headquarters.

Hillocks Primary Academy

The rate of improvement continues at pace in the academy. Attainment at the end of Key Stage 2 was impacted by the levels of SEND in this cohort resulting in a decline in outcomes. Significant investment and development of phonics teaching is resulting in improvements in the percentage of children securing the phonics standard at Y1 and Y2. A rapid improvement plan is in place to ensure additional capacity to further refine curriculum and assessment to maximise improvement to outcomes.

Samuel Barlow Primary Academy

The academy continues to experience significant challenge with ever increasing numbers of pupils with SEND with a disproportionate number of EHCPs. Starting points for the Y6 cohort were low with disruption to teaching impacting on their learning journey. As a result, while progress in Year 6 was strong, outcomes declined. Significant development of the early years and phonics resulted in improved attainment at Year 2 with a very pleasing 90% of children securing the standard along with improved numbers of children attaining a good level of development at the end of reception. A further intensive support plan is in place to provide additional resource and capacity to support the new principal to tackle the challenges around the disproportionate level of SEND need and to accelerate impact on outcomes.

Thrumpton Primary Academy

Outcomes in English remained strong however attainment in maths fell below national levels and short of expectations. The release of the principal from SBPA to carry out an intensive development of the curriculum for maths with embedded assessment has supported the school to address the underlying issues identified. The focused development of phonics has resulted in a very significant improvement to the numbers of children attaining the phonics standard. Outcomes are a significant achievement due to the flood disruption last year, testament to the excellent leadership of the academy.

Tuxford Primary Academy

The outcome of the Ofsted inspection this year in June, confirming the ongoing 'good' judgement provided evidence of the impact of the curriculum development work led by the principal in her first year at the academy. Key Stage Two outcomes were disappointing with particular issues in maths which saw a decline. This was adrift from targets. The focused maths strategic work, as at THPA, has already commenced to strengthen the identified areas. Outcomes for phonics and the Early Years were very pleasing as a result of further development of these areas with additional support provided by the trust.

Wainwright Primary Academy

Outcomes were maintained broadly in line with previous years although maths attainment improved significantly to national levels. This evidences the embedded approach to teaching and assessment across the academy particularly given the mobility and context of pupils. We were delighted with the strength of the principal appointment for September underpinned by clear plans to continue to build on the success of the academy.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

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 levels 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.

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 Committees 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 the Trust 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 of our ICFP process, building upon our approach towards identifying core curriculum costs which enables us to develop more robust multi-year financial plans and the early identification of future cost pressures.

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

Details of how the Trustees give consideration to the impact on the community can be found in the section on Public Benefit.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Strategic report (continued)

Achievements and performance (continued)

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 to scrupulously 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 strengthened its financial position during the academic year 2023/24 despite costs against many supplies, services and salaries continuing to rise at a greater rate than income. We continued to align and adapt our financial strategies to the overarching Trust objectives, its vision, mission and values. We refined our approach to sustainable planning, underpinned by robust integrated curriculum financial planning and resourcing, embedding workstreams identified in our three-year financial strategy in 2022/23. Our passion and commitment to ensuring value for money in all that we do is embedded in every part of the Trust. 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 2024. Total fund balances have moved from a surplus of £159k in 2022/23 to a deficit of £1,252k in 2023/24 due to the purchase of assets in this period, utilising funds received in a previous period and the impairment of Yeoman Park Academy which will be demolished in February 2025, as denoted in note 16.

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 £1,908k. This represents an increase of £341k from 31 August 2023.

The Trust held fund balances as at 31 August 2024 of £69,307k (2023: £69,685k) comprising a surplus of £586k (2023: £545k) of restricted general funds (excluding pension reserve) and a surplus of £1,322k (2023: £1,022 k) of unrestricted general funds and a pension reserve deficit of £2,074k (2023: £3,468k). The majority of the net assets relate to fixed asset funds (land and buildings) being £69,473k (2023: £71,586k).

The Trust has cash balances of £5,540k at the end of August 2024.

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 applies an equitable methodology to sharing cost known as a 'cost share model' as opposed to a fixed percentage charge to academies. All operational delivery costs and overarching trust overheads, both pay and non-pay, are removed from academy budgets and incorporated into group costs, these include, People (HR), ICT, Corporate Affairs, Data and MIS, Estates and FM, Governance and Finance.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

a. Reserves policy

Total useable reserves, defined as restricted general reserves (excluding the pension reserves) and unrestricted reserves were in a surplus position of £1,908k (2023: £1,567k).

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 5% of GAG income. We continually assess our reserve levels and improvement priority investments to ensure we are able to maintain a stable financial position whilst investing in our current pupils, employees, estate and infrastructure.

b. Investment policy

The Trust is committed to maximising returns on funds held in reserve. We have adopted a robust investment policy that outlines our approach to short and mid-term investments whilst ensuring risk is managed in line with our Trustee's risk tolerances and that all investments are ethical and compliant with Financial Conduct Authority guidelines and the Academy Trust Handbook.

c. Principal risks and uncertainties

The Trustees have adopted the statement of recommended practice (SORP) and Academy Trust Handbook 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
- Unfunded pay increases, including taxation and pension costs
- Continued energy market volatility
- Long term planning for potential reductions in pupil numbers linked to place planning and demographics
- Recruitment and retention
- Pressures on high needs block (SEND) funding

Risks relating to estates management

Data gathered from condition surveys undertaken in 2022/23 informed our priorities during 2023/24 ensuring we maintained safe, secure and educationally stimulating sites. We continued to assess the use of energy and the push to reduce our carbon footprint. We recognise the need to balance our net zero investments against available resources alongside maintaining our estate to a high standard.

The floods impacting Thrumpton Primary Academy reinforced the fact that significant unexpected incidents can, and do occur, however, our swift response minimising the disruption to our pupils and staff illustrates the strength of our critical incident and contingency planning. Future flood risk has been mitigated, as far as is practicable with the installation of flood barriers to all external openings.

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.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Our partnership with Minster Trust (Mitre) for the use of the Hucknall Sixth Form Centre will come to an end in August 2025. The building has significant value and we are currently working through a number of options to determine its future use and a disposal strategy that maximises the return which can then be reinvested.

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 are in early stages of engagement with both parties to determine the liabilities and transfer process at the end of the 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 risk 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 pension deficit of £2,074k (2023: £3,468k) 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 £50,218k (2023: £50,831k) and other DfE grants of £4,092k (2023: £554k) for the provision of education within its academies. These are funded by formulae based on pupil numbers, deprivation factors and an element of small fixed payment per school. The ESFA passports this funding directly to the Trust. The reduction in GAG funding between 2024 and 2023 is notional and concerns the re-categorisation of other grants including the Teachers Pay Additional Grant (TPAG) and the Mainstream Schools Additional Grant (MSAG).

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 any other services provided.

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
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Streamlined energy and carbon reporting

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

	2024	2023
Energy consumption used to calculate emissions (kWh)	7,260,587	6,676,860
Energy consumption breakdown (kWh):		
Gas	4,782,747	4,474,197
Electricity	2,278,869	1,963,929
Transport - staff mileage	64,189	129,130
Transport - minibus	135,052	109,604
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	875	818
Owned transport	37	36
Total scope 1	<u>912</u>	<u>854</u>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	<u>472</u>	<u>407</u>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	<u>15</u>	<u>30</u>
Total gross emissions (in tonnes of CO2 equivalent):	<u>1,399</u>	<u>1,291</u>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	<u>0.16</u>	<u>0.16</u>

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 2024 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 direct supplier 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 and will be handed over on the 20th February 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 for the School Rebuilding Programme, again to be constructed to DfE Net Zero standard. It is due to enter the formal assessment stage in April 2025 (to be confirmed).

We have undertaken condition surveys of our academy buildings. This included a full assessment of the energy

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Streamlined energy and carbon reporting (continued)

usage, efficiency of the plant and equipment within them, the type and nature of the building construction, materials, insulation levels, glazing, etc.

With the exception of the heating system at Tuxford Primary, all other systems are rated as 95% or above in their level of efficiency. Tuxford's is problematic as the locality has no access to a mains gas supply, the current biomass system is now inefficient and the building fabric and age does not lend itself to low temperature air source system. We continue to seek an alternative option for its upgrading.

Working with Bassetlaw District Council and SALIX we have assessed the efficiency of the heating systems at two of the PFI academies. It has been determined that there is an opportunity to seek funding at one of these to replace the current oil boilers with a low carbon solution. A grant application to progress this is due to be made later this year.

The age of several of our schools and the construction types (CLASP) mean that they are either life limited and/or beyond economic upgrading. We are doing what we can as we manage this part of the estate to ensure they are as effective as they can be, however, in the main, meaningful upgrades are not cost effective and the reasonable solution is the replacement of these with new in the medium to long term.

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:

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

- School Improvement model - adopt the behaviours (Engage, Unite, Reflect) that drive effective implementation and attend to the contextual factors that influence implementation.
- Deliver on the 3 core areas of the Diverse Association for Professional Learning - ITE, ECF, CPD
- Delivering on the governance priorities.
- Implementing our growth plan.
- Identify core priorities to focus on our 'needs based practice'
- Explore external quality assurance/peer review partnerships.

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.

- Improve attendance by narrowing existing gaps.
- Secure academic rigour to improve outcomes for pupils.
- Improve the outcomes for SEND pupils.
- Improve the number of pupils who are reading at their chronological age.
- Improve Post 16 curriculum offer and improve financial stability.
- Improve the levels of oracy to improve engagement with the curriculum.

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

- Develop a 5-year approach to pupil planning and resource plans.
- Establish people planning on a 5-year rolling basis.
- Develop a new approach to people voice/ engagement.
- Development of a trust wide people value proposition offer.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 August 2024

Funds held as custodian on behalf of others

The Trust holds funds as custodian on behalf of those Post-16 students who are entitled to, and in receipt of, the Post-16 Bursary. For further details see note 32.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 4 December 2024 and signed on its behalf by:



D Schwarz
(Chair of Trustees)

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

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 the Academy Trust Governance Guide which replaced the Governance Handbook in 2024 and Academy Trust Governance code (a voluntary code for academy trusts in England, setting out principles, desired outcomes, and recommended practice for effective 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.

Trustee and Chairs/Vice Chairs of Governors meeting took place in November 2023, a Governance Conference was planned but due to low confirmation of attendance was cancelled and a review on how to encourage more participation in the conference is being undertaken.

The Head of Governance and Governance professional to the Board provide support, advice and guidance to Trustees. With additional information and guidance available through the Board's membership of the National Governance Association, registration with Confederation of School Trusts and other governance sources. Legal support is also purchased, and external advice is sought as and when necessary.

The last external governance review was undertaken 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 was developed to strengthen areas raised. The concluding statement from the review gave the Board assurance that arrangements for governance within the Trust were well developed, stating that 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. In line with recommendations an external review is due in November 2025.

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
IR Storey	5	6
J Mordue	5	6
M Quigley MBE (Chair)	6	6
J Rolph	6	6
D Schwarz	6	6
R Vizma (appointed 31 January 2024)	2	3
P Simpson (appointed 15 April 2024)	2	2
N Marriott	0	1

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.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Governance Statement (continued)

Governance (continued)

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 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 Trustees review annually the declarations of interest for Governors, Trustees and C Suite leaders, ensuring they consider if any of the declarations might raise conflicts not only of financial or measurable benefit but personal interests or loyalties (duty to other persons or organisations) which could or could be seen to prevent the person making a decision in the best interest of the Trust.

The Trust has a code of conduct for governors/trustees which they are required to agree to operate within each year.

Each Board and Committee meeting also has a standing agenda item to enable changes to declarations and any new declarations since the start of the year and/or conflicts of interest in the agenda which may arise to be considered at the start of each meeting.

For transparency, the declarations of interest are published on the website of the Trust and for governors each individual website. Day to day activities e.g. procurement is delegated to staff, with the Finance and Resources committee annually agreeing levels of authority. This ensures that appropriate authorisation for spending limits quotes and tendering is rooted in transparency, fairness and value for money.

The Board evaluates itself by ensuring there is a mix of skill sets and new Trustees are appointed to fill any knowledge gaps. The Trust has undertaken a review of board composition and skills and identified areas for future recruitment to continue to strengthen the Board and future succession planning to ensure 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 key stage results and pupil attendance data, using these to compare against national averages. For financial data the Advanced Schools Optimisation Tool (ASOT) is utilised. ASOT applies either Primary or Secondary thresholds to data to produce a RAG rated dashboard and financial efficiency metrics. 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 Standards and Outcomes Committee visit six different academies a year to see first-hand how the information from executives in the committees reflects the academies.

The Audit and Risk Committee is a subcommittee 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 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 four meetings in its annual cycle.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Governance Statement (continued)

Governance (continued)

The Trust develops an internal audit plan each year. The delivery of the internal audit programme in 2023/2024 was undertaken by Wylie Bissett (now WBG) with the following areas of internal audit: :

- Attendance and Behaviours
- Risk management
- CPD Effectiveness
- Budgetary and Financial reporting
- Safeguarding
- Follow up of previous recommendations

Recommendations from these audits are regularly reviewed through ongoing monitoring reports.

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

Trustee	Meetings attended	Out of a possible
I Storey (Chair)	4	4
M Quigley MBE	3	4
N Marriott (resigned 08/11/2023)	1	1
M Blore (joined committee 28/02/2024)	2	2

Following appointment as Trustee during the year, Mr R Vizma has now been appointed as a member of the Audit and Risk Committee.

The Finance and Resources Committee is also a subcommittee 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 (resigned from committee 12/03/2024)	1	4
N Marriott (resigned 08/11/2023)	1	1

Following appointment as Trustee during the year Mr P Simpson has now been appointed to the Finance and Resources Committee.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Governance Statement (continued)

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 curriculum parameters,
- A continued and strengthened use of integrated curriculum financial planning (ICFP) and core curriculum modelling which 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,
- Effective use of 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,
- Provision of professional, trust wide, business operations which give our academies access to expertise in several specialist business areas and continual benchmarking of our business functions against similar sector peers.

The Trust also targeted specific cost saving initiatives during the year including:

- flexible use of cover staff resulting in 15% real-term saving against supply agency costs;
- continued migration to an IP based centralised telephone system reducing costs by 9% and building on reductions seen in previous years;
- alignment of site and IT infrastructure plans with our School Condition Allocation (SCA) and Devolved Formula Capital (DFC) funding to maximise bulk procurement benefits;
- moving from outsourced catering to an in-house solution which saw us keep real-term costs in line with previous years whilst improving quality significantly;
- employing a procurement professional the impact of which has saved circa £200k over the last three years due to negotiating favourable contract terms and discounts whilst helping to mitigate risk through robust assessment of suppliers.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to ensure that our operations are effective, that financial and other information is reliable and that we comply with the relevant regulations and operating principles set out in our policies and standard operating procedures. The system should, at the same time, enable the management of strategic and operational risks to a level within agreed tolerances and appetite, set by the Board of Trustees, rather than eliminate risk altogether. Levels of assurance and effectiveness are tested through our quality control and assurance work, including internal audits that are planned for annually, in a three-year cycle, directly connected to risk types and levels in the risk register.

The system of internal control has been in place for the year 1 September 2023 to 31 August 2024 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, assessing, evaluating appropriate treatment and managing the Trust's significant risks that has been in place for the year 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Audit and Risk Committee and Board of Trustees.

The risk and control framework

The Trust's system of internal control is based on a framework of regular management information and administrative processes and 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 Board of Trustees has decided to employ WBG as internal auditors.

The Trust appointed new internal auditors Wylie Bissett (now WBG) for 2023/24. This has been the first of a three-year audit plan. WBG have undertaken audits related to risk register entries and emerging threats and operational relationships have developed effectively with key staff to enable smooth processes to produce reports for the Board.

We reviewed the requirement for internal audit with the Audit and Risk Committee, as well as the Trust Handbook requirements for internal scrutiny (3.16) during 2022/23. We went through a formal tender process in 2023 to appoint Internal Auditors, in accordance with our procurement procedures. The tender process required tenderers to provide evidence of expertise, performance and value for money with an evaluation panel chaired by the Chair of Audit and Risk. WBG were appointed as a result of this process.

We have a 3 year programme of internal audits driven by our risk register and emerging threats externally, with delivery of audits planned annually over three academic terms. These are reported into the relevant Audit and Risk Committee on the agreed committee dates which take place four times a year.

WBG delivered all audits during 2023/24 as planned. At tender stage we agreed a set of KPIs with them, and we hold an annual review meeting, with the Chair of Audit and Risk, to review performance against the KPIs as well as sharing lessons learned to improve our planning and operating practice. Where audits have

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework (continued)

recommendations, we complete a management response with appropriate action(s), timescale and lead. The final audit report with management actions goes to the Audit and Risk Committee. We extract the management response information into a tracker which is reviewed at each Audit and Risk Committee to monitor that actions are completed on time.

The internal auditors' 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:

- they will 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;
- 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 Budgetary and Financial reporting Internal Audit by WBG (reviewing the 23/24 year) were:

- That there is appropriate control over the budgetary process;
- There are clear guidelines in place for the budget setting process;
- Deviations from budget are identified and investigated at an early stage;
- Budget holders are adequately trained and receive information regarding their budgets in a timely manner;
- The budget setting process is effectively linked to the operational planning process;
- That there is sufficient reporting of performance against budget and against plans throughout the year to enable informed decision making.

The Audit and Risk Committee receive all internal audit reports to review, these reports are also shared with the Board of Trustees. The Audit and Risk Committee also receive the Accounting Officer report which outlines quality assurance reviews and ongoing compliance checks. Audit and Risk report into the 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 auditors;
- 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.

Conclusion

Based on the advice of the Audit and Risk Committee and the Accounting Officer, the board of trustees is of the opinion that the academy trust has an adequate and effective framework for governance, risk management and control.


DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Governance Statement (continued)

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



D Schwarz
Chair of Trustees



D Cotton
Chief Executive & Accounting Officer

Date: 4/12/2024

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

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 2023, 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 2023.

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: 4/12/2024

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2024

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 2023 to 2024;
- 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:



D Schwarz
Chair of Trustees

Date: 4/12/2024.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Diverse Academies Trust

Opinion

We have audited the financial statements of Diverse Academies Trust (the 'trust') for the year ended 31 August 2024 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 2023 to 2024 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 2024 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 2023 to 2024 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.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Diverse Academies Trust
(continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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:

Based on our understanding of the Trust and industry, key laws and regulations that we identified included the Companies Act, Charities SORP and guidance included within the Academy Trust Handbook and Academies Accounts Direction. 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 Academies 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. In particular, review of the LGPS valuation;
- 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

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Independent auditors' Report on the financial statements to the Members of Diverse Academies Trust
(continued)

Auditors' report.

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.

PKF Smith Cooper Audit Limited

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: 20 December 2024

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 2023 to 2024, 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 2023 to 31 August 2024 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 2023, 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 2023 to 2024. 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 2023 to 31 August 2024 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 2023 to 31 August 2024 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

PKF Smith Cooper Audit Limited
Statutory Auditors

2 Lace Market Square
Nottingham
NG1 1PB

Date: 20 December 2024

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2024

		Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
	Note					
Income from:						
Donations and capital grants	4	21	-	3,160	3,181	4,645
Other trading activities	6	1,352	235	766	2,353	1,393
Investments	7	17	-	-	17	1
Charitable activities: Funding for the academy trust's educational operations	5	-	64,799	-	64,799	58,079
Total income		1,390	65,034	3,926	70,350	64,118
Expenditure on:						
Raising funds	8	1,028	-	-	1,028	605
Charitable activities: Trust educational operations	8	-	64,473	6,101	70,574	63,354
Total expenditure		1,028	64,473	6,101	71,602	63,959
Net income/(expenditure)		362	561	(2,175)	(1,252)	159
Transfers between funds	20	(62)	-	62	-	-
Net movement in funds before other recognised gains/(losses)		300	561	(2,113)	(1,252)	159
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes	28	-	1,089	-	1,089	4,221
Net derecognition of defined benefit pension scheme asset	28	-	(215)	-	(215)	(250)
Net movement in funds		300	1,435	(2,113)	(378)	4,130

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the year ended 31 August 2024

	Unrestricted	Restricted	Restricted	Total	Total
	funds	funds	fixed asset	funds	funds
	2024	2024	2024	2024	2023
Note	£000	£000	£000	£000	£000
Reconciliation of funds:					
Total funds brought forward	1,022	(2,923)	71,586	69,685	65,555
Net movement in funds	300	1,435	(2,113)	(378)	4,130
Total funds carried forward	1,322	(1,488)	69,473	69,307	69,685

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

The notes on pages 41 to 74 form part of these financial statements.

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

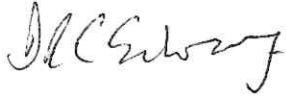
Balance sheet
As at 31 August 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	16	68,457	69,670
		<u>68,457</u>	<u>69,670</u>
Current assets			
Debtors	17	3,330	1,782
Cash at bank and in hand	25	5,540	7,976
		<u>8,870</u>	<u>9,758</u>
Creditors: amounts falling due within one year	18	(5,890)	(6,170)
Net current assets		<u>2,980</u>	<u>3,588</u>
Total assets less current liabilities		<u>71,437</u>	<u>73,258</u>
Creditors: amounts falling due after more than one year	19	(56)	(105)
Net assets excluding pension liability		<u>71,381</u>	<u>73,153</u>
Defined benefit pension scheme liability	28	(2,074)	(3,468)
Total net assets		<u><u>69,307</u></u>	<u><u>69,685</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	20	69,473	71,586
Restricted income funds	20	586	545
		<u>70,059</u>	<u>72,131</u>
Restricted funds excluding pension asset	20	70,059	72,131
Pension reserve	20	(2,074)	(3,468)
Total restricted funds	20	<u>67,985</u>	<u>68,663</u>
Unrestricted income funds	20	1,322	1,022
Total funds		<u><u>69,307</u></u>	<u><u>69,685</u></u>

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

Balance sheet (continued)
As at 31 August 2024

The financial statements on pages 36 to 74 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



D Schwarz
(Chair of Trustees)

Date: 4/12/2024

The notes on pages 41 to 74 form part of these financial statements.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 August 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	(456)	296
Cash flows from investing activities	24	(1,914)	2,036
Cash flows from financing activities	23	(66)	(65)
Change in cash and cash equivalents in the year		(2,436)	2,267
Cash and cash equivalents at the beginning of the year		7,976	5,709
Cash and cash equivalents at the end of the year	25, 26	<u>5,540</u>	<u>7,976</u>

The notes on pages 41 to 74 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 2024

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 2023 to 2024 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.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

2. Accounting policies (continued)

2.3 Income (continued)

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the 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 2024

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 2024

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 2024

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 2024

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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

As a result of the current market conditions factored into the assumptions applied by the LGPS scheme actuary, the actuarial valuation at the year-end has resulted in a surplus position for 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. Management have assessed both considerations and concluded the following:

- Based on historic practices and updates on future expectations from the administering authority, management do not anticipate that the next actuarial valuation will result in a reduction to contributions due to current market conditions.
- The availability of any potential cash refund once all liabilities have been paid is based on several unpredictable future outcomes set out in the scheme rules that cannot be reasonably assumed at this stage. As a result, management consider there to be a very low possibility of a cash refund.

From the above conclusion, the surplus balance has therefore been restricted to a value of "nil" at the year-end. The derecognition adjustment is shown as other recognised gains/losses in the Statement of Financial Activities. No offsetting has been applied against the other scheme's LGPS liability present at the year-end.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

4. Income from donations and capital grants

	Unrestricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Donations	21	775	796	462
Capital Grants	-	2,385	2,385	4,183
	<u>21</u>	<u>3,160</u>	<u>3,181</u>	<u>4,645</u>
<i>Total 2023</i>	<u>-</u>	<u>4,645</u>	<u>4,645</u>	

5. Funding for the Trust's charitable activities

	Restricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
DfE/ESFA grants			
General Annual Grant (GAG)	46,755	46,755	47,614
Other DfE/ESFA grants			
Other DfE/ESFA grants	4,092	4,092	554
Pupil Premium	2,980	2,980	2,686
16-19 Core Funding	3,463	3,463	3,217
Universal Infant Free School Meals	181	181	157
	<u>57,471</u>	<u>57,471</u>	<u>54,228</u>
Other Government grants			
Local Authority grants	4,797	4,797	1,613
Special Education Projects	1,621	1,621	1,101
	<u>6,418</u>	<u>6,418</u>	<u>2,714</u>
Other income			
School trip income	910	910	1,137
	<u>64,799</u>	<u>64,799</u>	<u>58,079</u>
<i>Total 2023</i>	<u>58,079</u>	<u>58,079</u>	

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

6. Income from other trading activities

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Hire of facilities	33	-	33	37
Income from other charitable activities	1,319	1,001	2,320	1,356
	<u>1,352</u>	<u>1,001</u>	<u>2,353</u>	<u>1,393</u>
<i>Total 2023</i>	<u>932</u>	<u>461</u>	<u>1,393</u>	

7. Investment income

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Short term investments	16	16	-
Short term deposits	1	1	1
	<u>17</u>	<u>17</u>	<u>1</u>
<i>Total 2023</i>	<u>1</u>	<u>1</u>	

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

8. Expenditure

	Staff Costs	Premises	Other	Total	<i>Total</i>
	2024	2024	2024	2024	<i>2023</i>
	£000	£000	£000	£000	<i>£000</i>
Expenditure on raising funds:					
- Direct costs	978	-	50	1,028	605
Academies educational operations:					
- Direct costs	42,970	-	3,554	46,524	42,708
- Support costs	8,341	5,527	10,182	24,050	20,646
	<u>52,289</u>	<u>5,527</u>	<u>13,786</u>	<u>71,602</u>	<u>63,959</u>
<i>Total 2023</i>	<u>47,062</u>	<u>5,017</u>	<u>11,880</u>	<u>63,959</u>	

9. Analysis of expenditure by activities

	Activities	Support	Total	<i>Total</i>
	undertaken	costs	funds	<i>funds</i>
	directly	2024	2024	<i>2023</i>
	2024	£000	£000	<i>£000</i>
Academies educational operations	46,524	24,050	70,574	63,354
<i>Total 2023</i>	<u>42,708</u>	<u>20,646</u>	<u>63,354</u>	

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academies educational operations 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Staff costs	42,970	42,970	39,025
Educational supplies	1,646	1,646	1,660
Examination fees	763	763	675
Professional services and educational consultancy	1,145	1,145	1,348
	<hr/> 46,524 <hr/>	<hr/> 46,524 <hr/>	<hr/> 42,708 <hr/>
<i>Total 2023</i>	<hr/> 42,708 <hr/>	<hr/> 42,708 <hr/>	

Analysis of support costs

	Academies educational operations 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Staff costs	8,341	8,341	7,470
Impairment of tangible fixed assets	1,526	1,526	-
Loss on disposal of tangible fixed assets	244	244	-
Technology costs	357	357	448
Governance costs	61	61	65
Premises costs	5,553	5,553	5,017
Other support costs	4,209	4,209	4,187
Depreciation	3,759	3,759	3,459
	<hr/> 24,050 <hr/>	<hr/> 24,050 <hr/>	<hr/> 20,646 <hr/>
<i>Total 2023</i>	<hr/> 20,646 <hr/>	<hr/> 20,646 <hr/>	

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2024	2023
	£000	£000
Operating lease rentals	114	140
Depreciation of tangible fixed assets	3,759	3,459
Fees paid to auditors for:		
- audit	32	30
- other services	9	9
	=====	=====

Included within expenditure is fixed asset losses of £244,000. This loss occurred as a result of flooding at Thrumpton Primary Academy which caused significant damage to elements of the school building, and the £244,000 reflects the carrying value of the effected parts of the building as at the date the damage occurred. The costs of rectification were fully recoverable from the Trust's insurers. Total insurance proceeds receivable during the year were £766,000 and this is recorded within other income.

Also included within expenditure is an impairment charge of £1,526,000 in relation to the buildings at Yeoman Park Academy. A new school building is currently being constructed as part of the DfE's School Rebuilding Programme, which the Trust anticipate taking ownership of in February 2025. Following this the present building will be demolished. As a result, the useful economic life of the current buildings at Yeoman Park Academy as at 31 August 2024 is approximately 6 months and an impairment charge has been accounted for to reduce the carrying value of buildings accordingly.

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

- Gifts made by the Trust
- Stock losses
- Unrecoverable debts
- Cash losses
- Compensation payments

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

11. Staff

a. Staff costs and employee benefits

Staff costs during the year were as follows:

	2024 £000	2023 £000
Wages and salaries	38,572	34,071
Social security costs	4,000	3,497
Pension costs	8,491	8,141
	<u>51,063</u>	<u>45,709</u>
Agency staff costs	1,147	1,260
Staff restructuring costs	79	93
	<u><u>52,289</u></u>	<u><u>47,062</u></u>

Staff restructuring costs comprise:

	2024 £000	2023 £000
Redundancy payments	53	47
Severance payments	26	46
	<u>79</u>	<u>93</u>

b. Severance payments

The Trust paid 2 severance payments in the year (2023: 4), disclosed in the following bands:

	2024 No.	2023 No.
£0 - £25,000	<u>2</u>	<u>4</u>

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

11. Staff (continued)

c. Staff numbers

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

	2024	2023
	No.	No.
Teachers	534	504
Administration	725	703
Management	24	45
	1,283	1,252

The average headcount expressed as full-time equivalents was:

	2024	2023
	No.	No.
Teachers	486	461
Administration	495	423
Management	24	44
	1,005	928

Prior to 2024 we determined management staff as those staff whose salary exceeded a certain threshold (2023: £66,000). We feel that this approach is no longer representative of true management numbers and as such have identified posts within the organisation's structure that represent our true management establishment. This is reflected in the staff numbers presented in 2024. Management staff in 2023 using this method was also 24.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

11. Staff (continued)

d. Higher paid staff

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

	2024	2023
	No.	No.
In the band £60,001 - £70,000	33	30
In the band £70,001 - £80,000	17	11
In the band £80,001 - £90,000	6	7
In the band £90,001 - £100,000	6	3
In the band £100,001 - £110,000	3	3
In the band £120,001 - £130,000	-	3
In the band £130,001 - £140,000	3	-
In the band £170,001 - £180,000	-	1
In the band £180,001 - £190,000	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 £758,000 (2023 - £687,000).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, expenses were reimbursed or paid directly to 3 Trustees (2023 - to 7 Trustees) broken down as follows:

	2024	2023
	£	£
Travel	932	734
	=====	=====

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.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

14. PFI charges

Maintenance of premises costs includes the following PFI charges:

	2024	<i>2023</i>
	£000	<i>£000</i>
Tuxford Academy	838	<i>708</i>
Retford Oaks Academy	616	<i>525</i>
East Leake Academy	443	<i>422</i>
Retford Education Centre (previously incorporated into Retford Oaks)	99	<i>105</i>
	1,996	<i>1,760</i>

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

	2024	<i>2023</i>
	£000	<i>£000</i>
Less than 1 year	1,808	<i>1,755</i>
Between 1 and 5 years	6,676	<i>6,894</i>
Greater than 5 years	4,821	<i>6,253</i>
	13,305	<i>14,902</i>

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

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:

	2024	2023
	£000	£000
Tuxford Academy	427	370
Retford Oaks Academy	360	288
East Leake Academy	312	250
Holgate Academy	379	319
Tuxford Primary Academy	59	52
Walton Academy	312	244
Queen Elizabeth's Academy	271	209
Wainwright Primary Academy	88	80
Thrumpton Primary Academy	51	46
Bracken Lane Primary Academy	48	43
Samuel Barlow Primary Academy	59	52
Yeoman Park Academy	59	51
Redgate Primary Academy	29	26
Hillocks Primary Academy	74	62
Total	2,528	2,092

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

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 2023	9,411	71,274	7,641	2,143	2,500	136	617	93,722
Additions	-	2,261	-	376	625	18	1,036	4,316
Disposals	-	(293)	-	-	-	-	-	(293)
Transfers between classes	617	-	-	-	-	-	(617)	-
At 31 August 2024	10,028	73,242	7,641	2,519	3,125	154	1,036	97,745
Depreciation								
At 1 September 2023	1,958	19,075	595	1,267	1,044	113	-	24,052
Charge for the year	443	2,481	63	250	511	11	-	3,759
On disposals	-	(49)	-	-	-	-	-	(49)
Impairment charge	-	1,526	-	-	-	-	-	1,526
At 31 August 2024	2,401	23,033	658	1,517	1,555	124	-	29,288
Net book value								
At 31 August 2024	7,627	50,209	6,983	1,002	1,570	30	1,036	68,457
At 31 August 2023	7,453	52,199	7,046	876	1,456	23	617	69,670

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

16. Tangible fixed assets (continued)

Included within freehold property is land with a value of £944,000 (2023: £944,000) which is not depreciated.

Included within disposals of leasehold property is the derecognition of various elements of the school building at Thrumpton Primary Academy which were damaged as a result of flooding. The carrying value of these assets was £244,000 and a loss on disposal of this amount has been included within expenditure. The costs of rectification were fully recoverable from the Trust's insurers.

The leasehold property impairment charge of £1,526,000 is in relation to the buildings at Yeoman Park Academy. A new school building is currently being constructed as part of the DfE's School Rebuilding Programme, which the Trust anticipate taking ownership of in February 2025. Following this the present building will be demolished. As a result, the useful economic life of the current buildings at Yeoman Park Academy as at 31 August 2024 is approximately 6 months and an impairment charge has been accounted for to reduce the carrying value of buildings accordingly.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

17. Debtors

	2024	2023
	£000	£000
Due within one year		
Trade debtors	44	33
Other debtors	39	22
Prepayments and accrued income	2,832	1,175
Tax recoverable	415	552
	<u>3,330</u>	<u>1,782</u>

18. Creditors: Amounts falling due within one year

	2024	2023
	£000	£000
Other loans	49	66
Trade creditors	1,250	1,943
Other taxation and social security	917	833
Other creditors	1,157	934
Accruals and deferred income	2,517	2,394
	<u>5,890</u>	<u>6,170</u>

Included in other loans are amounts of £49,000 (2023: £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

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

	2024	2023
	£000	£000
Deferred income at 1 September 2023	1,509	1,117
Resources deferred during the year	1,612	1,509
Amounts released from previous periods	(1,509)	(1,117)
	<u>1,612</u>	<u>1,509</u>

Included within deferred income is grant funds (£1,182,000) and other donations (£1,000) received in advance of entitlement, trip income received for trips (£409,000) not taking place until after the year end and other income of £20,000.

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

	2024	2023
	£000	£000
Other loans	56	105
	<u>56</u>	<u>105</u>

Included within the above are amounts falling due as follows:

	2024	2023
	£000	£000
Between one and two years		
Other loans	30	49
	<u>30</u>	<u>49</u>
Between two and five years		
Other loans	26	56
	<u>26</u>	<u>56</u>

Included in other loans are amounts of £56,000 (2023: £105,000) payable to the ESFA in relation to Salix loan funding. These loans do not bear any interest and are not secured against any asset.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

20. Statement of funds

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2024 £000
Unrestricted funds						
General Funds	1,022	1,390	(1,028)	(62)	-	1,322
Restricted general funds						
General Annual Grant (GAG)	389	46,755	(46,714)	-	-	430
Other DfE/ESFA Grants	-	4,092	(4,092)	-	-	-
Pupil Premium	-	2,980	(2,980)	-	-	-
UIFSM	-	181	(181)	-	-	-
Other Govt Grants & LA Grants	-	6,418	(6,418)	-	-	-
16-19 Core Funding	-	3,463	(3,463)	-	-	-
Other restricted funds	156	1,145	(1,145)	-	-	156
Pension reserve	(3,468)	-	520	-	874	(2,074)
	<u>(2,923)</u>	<u>65,034</u>	<u>(64,473)</u>	<u>-</u>	<u>874</u>	<u>(1,488)</u>
Restricted fixed asset funds						
Capital grants	11,078	2,385	(1,043)	-	-	12,420
Inherited funds	58,936	-	(3,853)	-	-	55,083
Capital expenditure from other funds	26	-	(854)	62	-	(766)
Donations	1,546	775	-	-	-	2,321
Insurance fund	-	766	(351)	-	-	415
	<u>71,586</u>	<u>3,926</u>	<u>(6,101)</u>	<u>62</u>	<u>-</u>	<u>69,473</u>
Total Restricted funds	<u>68,663</u>	<u>68,960</u>	<u>(70,574)</u>	<u>62</u>	<u>874</u>	<u>67,985</u>
Total funds	<u>69,685</u>	<u>70,350</u>	<u>(71,602)</u>	<u>-</u>	<u>874</u>	<u>69,307</u>

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

20. Statement of funds (continued)

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

Restricted general funds

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

Pension reserve

The pension reserve represents the movements on the Local Government Pension Scheme liability. See note 28 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 2024 the Trust received £766,000 from their insurers to cover costs incurred as a result of a flood at Thrumpton Primary Academy. Expenditure allocated against this fund includes an impairment loss on buildings that were damaged, depreciation on assets purchased to replace those damaged and other contingency costs incurred to ensure educational provision continued whilst the school was being repaired.

Transfers into restricted fixed assets represent the Trust's contribution to capital expenditure.

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 2024.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

20. Statement of funds (continued)

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

	<i>Balance at 1 September 2022 £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 2023 £000</i>
Unrestricted funds						
General Funds	694	933	(605)	-	-	1,022
Restricted general funds						
General Annual Grant (GAG)	1,200	47,731	(48,068)	(474)	-	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)	-	-	-
16-19 Core Funding	-	3,217	(3,217)	-	-	-
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>65,555</u>	<u>64,118</u>	<u>(63,959)</u>	<u>-</u>	<u>3,971</u>	<u>69,685</u>

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

20. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2024 were allocated as follows:

	2024	2023
	£000	£000
Diverse Academies Trust	1,908	1,567
Restricted fixed asset fund	69,473	71,586
Pension reserve	(2,074)	(3,468)
Total	69,307	69,685

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 its 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.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

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 2024 £000	Total 2023 £000
Diverse Academies Trust	1,093	684	26	1,194	2,997	3,712
Tuxford Academy	6,634	1,041	735	1,680	10,090	10,073
Retford Oaks Academy	5,190	918	669	1,158	7,935	7,142
East Leake Academy	5,226	812	326	1,078	7,442	6,245
Holgate Academy	5,830	1,415	516	1,008	8,769	8,469
Tuxford Primary Academy	1,040	232	68	185	1,525	1,541
Walton Academy	5,094	1,139	336	868	7,437	6,069
Queen Elizabeth's Academy	3,883	886	384	1,010	6,163	4,934
Wainwright Primary Academy	1,696	306	82	253	2,337	2,365
Thrumpton Primary Academy	1,003	188	61	113	1,365	1,361
Bracken Lane Primary Academy	876	182	63	128	1,249	1,272
Samuel Barlow Primary Academy	1,141	198	63	186	1,588	1,535
Yeoman Park Primary Academy	2,388	278	112	257	3,035	2,749
Redgate Primary Academy	1,054	183	68	132	1,437	1,271
Hillocks Primary Academy	1,422	255	67	243	1,987	1,762
Trust	43,570	8,717	3,576	9,493	65,356	60,500

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Restricted fixed asset funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	-	-	68,457	68,457
Current assets	5,551	2,303	1,016	8,870
Creditors due within one year	(4,229)	(1,661)	-	(5,890)
Creditors due in more than one year	-	(56)	-	(56)
Provisions for liabilities and charges	-	(2,074)	-	(2,074)
Total	1,322	(1,488)	69,473	69,307

Analysis of net assets between funds - prior period

	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

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

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

	2024 £000	2023 £000
Net (expenditure)/income for the period (as per Statement of financial activities)	(1,252)	159
Adjustments for:		
Loss on disposal of fixed assets	244	-
Depreciation	3,759	3,459
Impairment of fixed assets	1,526	-
Interest receivable	(17)	(1)
Capital grants from DfE and other capital income	(2,385)	(4,645)
Defined benefit pension scheme cost less contributions payable	(612)	579
Defined benefit pension scheme finance (income)/cost	92	235
(Increase)/decrease in debtors	(1,548)	253
(Decrease)/increase in creditors	(263)	257
Net cash (used in)/provided by operating activities	(456)	296

23. Cash flows from financing activities

	2024 £000	2023 £000
Repayments of borrowing	(66)	(65)

24. Cash flows from investing activities

	2024 £000	2023 £000
Dividends, interest and rents from investments	17	1
Purchase of tangible fixed assets	(4,316)	(2,610)
Capital grants from DfE and other capital income	2,385	4,645
Net cash (used in)/provided by investing activities	(1,914)	2,036

25. Analysis of cash and cash equivalents

	2024 £000	2023 £000
Cash in hand and at bank	5,540	7,976

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

26. Analysis of changes in net debt

	At 1 September 2023 £000	Cash flows £000	Other non- cash changes £000	At 31 August 2024 £000
Cash at bank and in hand	7,976	(2,436)	-	5,540
Debt due within 1 year	(66)	66	(49)	(49)
Debt due after 1 year	(105)	-	49	(56)
	<u>7,805</u>	<u>(2,370)</u>	<u>-</u>	<u>5,435</u>

27. Capital commitments

	2024 £000	2023 £000
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>767</u>	<u>-</u>

28. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 2020 and of the LGPS 31 March 2022.

Contributions amounting to £1,115,000 were payable to the schemes at 31 August 2024 (2023 - £887,000) 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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change in contract. 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.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

28. 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 ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation has been implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to TPS in the year amounted to £6,163,000 (2023 - £5,187,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the academy trust has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above, the information available on the scheme.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

28. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2024 was £3,775,000 (2023 - £3,071,000), of which employer's contributions totalled £2,968,000 (2023 - £2,399,000) and employees' contributions totalled £807,000 (2023 - £672,000). 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 2024, the actuarial valuation for the Trust includes a surplus on the Lincolnshire County Council scheme totalling £823,000. This surplus has not been recognised within the financial statements.

As a result of the current market conditions factored into the assumptions applied by the LGPS scheme actuary, the actuarial valuation at the year-end has resulted in a surplus position for one academy within the academy trust totalling £215,000. 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. Management have assessed both considerations and concluded the following:

- Based on historic practices and updates on future expectations from the administering authority, management do not anticipate that the next actuarial valuation will result in a reduction to contributions due to current market conditions.
- The availability of any potential cash refund once all liabilities have been paid is based on several unpredictable future outcomes set out in the scheme rules that cannot be reasonably assumed at this stage. As a result, management consider there to be a very low possibility of a cash refund.

From the above conclusion, the surplus balance has therefore been restricted to a value of "nil" at the year-end. The derecognition adjustment is shown as other recognised gains/losses in the Statement of Financial Activities. No offsetting has been applied against the other scheme's LGPS liability present at the year-end.

Principal actuarial assumptions

	2024	2023
	%	%
Rate of increase in salaries	3.75 - 3.85	3.90
Rate of increase for pensions in payment/inflation	2.75 - 3.75	2.90
Discount rate for scheme liabilities	5.05 - 5.10	5.30
Inflation assumption (CPI)	2.75 - 2.85	2.90

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

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

28. Pension commitments (continued)

	2024	2023
	Years	Years
<i>Retiring today</i>		
Males	19.5 - 20.4	<i>19.5 - 20.4</i>
Females	22.7 - 23.3	<i>22.6 - 23.2</i>
<i>Retiring in 20 years</i>		
Males	20.7 - 21.7	<i>20.8 - 21.7</i>
Females	21.1 - 24.7	<i>24.0 - 24.6</i>

Sensitivity analysis

	2024	2023
	£000	£000
Discount rate +0.1%	46,600	<i>41,790</i>
Discount rate -0.1%	48,514	<i>43,498</i>
Mortality assumption - 1 year increase	48,835	<i>43,815</i>
Mortality assumption - 1 year decrease	46,286	<i>41,482</i>

Share of scheme assets

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

	At 31	At 31 August
	August 2024	2023
	£000	£000
Equities	27,734	<i>23,487</i>
Gilts	998	<i>704</i>
Bonds	2,710	<i>2,497</i>
Property	4,758	<i>4,472</i>
Cash and other liquid assets	2,662	<i>2,330</i>
Other	7,430	<i>6,282</i>
Total market value of assets	46,292	<i>39,772</i>

The actual return on scheme assets was £3,690,000 (2023 - £137,000).

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

28. Pension commitments (continued)

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

	2024	2023
	£000	£000
Current service cost	2,356	2,978
Interest income	(2,182)	(1,793)
Interest cost	2,256	2,008
Administrative expenses	18	23
Total amount recognised in the Statement of financial activities	2,448	3,216

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

	2024	2023
	£000	£000
At 1 September	42,631	47,410
Current service cost	2,356	2,978
Interest cost	2,256	2,008
Employee contributions	807	672
Actuarial losses/(gains)	419	(9,456)
Benefits paid	(927)	(981)
At 31 August	47,542	42,631

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

	2024	2023
	£000	£000
At 1 September	39,163	40,788
Interest income	2,182	1,793
Actuarial gains/(losses)	1,508	(5,235)
Employer contributions	2,968	2,399
Employee contributions	807	672
Benefits paid	(927)	(981)
Administration expenses	(18)	(23)
Reintroduction of brought forward pension surplus	608	358
Derecognition of pension asset	(823)	(608)
At 31 August	45,468	39,163

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

29. Operating lease commitments

At 31 August 2024 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£000	£000
Not later than 1 year	67	108
Later than 1 year and not later than 5 years	28	102
Later than 5 years	-	3
	95	213

30. Members' liability

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

31. Related party transactions

Owing to the nature of the 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 £Nil (2023: £5,000) 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 2024 (2023: £Nil).

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.

DIVERSE ACADEMIES TRUST
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2024

32. Agency arrangements

The Trust administers the disbursement of the 16-19 bursary funds on behalf of the ESFA. During the year it received £95,000 (2023: £62,000) and disbursed £56,000 (2023: £56,000). An amount of £38,000 (2023: £41,000) was repayable to the ESFA as at 31 August 2024 and is included in other creditors. The Trust retained a beneficial interest in individual transactions such that £39,000 (2023: £6,000) has been recognised in income and expenditure in the Statement of financial activities.