

Company Registration Number: 7664012 (England & Wales)

Diverse Academies Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2020



Diverse Academies Trust
(A Company Limited by Guarantee)

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Reference and Administrative Details

Members	JR Rolph M Blore IC Wiggins
Trustees	JR Rolph, (resigned as Chair 18 September 2019) M Blore M Quigley, MBE, (appointed as Chair 18 September 2019) IR Storey C White (resigned 20 January 2020) PK Mabbott D Schwarz (appointed 16 October 2019) C Burn (appointed 14 November 2019)
Company registered number	7664012
Company name	Diverse Academies Trust
Registered office	Diverse Education Centre Old Hall Drive Retford Nottinghamshire DN22 7EA
Company secretary	A Elway (until 1 March 2020) J Harrison Hill (from 2 March 2020)
Chief executive officer	CB Pickering (until 30 April 2020) D Cotton (from 1 May 2020)
Senior management team	CB Pickering, Chief Executive Officer and Accounting Officer (resigned 30 April 2020) D Cotton, Chief Executive Officer and Accounting Officer (appointed 1 May 2020) N Holmes, Chief Education Officer - Secondary C Thornton, Chief Education Officer - Primary G Corban, Chief Operating Officer (incorporating CFO)

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Reference and Administrative Details (continued)
For the Year Ended 31 August 2020

Independent auditor	Smith Cooper Audit Limited 2 Lace Market Square Nottingham NG1 1PB
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Bankers	Lloyds Bank 202 High Street Lincoln LN5 7AP
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Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ
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Diverse Academies Trust
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Chair's Statement
For the Year Ended 31 August 2020

The chairman presents his statement for the year.

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

In September 2019 I was elected Chair of the Trust, having been a Trustee and Academy Governor for many years

The Trust has continued to strengthen the skill base and its ability to challenge all areas of the Trust's activities. In 2019 two new Trustees joined the Board:

Catherine Burn, Director of Bassetlaw Community and Voluntary Service (BCVS), a former Chair of Tuxford Primary Academy who brings extensive experience of working in the voluntary and community sector with a proven track record of cross-sector partnership development, local system leadership, and quality service design and delivery and a personal commitment to social action and inclusion.

David Schwarz brings experience in supply chain and general management, and consultancy, with experience of teaching part-time on a master's course. In addition to his interests in education, David's voluntary sector involvement extends to mentoring work with the Prince's Trust Enterprise Scheme.

Both have now 'found their feet' and are actively contributing to the work of the Board bringing the total to seven following Cherie White's decision to resign from the Board in January of this year. We are continuing to try to strengthen our Board to the maximum of ten as agreed by Trustees.

Following an externally led recruitment process the Board appointed David Cotton as its new CEO. David is a National Leader of Education and has significant experience in effective school-to-school support and collaborative working practices across the Nottinghamshire region, including within the Trust. David's transformational leadership has supported the rapid improvement journey of the many schools he has worked with. David is passionate about developing innovative practices to support the provision of high-quality teaching and learning experiences for all pupils.

Chris Pickering retired as planned and David took over as CEO in the middle of the Covid-19 Pandemic having been acting CEO during the interim. David and his team have excelled during this difficult time and the Board have been having regular oversight during this difficult period and additional meetings via Teams have supported and challenged the Executive throughout.

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

Our Mission Statement and Strategy are currently under review but we will not lose sight of the fact that our prime objectives are the education of our students and to be an active member of the local community to ensure that everyone reaches their full potential.

The separation of the partnership with NCEAT is now complete with some minor issues outstanding to resolve.

I would like to thank all staff for their support and dedication to maintain the education and learning of our students during this difficult time and for the excellent results our students achieved this year. I think 2020 will be a year that everyone remembers.


Mike Quigley (Jan 11, 2021 16:21 GMT)

Mike Quigley, MBE
Trustee, and Chair of DAT & DALP

Date: Jan 11, 2021

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Chief Executives Statement
For the Year Ended 31 August 2020

As mentioned previously by the Chair of the Board, I formally took up the position of Chief Executive Officer on 1st May 2020. This statement does however reflect the work of the Trust for the full academic year 2019/ 2020. Having worked as part of the trust since its foundation in 2011, the transition to the new leadership of the organisation was very smooth and seamless. This is a testament to the Trust wide succession planning and workforce planning strategy.

2019/2020 has been a year of two halves! Despite the challenges that were presented by the global pandemic it has been a successful year for the trust. The Trust's response to the Covid-19 crisis was strong and robust. Safeguarding all of our pupils and providing high quality online learning was at the forefront of all our work. During the school closures staff and communities pulled together in so many different ways, from delivering Free School Meal packages to vulnerable families to ensuring live lessons took place so that pupils continued to receive high quality learning experiences whilst at home. Although this has been a very challenging time, we have collectively worked as a Multi Academy Trust (MAT) and realised the significant benefits that the MAT system was set up to deliver.

The organisation has now been strategically and structurally realigned. This ensured we were not only in a great position to deal with the school closures in March 2020 but also in a position to build upon our strengths as we develop further and grow as a MAT. The financial position of the MAT has been strengthened further, both for the present and the future. This has been achieved by delivering on cost efficiencies whilst at the same time improving quality, standards and effectiveness in everything that we do from executive and senior leadership to practice in the classroom and business functionality. The Trust is now in a position not only to maintain a sensible working reserve and a very healthy cash balance in the bank, but also to identify future resourcing to fund significant development projects across the MAT.

The trustees, working with the previous CEO and executives, set a clear direction for 2019/2020. As the new CEO, this will be reviewed and ready for implementation in 2020/2021. The values are explicit and reflected in the individual identities of our academies. Challenging but achievable goals were set with appropriate strategic objectives. The Annual Delivery Plan for 2019/2020 identified the progress expected with regard to achieving the strategic objectives. The governance structures complement the realignments and restructuring, the changing demands upon trustees and the Ofsted emphasis on the quality of governance at both trust level and local academy level.

Exams and statutory examinations did not take place in 2020. Centre Assessed Grades were awarded across the trust following a rigorous internal moderation process, based upon sector best practice. Despite results being awarded by external examinations, we were confident pupils were awarded grades fairly and reflected their hard work and determination. They also reflected the improvements in educational standards which we are seeing across the trust, thereby ensuring pupils left education with the necessary skills and qualifications to secure their future destinations.

2019/2020 was positive in respect of the financial consolidation. The rationalisation of non-pay expenditure and the removal of non-essential spend was not only sustained but extended. The centralisation of the leadership and management of the business function was further developed as part of the Trust's realignment strategy. The business function is now both cost effective and cost efficient and has resulted in significant financial saving benefits across the trust enabling an increase in proportional spend on frontline educational provision. Alongside this, the trust has defined and developed our shared leadership strategy in parallel with extending our core principles of distributing leadership and co development. This will further reduce the costs of leadership whilst at the same time increasing quality and standards.

Financial controls have been strengthened further in 2019/20 making them both robust and rigorous enabling the trust to ensure it is delivering on all the relevant Nolan principles.

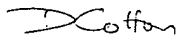
During 2019/2020 the number of academies within the trust has not been increased. It has been a year of consolidation as we have focused on responding to the Covid-19 pandemic, strengthening our financial position, building our school improvement capacity and engaging in building new and exciting partnerships with other academies and trusts. We have also provided significant support to academies experiencing difficulties through working in partnership with local authorities and the Regional School Commissioner's office. The National Church of England Academy Trust (NCEAT) formally left the Diverse Academies Learning Partnership (DALP) on 1st August 2020.

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Chief Executives Statement (continued)
For the Year Ended 31 August 2020

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

In summary, the Trust has had a very positive year. Many lessons have been learned as a result of the global pandemic but I am confident we will come through this together not only stronger but more agile in how we deliver a high-quality educational provision.



D Cotton
Chief Executive Officer

Date: 07/01/2021

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Diverse Academies Trust
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Trustees' Report
For the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates six secondary schools, five primary schools and two special schools in Nottinghamshire and Lincolnshire for the age range 2 to 19. The academies have a combined pupil capacity of 8,720, current pan of 8,080 and had a roll of 7,439 in the schools census at October 2019. Tuxford Academy leads the Trent Valley Teaching School Alliance which provides continuing professional development to teachers and support staff in approximately 28 schools. Tuxford, Holgate and Queen Elizabeth's academies also provide delivery of alternative provision as part of the Trust's charitable objectives. There is also a wider provision of early years education, before and after school activity and community use of facilities.

Structure, governance and management

a. Constitution

The Diverse Academies Trust is a company limited by guarantee (registration number 7664012) and an exempt charity. The charitable company's memorandum and articles of association is the primary governing document 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.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

d. Method of recruitment and appointment or election of Trustees

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

For some time now, the Trustees have been considering their skill base and their ability to challenge all areas of the Trust's activities. In addition, two new Trustees David Schwarz and Catherine Burn joined the Board in 2019 and Cherie White resigned in January 2020. In 2020 Trustees completed a skills audit to assess the Board's breadth and depth of skills, knowledge, and behaviour. A broad range of skills were held within the Board to enable Trustees to analyse data and have discussions which create robust challenge and support to hold the executives to account.

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 support services which provide individual and full Academy Committee training through an annual training programme which is reviewed each year to reflect any changes in practice and legislation. This consists of internal and external training sourced via the Diverse Academies Institute. The Trust carries out an annual skills audit of Trustees and should any gaps be identified training courses are offered to address these issues. The Governor and Trustee conference day for the Board and Executive Leaders was unfortunately cancelled due to Covid-19.

External advice is sought as and when necessary.

In October 2019, Browne Jacobson conducted an external review of governance and during the review interviews were undertaken with Members, all Trustees, the CEO and COO, the Company Secretary and a selection of Governors at academy level. The report enabled the Trust to establish a clear understanding of the roles and responsibilities of Trustees and Governors at all levels of governance.

f. Organisational structure

Executive

Following the appointment of a new CEO in May 2020 the Chief Executive and extended Executive Leadership Team has been reviewed to provide a focussed accountability structure and shared leadership across the Trust to ensure high quality school improvement. In addition to the CEO there are three C-Level posts. These posts constitute the Chief Executive Team and consist of the CEO, the COO, which incorporates the role of CFO, and Two Chief Education Officers focussed on Secondary and Primary and SEND. These posts are responsible, for working with the Board of Trustees, for creating the vision, mission and strategies objectives. The strategic reports are refined and presented to the Trust Board for approval. Monitoring the execution of the key strategies is then achieved through a series of Board meetings and Audit and Risk committee meetings.

The responsibility for the performance of the organisation sits with the executive leadership team which incorporates the C-Level and D-Level posts which consists of Executive Principals (x6) and Executive Business Leaders (x2) who are collectively responsible for planning, strategies and policies integrating with focussed academy leadership teams to deliver rapid and sustained school improvement.

The quality and effectiveness of education is reviewed through a series of meetings called Academy Review Meetings (ARMs) (6 times per annum) and via an Annual Education Review Meeting (ERM) and Academy Improvement Reviews (AIR). Both processes monitor Academy Improvement Plans which are presented to

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

Academy Committees (Local Governance) and consolidated to a sub-committee of Trustees.

The Trust has pooled a number of key education and business support functions; Marketing, Estates and Facilities, IT, MIS, Finance and HR. which provide a high-quality technical support of staffing and services through a shared cost model, these are monitored and reviewed termly, focussing on business quality assurance, structure performance and value for money through focussed KPIs.

During the year several Service Level Agreements (SLAs) have been put in place to support academies in other MATs and Local Authority Schools with school improvement. This has not only raised the quality of education and outcomes but has given valuable continued professional development to DAT senior executives, leaders and staff.

The 2019/20 year has seen a period of stability with no new schools being admitted into the Trust. This has enabled the Trust to further consolidate and focus on further costs efficiencies and shared resources to be put in place through shared practice.

Covid has provided an unplanned challenge to our academies but the strength and depth of the Trust through its leadership and technical support has demonstrated the benefits of working as a Trust which has provided high quality support to our pupils and communities. This is something the Executive and Board of Trustees are immensely proud of.

Governance

Trustees have reviewed and consulted upon a new governance strategy, scheme of delegation, terms of reference and structure during the latter part of the 2019/20 year. This is to ensure that the delegated responsibilities are clear showing the separate tiers of governance between Members, Trustees and Governors on Academy Committees. Training sessions will take place in the Autumn term of 2020 ensuring that people at each layer of governance are aware of their roles and responsibilities.

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

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

Covid impact on Governance and controls

Coronavirus (COVID-19) was declared a pandemic by the World Health Organisation on the 11 March 2020. It resulted in the government deciding to close schools.

Social distancing measures have inevitably had an impact on meetings, however the alternative measure taken to ensure that the Trust maintains effective governance was to replace meetings held on site to virtual meetings. The Trustees continued to support the Trust throughout this period by staying connected with senior leaders. The Audit and Risk Committee and Trust Board held extraordinary meetings via virtual means during this time to ensure due diligence and support for the challenges of ensuring continuity of education for all pupils whilst maintaining reduced provision for vulnerable pupils and the children of key workers. The Executive Team and staff within the Trust rose to the challenge and worked tirelessly implementing strategies and controls, keeping abreast of guidance issued, working to ensure pupils, staff and communities were safe.

Costs associated with Covid-19 were closely monitored and it is the expectation at the time of writing this report that these costs are recoverable from the Education and Skills Funding Agency.

The risks going forward in to 2020/21 financial year are the uncertainty of the next exam cycle at the time of

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

writing this, and the challenge of staff absence, pupil absence and ongoing impact on pupil curriculum and learning following re-opening to all pupils in September 2020. Due to positive Covid-19 cases and local lockdowns, these risks are being incorporated into the audit and risk reports to monitor and review.

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

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

The Trust operated a Performance and Remuneration Committee to review annual incremental increases and other additional awards for staff. The Committee reviewed the remuneration and performance for all senior executives, principals, and corporate staff salaries. Under the revised Scheme of Delegation for 2020/21, the work of this committee will now be undertaken by the Finance and Resources Committee and Performance Management of the Chief Executive Officer, Chief Operations officer, Senior Executive Leaders and Clerk to Board will remain with the Trust Board performance review panel.

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

The Trust has further developed and enhanced its staff salary sacrifice scheme to enable employees to benefit from reduced costs in health care, cycle to work scheme etc. Health and wellbeing initiatives have been introduced following a consultation with staff from all areas of the organisation.

h. Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	10
1%-50%	1
51%-99%	1
100%	-
Percentage of pay bill spent on facility time	£000
Total cost of facility time*	9
Total pay bill	35,478
Percentage of total pay bill spent on facility time	0.025 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

* £12,471.70 + £9,455.37 (paid into the Nottinghamshire County Council Trade Union Fund.) = £21,927.07
However, £12,471.70 has been claimed back from NCC TUF relating to facilities time for 2 union officials = £9,455.37

i. Related parties and other connected charities and organisations

Whilst the Trust is a Multi Academy Trust (MAT) responsible for its own affairs, it has entered into a partnership arrangement with The National Church of England Academy Trust Limited (NCEAT) with whom it has had a long standing collaboration agreement since 2007. The Trust shared a CEO, Chief Operating Officer (whose role includes CFO) and Company Secretary with NCEAT as it sought to make ongoing improvements to the efficiencies of its operations across both academic and support functions.

The relationship was detailed within a formal partnership agreement, the 'Diverse Academies Learning Partnership' and this outlined the way that the two Trusts work together. This involves the contribution to agreed central services including the staff highlighted above and the creation of a partnership board to oversee a variety of partnership activities covering both academic and support functions. Further information on transactions with related parties can be found in note 29.

The partnership was formerly terminated on 31 August 2020 and therefore this arrangement no longer exists.

Objectives and activities

a. Principal activities

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

- Tuxford Academy
- Retford Oaks Academy
- East Leake Academy
- Tuxford Primary Academy
- Holgate Academy
- Walton Girls High School and Sixth Form
- Queen Elizabeth's Academy
- Wainwright Primary Academy
- Bracken Lane Primary Academy
- Samuel Barlow Primary Academy
- Yeoman Park Academy
- Redgate Primary Academy
- Thrumpton Primary Academy

Our academies continue to significantly grow their pupil numbers.

The Diverse Academies Institute is an integral part of enabling school improvement by connecting continuous professional development with organisational and individual development objectives.

The four core strands of the institute are:

- Leadership pathways
- CPD and accredited programmes
- Research and development
- Apprenticeships

The Institute is supported by several delivery partners a key one being our teaching school – Trent Valley Teaching School Alliance (TVTSA) which supports the development of teaching and learning, supports other schools on improvement initiatives and the sharing of working with other schools in delivering alternative

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Objectives and activities (continued)

education. The alliance, hosted by Tuxford Academy, is also a Designated OLEVI Centre of Excellence.

Since the inception of the institute in 2017 the trusts management and delivery of CPD across the Trust has led to significant efficiency and effectiveness of professional development across the Trust supported by subject and strategic development networks to inform best practice and raised standards.

b. 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:

- Students first
- Diversity, inclusivity and equality
- Courage
- Ethical and moral purpose
- Integrity

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

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

c. Objectives, strategies and activities

The Chief Executive Officer recommends the key objectives for the forthcoming 3 years in a Strategic Development Plan which is revised annually, from which comes the Annual Delivery Plan (ADP) to meet the milestones in the overall 3-year plan. This sets the overall position for the trust and the wider partnership. The overall strategy and ADP are agreed by the Trust Board which then monitors and evaluates progress against the plan as the year progresses.

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

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

- Develop a strong, ethical MAT culture so that the benefits of being in the MAT are fully realised across DALP
- Strategically planned cost efficient and effective growth and development of the MAT
- Leadership, management and accountability are rigorous, robust and drive the raising of standards
- Ensure the Trust responds appropriately to external demands, expectations and developments within the MAT system and broader education sector
- Ensure that the curriculum offer in all academies is cost effective, meets group standard expectations and requirements and has impact on improving student outcomes and performance

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Objectives and activities (continued)

- Develop a culture of strong financial management and efficiency
- Develop and professionalise the "Business" function
- Develop and maintain high levels of compliance risk management
- Ensure stakeholders positively promote our organisation through staff, students and parents

d. Public benefit

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

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

Strategic report

Achievements and performance

a. Achievements and performance

The Trust has continued to perform well in its core educational business in spite of a very challenging year due to Covid-19 and school lockdown.

Our school review processes were adjusted at the start of the year in line with the new Ofsted framework introduced in September 2019. Shortly after this in October, East Leake Academy was inspected by under a Section 8 Ofsted and retained a 'Good' judgement. This was particularly successful due to the recent changes to leadership including the departure of the Principal. The report states that 'pupils achieve well' and there is a 'calm and purposeful atmosphere in lessons'. The new framework places a much greater emphasis on the requirement for an aspirational and broad curriculum and the positive comments related to this in the report reflects the significant work carried out as a trust during the preceding years.

Full Section 5 inspections were expected at Redgate Primary and Samuel Barlow Primary Academies as well as a further full inspection of Walton following the positive Section 8 inspection in February 2019 however these did not take place due to the lockdown and suspension of Ofsted inspections. We expect these to be imminent once inspections recommence nationally.

Exams and statutory tests did not take place in 2020. CAGs were awarded for A Levels and GCSE's and these were broadly as targeted. Teacher assessments were made in the primaries which, at Key Stage 2 were broadly in line with targeted attainment. There is confidence in both primary and secondary assessments due to robust moderation processes however the lack of validity of teacher assessments nationally means that this data will not be used to judge performance and there will be no national league tables this year. There are implications for this should Ofsted recommence this academic year as the previous year's data will provide the starting point. This does not necessarily reflect the impact of the improving quality of education provided in our academies moving from Requiring Improvement to Good.

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

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

Academy Performance Review

Secondary Academies

The focus in our academies this year was on curriculum – looking at the planned curriculums in our academies and ensuring that they were fit for purpose in terms of their breadth and depth. We then looked at how these curriculums were implemented in terms of structure, sequencing and how they were being delivered. Unfortunately, it was hard to measure the absolute impact of the curriculum work on examination results due to the cancelling of the summer examination series. However, the strong work that we had undertaken enabled our academies to move to an online model of learning that reflected and retained the aims of the planned curriculums.

In our secondary schools we submitted our CAG in June after a rigorous moderation process based upon best practice in the sector. When initial A-level grades were released in the summer we were happy on a global academy basis that results were broadly in line with our submissions. This suggests very strongly that our moderation was fair, reasonable, and fit for purpose. However, on a per pupil basis there were some big anomalies in respect of some individual students grades in some subjects. This mirrored the national picture and led to the infamous U-turn that allowed unmoderated CAGs to be given. This meant that all our pupils were then able to access higher education courses.

This process was then applied to GCSE results. The overall effect of this was grade inflation across the country so the DFE have agreed that there will be no national league tables this year to compare schools as this would be meaningless and dangerous to do so. Ofsted will also not look at the results this summer in their evidence during inspections. Our outcomes therefore strongly reflect the moderated CAG that we submitted.

Tuxford Academy

The shared leadership structure at TA has settled in well and the innovative work that was being done on curriculum and pedagogy served it well in the lockdown period where resources were used to support pupils in their home learning. The outcomes obtained in the summer were in-line with the predictions made in the CAG process.

East Leake Academy

Again, a new leadership structure has been well established at ELA. The academy had a successful visit from Ofsted in September under the new framework. Work continued at a pace to further develop behaviour strategies and ensure that the curriculum was being developed. ELA were at the forefront of using technology to ensure that pupils received a good quality provision during the lockdown period. The outcomes awarded by CAG were in-line with predictions, up slightly from previous years.

Queen Elizabeth's Academy

The new leadership team at QEA has been effective in creating a calm climate and a really positive culture in the academy. It is a shame that the examinations did not take place as the academy were confident that a sharp improvement over previous years would have been seen. The CAGs that were awarded reflect this confidence that the school had in its predictions for the summer with a much-improved attainment score. During lockdown QEA supported their pupils be quality on-line learning alongside increased pastoral support for more vulnerable pupils.

Walton Academy

Walton Academy has had another good year. They were expecting a visit from Ofsted which by our reckoning would have given them a strong chance of being graded outstanding. The school delivered high quality support and learning through the lockdown period and the CAGs that were awarded were in-line with their high expectations that this would have been another good year of examination results.

Retford Oaks Academy

The shared leadership model with a new principal is working well at ROA. Incremental improvements to

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

behaviour and curriculum systems would have seen another improvement in examination results. The CAG process showed a significant jump from the previous year. Like all our schools ROA supported its pupils with their learning and support to a high standard during the lockdown period.

The Holgate Academy

Holgate Academy has had a new principal in position since December. The new leadership team has been working hard to address issues around academy culture and behaviour. Indicators were showing that the early signs of this work have started to pay off. The CAGs awarded this summer showed the biggest increase in all of our secondary academies. The academy provided high quality on-line lessons during the lockdown period and supported the students pastorally to a high standard.

Special Academies

A shared leadership structure has been established across Redgate and Yeoman Park Academies which has begun to provide more capacity for further school improvement. A new curriculum has been devised and implemented which better meets the individual needs of children and places a greater emphasis on children's communication skills. Consistent approaches to assessment and planning for teaching now ensure that the curriculum can be implemented with greater impact. Comprehensive support was provided for children and families through lockdown with bespoke home learning as well as wider support. The context of the academy and pupils has presented significant challenges to ensure risk is successfully managed but, due to the determination of leaders and staff, many children accessed provision throughout with a significant proportion returning to school before the end of the year. Progress in holistic development at both special schools has been significantly impacted by the cessation of specialist support over this period.

Redgate Primary

Pupils continue to make good progress relative to their starting points. Increased rigor has been established through the use of a systematic approach to the teaching of phonics as appropriate along with a more formal approach to the teaching of reading enabling children to make better progress. Individual learning plans set out clear targets and work is underway to ensure that children's progress towards these is supported by targeted intervention work using additional funding where appropriate.

Yeoman Park Academy

Pupils are well provided for through bespoke individual learning plans which set out clear targets against which progress can be measured and pupils across all key stages continue to make good progress relative to their starting points. The use of assessments by all staff to inform next steps in learning has improved which provides greater challenge to all pupils. Leaders aspire to provide the broadest of opportunities through a strong curriculum to ensure children are ready for their next step. The new 'Life Skills' centre enabled some year 14 students to remain at the academy for an extra year enabling a successful transition into adult services. All this year's leavers were able to complete their AIM awards successfully and as a result of the Pathfinders opportunity were able to successfully transition into further education or adult services of their choice.

Primary Academies

A high quality, core curriculum has been developed across the primary group and been adapted by leaders to local context. This has ensured that the curriculum is well structured and enables children to 'know more and remember more' over time. This continued to be delivered throughout lockdown effectively through Class Dojo and was adapted to ensure that agreed key criteria were focused on to support an effective transition into new classes in September. We are now focused on the implementation of the curriculum whether this is in school or through blended learning.

Shared leadership structures are now in place with defined, horizontal strategic responsibilities, resulting in consistent progress across all academies. This has been further supported through the TCAF which enabled the systems and structures to be established thereby improving the improvement capacity of the group.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Strategic report (continued)

Achievements and performance (continued)

Bracken Lane Primary Academy

Following changes in leadership and under the new shared Executive Principal structure, Bracken Lane has made significant positive change leading to a recovery in outcomes at KS2. This cohort had a disproportionately high number of SEND pupils for the academy and, together with the long-term absence of the year 6 teacher, this presented a high risk against performance. We were able to deploy an experienced Year 6 teacher from another trust primary and deploy additional support resulting in accelerated pupil progress. Performance in Foundation and KS1 remains strong. This year sees 3 new and inexperienced teachers in KS2; comprehensive support is being provided underpinned by the early roll out of the Early Career Framework for which the Trust is a delivery partner with Ambitions Institute.

The constraints of the building remain a challenge, the school having been built for much smaller class sizes. The academy has recovered a slight dip in admissions following leadership changes and was subject to the highest number of appeals in the primary group, all of which were unsuccessful.

Thrumpton Primary Academy

Thrumpton has seen significant improvement in the consistency of teaching and, as a result, outcomes at the end of KS2 with the % of pupils attaining the expected standard in combined reading, writing and maths (teacher assessed). Progress in Foundation and KS1 remains secure. The focus will now be on challenge across the curriculum to increase the number of children securing greater depth by the end of KS2. The academy has continued to build on the Good judgement prior to academisation.

Tuxford Primary Academy

Outcomes at KS2 (teacher assessed) remain broadly in line with national 2019 with focused improvement work on reading resulting in an improved % achieving both the expected standard and greater depth. Attainment in writing and maths was below that achieved in 2019 although there has been an increase in % achieving greater depth in all subjects. Improving % achieving the expected standard in all subjects will continue to be a priority along with recovery in phonics progress and early reading.

Wainwright Primary Academy

Based on teacher assessments, KS2 progress in 2020 was judged to show further improvement demonstrating a 3 year improving picture. In year admissions increased significantly leading to the school starting this year with most classes full or nearly full demonstrating the improving reputation of the academy. However, this presents a challenge in terms of securing good progress over time where children are joining from other settings and ensuring the highest quality of teaching in all year groups to maximise progress remains a priority. The academy was judged to be good in all areas other than teaching and learning and outcomes and it is vital that progress continues to be made in order to secure an overall good judgement at the next inspection.

Samuel Barlow Primary Academy

Following changes to leadership through the year, the consistency of teaching has improved significantly resulting in increased attainment and progress in all 3 subjects at the end of KS2. A long-term absence in Foundation and leadership along with lockdown has impacted on progress in Foundation and continues into this year. This is now being covered with an experienced teacher from another primary academy however securing the highest quality of provision both in Foundation and KS1 remains the highest priority. The teaching of phonics has improved significantly following funded development programme and it is now a focus to ensure this leads to improvement in attainment and the application to reading to establish secure foundations. Samuel Barlow would have been subject to a Section 5 inspection in the Summer Term and will be a priority for inspection when they recommence. As 2020 teacher assessments will not be used to judge performance, it is important that the school demonstrates in lesson progress of the highest standard. The impact of absence due to Covid-19 presents a significant risk to this.

The academy has been fortunate to have had considerable building work completed over the summer vastly improving the learning environment. In addition, a new school uniform has been introduced and expectations of the leadership team reset and embedded.

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Trustees' Report (continued)
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Strategic report (continued)

Achievements and performance (continued)

b. Key performance indicators

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

Achievement – detailed performance targets are set which reflect the entry position of cohorts within each academy. In 2019/20 the majority of academies achieved the targets set, clearly Covid-19 and the changes in examination have dictated this year's "performance"

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

Financial Health – Each academy has a budget which is set at least breakeven if not a surplus. During the 2019/20 we further developed our cost share model which is used to pool resources and costs and drive value for money in many areas of expenditure

c. Financial review

(i) Review of results

2019/20 was a significant year for the Trust, building and developing the financial strategy put in place during 2018. This has placed it in a strong position to meet the challenges that lay ahead. The strategy focused on two main areas:

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

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

This set of accounts shows the financial performance of the Diverse Academies Trust for the year ended 31 August 2020. The statement of financial activities shows the Trust returned a deficit before other recognised gains and losses of £4,755k in the year ended 31 August 2020 (2019: deficit of £2,513k).

The total of restricted and unrestricted funds, the principle measure used by the ESFA to assess the financial health of a Trust, now stands at £1,281k. This represents an improvement of £151k from 31 August 2019.

The Trust held fund balances at 31 August 2020 of £32,497k (2019: £43,294k) comprising a surplus of £392k (2019: £299k) of restricted general funds (excluding pension reserve) and a surplus of £889k (2019: £831k) of unrestricted general funds and a pension reserve deficit of £37,357k (2019: £28,702k). The majority of the net assets relate to fixed asset funds (land and buildings) being £68,573k (2019: £70,866k).

The Trust has cash balances of £2,042k at the end of August 2020.

Further efficiency gains for 2019/20 have been identified and work is ongoing to review the organisational structure. The plan is to build upon the progress made and to channel all additional savings in to improving teaching and learning.

(ii) Financial policies

The Trust has revised its policy on the funds that are retained from ESFA income to meet the Trust's core running cost. In the past the Trust charged academies a fixed percentage of total income, however for 2018/19 the methodology has been reviewed and a more sophisticated approach has been adopted, a 'Cost Share Model'. All operational delivery costs both pay and non-pay have been removed from academy budgets and

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Trustees' Report (continued)
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Strategic report (continued)

Achievements and performance (continued)

incorporated into group costs, these include, HR, ICT, Marketing and Coms, Data and MIS, Estates and FM, Governance and Finance.

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

(iii) Reserves policy

Total useable reserves, defined as Restricted general reserves (excluding the pension reserves) and unrestricted reserves were in a surplus position of £1,281k (2019: £1,130k).

The Trust holds reserves to achieve the following objectives:

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

The target for total reserves is between 2.5% to 3% of GAG income. This would mean holding approximately £0.9m - £1.1m of reserves.

The Trust has implemented a cost saving strategy to ensure that a surplus of at least £1.4m is achieved during 2019/20.

(iv) Investment policy

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

(v) Principal risks and uncertainties

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

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

Changes to Education Funding

The Education and Skills Funding Agency has introduced a national funding formula to replace local models of funding, this will be a "soft" formula in 2018/19 and 2019/20. It will be fully implemented in 2020/21. The base increase in funding, as long as passported to schools/academies, will be a 0.5 % increase in 2018/19 and 1.0% in 2019/20, equating to £666k and £1,028k for the Trust respectively.

During the 2019/20 year the current government has indicated that funding levels for schools and academies will increase by £7.6bn. This equates to a funding uplift of c£2m across the Trust. However, the outcome of the General Election on 12 December 2019 and the subsequent decision on Brexit may have a significant impact on

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Trustees' Report (continued)
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Strategic report (continued)

Achievements and performance (continued)

this parliamentary pledge.

(vi) Financial risk management objectives and policies

The Trust considers any risk as an intrinsic part of any decisions it makes. The Trust operates a risk register that reviews both strategic, financial and operational risks, including the key ways of mitigating these risks. The overarching Trust register is presented to the Audit & Risk Committee to scrutinise. All academies have their own risk register which is scrutinised by governors on local Academy Committees.

(vii) Pension deficit

The Trustees recognise that there is a significant pension deficit of £37,357k (2019: £28,702k) 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.

(viii) Principal funding

Donations and capital grants – see note 4.

The note includes capital grants from the ESFA.

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

The main funding the Trust receives is the General Annual Grant of £37,905k (2019 £33,726k) for provision of education within its academies. This is funded by a formula based on pupil numbers, an element of small fixed payment per school and also recognises the level of deprivation. The ESFA pays this funding.

Other trading activities see note 6.

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

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

(ix) 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.

(x) 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.

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Trustees' Report (continued)
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Strategic report (continued)

Achievements and performance (continued)

d. Going concern and impact of Covid-19

The impact of the pandemic has been felt across the sector and has caused a significant amount of disruption. The Board and management have continued to make decisions to support and educate all their pupils during this period whilst adhering to the DfE guidance. The Trust has prioritised support for pupils' mental health and wellbeing whilst taking account of pupils' learning and further curriculum support needs. The Trust ensured that all decisions taken were in the best interest of staff and pupils.

The Trust faced some operational issues including:

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

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

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

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

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

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

Financial Impact

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

The Trust has kept a track of all Covid-19 related expenditure separately within the financial system. During the year 2019/20 the Trust incurred unavoidable costs of £374k directly related to covid-19 which were fully funded for by the DfE. A debtor of £374k was included in the accounts at year end and the funding was received during September.

The Trust was also provided with 103 laptops by the DfE in July to enable students to undertake home learning. These laptops have been capitalised with the corresponding accounting entry being a donation of £19k, the estimated cost of the laptops.

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

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Trustees' Report (continued)
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Strategic report (continued)

Achievements and performance (continued)

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

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

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	5,600,050
Energy consumption break down (kWh) • gas, • electricity • transport fuel	3,826,510 1,773,539 57,958
<u>Scope 1 emissions in metric tonnes CO2e</u> Gas consumption Academy vehicles <u>Total scope 1</u>	703.58 14.76 718.34
<u>Scope 2 emissions in metric tonnes CO2e</u> Purchased electricity	413.48
<u>Scope 3 emissions in metric tonnes CO2e</u> Staff mileage in year on academy business	48.13
Total gross emissions in metric tonnes CO2e	1,179.95
<u>Intensity ratio</u> Tonnes CO2e per pupil	0.16

Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol –Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

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

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

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Trustees' Report (continued)
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Strategic report (continued)

(continued)

Measures taken to improve energy efficiency

We have been working to improve the energy efficiency of our heating systems as they require replacement, this has been undertaken via a mixture of SALIX loans to replace boiler plants and heating control systems, alongside our own capital investment to the same outcome.

Over the summer 2020 we have replaced lighting at three of our academies with LED again supported by SALIX funding, additionally a total refurbishment of another primary academy has been undertaken, replacing all lighting with LED, along with the removal of all old cast iron radiators and pipework, this being renewed with high efficiency ceiling convertors and fully insulated distribution system.

The same being planned for another site in 2021.

A side effect of the Covid 19 pandemic has been the significant reduction in travel between sites thus reducing vehicle reliance. To assist with this change, the use of video conferencing for meeting, training events, interviews, etc. has taken prominence, which we are sure will continue beyond the current situation.

We continue to look at other initiatives as they become available, at the moment via the Decarbonisation Programme, to undertake energy audits of our sites, alongside potential measures to develop CHP/hydrogen systems and developing battery storage capacity as the opportunities become available to us. These requiring significant external investment which only becomes available when academies need to be replaced or significant change required.

Plans for future periods

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

During the 2019/20 financial year, Trustees appointed a new CEO due to the retirement of the previous CEO. This is a major appointment for the development of the organisation. We have redefined the Trust Vision, Mission and Values along with focussed strategic objectives which tie together performance and stakeholder engagement.

We are currently undertaking a review across all our academies in terms of their future growth ensuring the core offer is sustainable and maps capital and other resources required to support improvement. We will continue to work with the Local Authorities and Regional Schools Commissioner to consider controlled growth of new academy conversions. In addition, we continue to provide key service level agreements to support school improvement beyond our current Trust, these will continue and be developed with other institutions and shared services.

A key driver for change will be the investment in leadership development, this is at the heart of our organisational improvement and will be supported by our institute and collaboration with the teaching school alliance hub.

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 28.

Employee involvement and employment of the disabled

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

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Employee involvement and employment of the disabled (continued)

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

The interests of the company's employees

Details of how the Trustees give consideration to the interests of the organisation's employees can be found in the section Engagement with employees within this report. An example of this has been regarding the admin realignment process across the Trust; consideration was given to the interests of the organisation's employees when the decision was taken to pause the process during the most stringent phases of lockdown, as Trustees were mindful that continuing with the restructure at this time could have had an adverse impact on the wellbeing of our employees.

The need to foster the company's business relationships with suppliers, customers and others

One of the principal examples of this during 2019/20 has been the support the Trust has provided to suppliers, particularly in the case of small local businesses, by negotiating payment in line with pre-existing contracts during lockdown while deferring the delivery of these services until the schools returned in September 2020.

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 our parents and 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 values driven organisation and our values mean that we are informed, shaped and powered by our determination to uphold our vision and values. Well-established involvement and consultation mechanisms, both direct (through parent and staff surveys) and indirect (through the involvement of parents and local people on our Academy Councils and Trust Board) ensure that decisions made by the Trustees are informed by the needs of the organisation's stakeholders.

Long-term consequences of any decision

Trustees consider the consequences of any strategic decision in the long-term as part of their assessment. We aim to ensure that as an organisation we balance our income and expenditure to ensure that our organisation remains sustainable in the long term. This is balanced against the needs of our pupils, staff and other stakeholders, and the community, to ensure we are spending the funding we receive from the government in the most effective way to support our aims, and with integrity. This has included, for example, decisions relating to the long-term impact of centralising operational resources across the Trust to support all academies in focusing on educational attainment so they can achieve better outcomes at GCSE, or the financial and HR impact of a planned leadership restructure across the Trust which will give longer-term benefits.

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

Details of how the Trustees give consideration to the impact on the community can be found in the section on Public Benefit. An example of how the Trust has considered its impact on the local community has been during the COVID-19 crisis, where a decision was made to supply supermarket vouchers to families normally in receipt of free school meals, ahead of the government introducing a national scheme. The Trust has also worked to ensure the schools remained open during holiday periods to support working parents within the local community during the COVID lockdown when other childcare options were not necessarily available.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

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

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

The need to act fairly as between members of the company

All members of the Trust are treated fairly and equally, with the same access to information, the ability to directly contact trustees or the Executive, and being 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.

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is 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 11 January 2021 and signed on its behalf by:


Michael Quigley (Jan 11, 2021 16:21 GMT)

M Quigley, MBE
Chair of Trustees

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Governance Statement

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees formally met 6 times during the year, however due to Covid-19 pandemic the Trust also met for an additional 5 extraordinary meetings.

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

Trustee	Meetings attended	Out of a possible
JR Rolph, (resigned as Chair 18 September 2019)	11	11
M Blore	9	11
M Quigley, MBE, (appointed as Chair 18 September 2019)	11	11
IR Storey	11	11
C Burn (appointed 14 November 2019)	8	10
PK Mabbott	5	11
D Schwarz (appointed 16 October 2019)	11	11

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

In addition to the meetings listed above, the Trustees were due to attend a conference with Senior Executives of the Trust due to Covid-19 these had to be cancelled. These planning and training days are to be rescheduled for 2020/21

The Board evaluates itself by ensuring there is a mix of skills sets and new Trustees are appointed to fill any knowledge gaps. Trustees complete a skills audit upon appointment and all Trustees and governors on Local Academy Boards (known as Academy Committees from September 2019) complete an annual self-evaluation. This evaluation informs training plans and training is planned according to identified need.

The Finance and Resources Committee is a sub-committee of the main Trust Board. The purpose of the Finance and Resources committee is to oversee the financial performance of the organisation and making sure its money is well spent.

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

Trustee	Meetings attended	Out of a possible
J Rolph (Chair)	6	6
P Mabbott	3	6
IR Storey	6	6

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Governance Statement (continued)

Governance (continued)

The Audit and Risk Committee is a subcommittee of the main Board of Trustees. The Audit and Risk Committee provides an overview of controls in within DAT. The purpose of the committee is to review the internal controls of the Trust, recommending an annual programme of work to test the controls and receive all reports on internal controls. The Committee makes recommendations to the Board on improvements and areas of concern. Due to Covid 19 the Audit and Risk committee met for 3 ordinary meetings and 5 extraordinary meetings.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
M Quigley (Trustee) (resigned as chair 5 November 2019)	8	8
I Storey (Trustee) (Chair from 5 November 2019)	8	8
P Mabbott (Trustee)	5	8
T Hill (Governor non-voting member)	6	8
G Gadie (Governor non-voting member)	4	8
P Bryn-Jones (Governor non-voting member)	1	8

Review of value for money

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

The accounting officer considers how the 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 with the leadership team of each academy to further review the deployment of educational and staff. The academies use modelling tools which allow allocations by year group to be compared to best practice across the Early Years to Sixth Form. As a result, all academies have made savings in 2019/20 and plan further savings over the next 3 years.
- Ensuring academies have been able to prioritise resources. Thus we have seen some excellent 2019 outcomes in both exam results and, more importantly, in the levels of progress made by pupils. Areas of weakness have been identified and appropriate improvement plans put in place.
- Ensuring academies' improvement plans identify the right areas for development, and that budgetary provision is then made to enable leaders to carry out the necessary actions.
- The Trust making significant contributions to collaborative work and received support from the other partners in delivering its provision to achieve enhanced pupil outcomes. The Trust believes this collaborative working is a vital aspect of its commitment to deliver outstanding education to the very large numbers of children and young people in its academies.
- The partnership has provided specialist input in Maths and English and it has also undertaken reviews of the effectiveness of school leadership, behaviour management, safeguarding and SEND arrangements

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Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Diverse Academies Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

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

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

- The financial responsibilities of the Governing Bodies (Academy Committees w.e.f. September 2019) are being properly discharged;
- Resources are managed in an efficient, economical and effective manner;
- Sound systems of internal financial control are being maintained; and,
- Financial considerations are fully taken into account in reaching decisions.

Areas that were covered in Key Financial Controls Internal Audits by ICCA (reviewing the 19-20 year) were :

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

The Academies that were covered were for this period were:

- Queen Elizabeth's Academy;

Diverse Academies Trust
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Governance Statement (continued)

The risk and control framework (continued)

- Walton Academy;
- Redgate Primary Academy; and,
- Yeoman Park Academy.

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

Covid impact on audit work and external scrutiny

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

Review of effectiveness

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

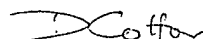
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

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


Michael M Quigley (Jan 11, 2021 16:21 GMT)

M Quigley, MBE
Chair of Trustees



D Cotton
Chief Executive & Accounting Officer

Date: Jan 11, 2021

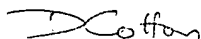
Diverse Academies Trust
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Diverse Academies Trust I have considered my responsibility to notify the Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Diverse Academies Trust, under the funding agreement in place 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 Academies Financial Handbook 2019.

I confirm that I and the Diverse Academies Trust board of Trustees are able to identify any material irregular or improper use of all funds by the Diverse Academies Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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: 07/01/2021

Diverse Academies Trust
(A Company Limited by Guarantee)

Statement of Trustees' responsibilities
For the Year Ended 31 August 2020

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 & 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 2015 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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


Michael M. Quigley (Jan 11, 2021 16:21 GMT)

M Quigley
Chair of Trustees

Date: Jan 11, 2021

Diverse Academies Trust
(A Company Limited by Guarantee)

Independent Auditor's 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 2020 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 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & 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 2020 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 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education & 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 Auditor's 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Diverse Academies Trust
(A Company Limited by Guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Diverse Academies Trust
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

Auditor's 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 Auditor's 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.

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 Auditor's Report.

Use of our report

This report is made solely to the 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 Trust's members those matters we are required to state to them in an Auditor's 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Smith Cooper Audit Limited

Sarah Flear (Senior Statutory Auditor)

for and on behalf of

Smith Cooper Audit Limited

2 Lace Market Square

Nottingham

NG1 1PB

Date: 11/11/2011

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

In accordance with the terms of our engagement letter dated 2 July 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Diverse Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Diverse Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Diverse Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Diverse Academies Trust's funding agreement with the Secretary of State for Education dated 1 July 2011 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Planned our assurance procedures including identifying key risks;
- Carried out a program of substantive testing, including review of the program 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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Smith Cooper Audit Limited

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

Date: *11/1/2021*

Diverse Academies Trust
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2020

		Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
	Note					
Income from:						
Donations and capital grants	4	54	47	1,316	1,417	2,107
Charitable activities: funding for the academy trust's education operations	5	-	44,732	-	44,732	41,451
Teaching schools	33	-	256	-	256	290
Other trading activities	6	1,819	236	-	2,055	2,879
Investments	7	2	-	-	2	1
Total income		1,875	45,271	1,316	48,462	46,728
Expenditure on:						
Raising funds	8	1,409	-	-	1,409	1,320
Charitable activities	8	408	47,544	3,609	51,561	47,577
Teaching schools	33	-	247	-	247	344
Total expenditure		1,817	47,791	3,609	53,217	49,241
Net movement in funds before other recognised gains/(losses)		58	(2,520)	(2,293)	(4,755)	(2,513)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	27	-	(6,042)	-	(6,042)	(5,646)
Net movement in funds		58	(8,562)	(2,293)	(10,797)	(8,159)
Reconciliation of funds:						
Total funds brought forward		831	(28,403)	70,866	43,294	51,453
Net movement in funds		58	(8,562)	(2,293)	(10,797)	(8,159)
Total funds carried forward		889	(36,965)	68,573	32,497	43,294

Diverse Academies Trust
(A Company Limited by Guarantee)
Registered number: 7664012

Balance Sheet
As at 31 August 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	16	70,287	71,109
Current assets			
Debtors	17	3,503	3,365
Cash at bank and in hand	25	2,042	1,776
		<u>5,545</u>	<u>5,141</u>
Creditors: amounts falling due within one year	18	(5,862)	(4,102)
Net current assets / liabilities		(317)	1,039
Total assets less current liabilities		<u>69,970</u>	<u>72,148</u>
Creditors: amounts falling due after more than one year	19	(116)	(152)
Net assets excluding pension liability		<u>69,854</u>	<u>71,996</u>
Defined benefit pension scheme liability	27	(37,357)	(28,702)
Total net assets		<u><u>32,497</u></u>	<u><u>43,294</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	20	68,573	70,866
Restricted income funds	20	392	299
		<u>68,965</u>	<u>71,165</u>
Restricted funds excluding pension liability	20	68,965	71,165
Pension reserve	20	(37,357)	(28,702)
Total restricted funds	20	<u>31,608</u>	<u>42,463</u>
Unrestricted income funds	20	889	831
Total funds		<u><u>32,497</u></u>	<u><u>43,294</u></u>

The financial statements on pages 35 to 66 were approved and authorised for issue by the Trustees and are signed on their behalf, by:


Michael Quigley (Jan 11, 2021 16:21 GMT)

M Quigley
Chair of Trustees

Date: Jan 11, 2021

Diverse Academies Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	1,008	(126)
Cash flows from investing activities	24	(687)	963
Cash flows from financing activities	23	(55)	(55)
Change in cash and cash equivalents in the year		266	782
Cash and cash equivalents at the beginning of the year		1,776	994
Cash and cash equivalents at the end of the year	25	<u>2,042</u>	<u>1,776</u>

Diverse Academies Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

1. General information

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

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 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.

Diverse Academies Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

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 period for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

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

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

Diverse Academies Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.4 Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the 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.

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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives.

Diverse Academies Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

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

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

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

2.8 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

2.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. 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. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

2.10 PFI arrangements

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

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2. Accounting policies (continued)

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.

2.12 Pensions

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

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

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

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

2.13 Agency arrangements

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

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2. Accounting policies (continued)

2.14 Fund accounting

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

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

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

4. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations	54	47	19	120	208
Capital Grants	-	-	1,297	1,297	1,899
	<u>54</u>	<u>47</u>	<u>1,316</u>	<u>1,417</u>	<u>2,107</u>
<i>Total 2019</i>	<u>208</u>	<u>-</u>	<u>1,899</u>	<u>2,107</u>	

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5. Funding for Academies Trust's educational operations

	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
DfE/ESFA grants			
General Annual Grant (GAG)	37,905	37,905	33,726
Start up grant	-	-	30
Other DfE Group grants	3,143	3,143	3,868
	41,048	41,048	37,624
Other government grants			
Local Authority Grants	1,779	1,779	2,469
Special Education Projects	842	842	650
	2,621	2,621	3,119
Exceptional government funding			
Coronavirus exceptional support	375	375	-
Other income			
School trip income	688	688	708
	44,732	44,732	41,451
	41,451	41,451	
<i>Total 2019</i>			
	41,451	41,451	

The academy trust has been eligible to claim additional funding from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The funding received for coronavirus exceptional support covers £350k of free school meal costs and £25k of cleaning costs. These costs are included in notes 8 and 9 below as appropriate.

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6. Income from other trading activities

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Hire of facilities	147	-	147	53
Other income	978	236	1,214	2,560
Management charges	694	-	694	266
	<u>1,819</u>	<u>236</u>	<u>2,055</u>	<u>2,879</u>
<i>Total 2019</i>	<u>2,331</u>	<u>548</u>	<u>2,879</u>	

7. Investment income

	Unrestricted funds 2020 £000	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Short term deposits	<u>2</u>	<u>2</u>	<u>1</u>
<i>Total 2019</i>	<u>1</u>	<u>1</u>	

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8. Expenditure

	Staff Costs	Premises	Other	Total	<i>Total</i>
	2020	2020	2020	2020	<i>2019</i>
	£000	£000	£000	£000	<i>£000</i>
Expenditure on raising voluntary income:					
Direct costs	1,358	-	51	1,409	1,320
Academies educational operations:					
Direct costs	30,214	-	2,516	32,730	30,232
Support costs	7,741	3,610	7,480	18,831	17,345
Teaching school	149	-	98	247	344
	<u>39,462</u>	<u>3,610</u>	<u>10,145</u>	<u>53,217</u>	<u>49,241</u>
<i>Total 2019</i>	<u>36,352</u>	<u>3,413</u>	<u>9,476</u>	<u>49,241</u>	

9. Analysis of expenditure by activities

	Activities undertaken directly	Support costs	Total funds	<i>Total funds</i>
	2020	2020	2020	<i>2019</i>
	£000	£000	£000	<i>£000</i>
Academies educational operations	<u>32,730</u>	<u>18,831</u>	<u>51,561</u>	<u>47,577</u>
<i>Total 2019</i>	<u>30,232</u>	<u>17,345</u>	<u>47,577</u>	

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £000	<i>Total funds 2019 £000</i>
Staff costs	7,741	7,390
Technology costs	1,028	551
Governance costs	58	90
Premises costs	3,610	3,429
Other support costs	3,586	3,177
Depreciation	2,808	2,708
	18,831	17,345

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £000	<i>2019 £000</i>
Operating lease rentals	52	57
Depreciation of tangible fixed assets	2,808	2,708
Fees paid to auditor for:		
- audit	44	39
- other services	4	-

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

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

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11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	28,082	26,692
Social security costs	2,795	2,720
Pension costs	8,150	6,438
	<u>39,027</u>	<u>35,850</u>
Agency staff costs	394	392
Staff restructuring costs	41	110
	<u>39,462</u>	<u>36,352</u>

Staff restructuring costs comprise:

Severance payments	<u>41</u>	<u>110</u>
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b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs were non-statutory/non-contractual payments totalling £20,000 (2019: £nil). Individually, the payments were: £13,000, £3,000 and £4,000.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	485	484
Administration and support	572	558
Management	23	26
	<u>1,080</u>	<u>1,068</u>

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11. Staff costs (continued)

d. Higher paid staff

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	12	16
In the band £70,001 - £80,000	2	4
In the band £80,001 - £90,000	7	2
In the band £90,001 - £100,000	-	3
In the band £100,001 - £110,000	3	-
In the band £110,001 - £120,000	4	3
In the band £120,001 - £130,000	1	-
In the band £140,001 - £150,000	-	1
In the band £180,001 - £190,000	-	1

e. Key management personnel

The key management personnel of the Academy Trust comprises the Trustees and the senior management team listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £787,000 (2019: £967,000).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, travel and subsistence expenses totalling £1,000 were reimbursed or paid directly to 2 Trustees (2019 - £1,000 to 3 Trustees).

13. Trustees' and Officers' insurance

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

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14. PFI charges

Maintenance of premises costs includes the following PFI charges:

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

15. Central services

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

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

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

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

	2020	2019
	£000	£000
Tuxford Academy	167	262
Retford Oaks Academy	113	80
East Leake Academy	118	151
Holgate Academy	119	339
Tuxford Primary Academy	25	-
Walton Girls High School	83	200
Queen Elizabeth's Academy	74	275
Wainwright Primary Academy	33	55
Thrumpton Primary Academy	19	-
Bracken Lane Primary Academy	19	27
Samuel Barlow Primary Academy	20	-
Yeoman Park Primary Academy	20	104
Redgate Primary Academy	11	101
Total	821	1,594

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16. Tangible fixed assets

	Freehold property £000	Leasehold property £000	Long-term leasehold land £000	Furniture and fixtures £000	Computer equipment £000	Motor vehicles £000	Assets under the course of construction £000	Total £000
Cost or valuation								
At 1 September 2019	7,266	66,153	7,314	1,293	1,337	159	78	83,600
Additions	962	354	-	90	347	-	233	1,986
Transfers between classes	-	78	-	-	-	-	(78)	-
At 31 August 2020	8,228	66,585	7,314	1,383	1,684	159	233	85,586
Depreciation								
At 1 September 2019	655	10,005	349	521	880	81	-	12,491
Charge for the year	238	2,158	60	161	169	22	-	2,808
At 31 August 2020	893	12,163	409	682	1,049	103	-	15,299
Net book value								
At 31 August 2020	7,335	54,422	6,905	701	635	56	233	70,287
At 31 August 2019	6,611	56,148	6,965	772	457	78	78	71,109

Included within freehold property is land with a value of £944,000 (2019: £944,000) which is not depreciated.

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

The Academy Trusts' transactions relating to land and buildings included:

- The acquisition of the freehold of The School House at Samuel Barlow Academy, which was purchased by the Academy Trust for £150,000.

17. Debtors

	2020 £000	2019 £000
Due within one year		
Trade debtors	578	1,018
Other debtors	18	16
Prepayments and accrued income	2,072	2,079
VAT recoverable	835	252
	<u>3,503</u>	<u>3,365</u>

18. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Other loans	36	55
Trade creditors	2,279	1,295
Other taxation and social security	661	654
Other creditors	761	594
Accruals and deferred income	2,125	1,504
	<u>5,862</u>	<u>4,102</u>

Included in other loans are amounts of £36,000 (2019: £55,000) payable to the ESFA in relation to Salix loan funding. These loans do not bear any interest and are not secured against any asset. £36,000 per annum is repayable. The age analysis for the loans can be seen in note 18.

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18. Creditors: Amounts falling due within one year (continued)

	2020	2019
	£000	£000
	2020	2019
	£000	£000
Deferred income at 1 September 2019	568	573
Resources deferred during the year	723	568
Amounts released from previous periods	(568)	(573)
	723	568

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

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

	2020	2019
	£000	£000
Other loans	116	152

Included within the above are amounts falling due as follows:

	2020	2019
	£000	£000
Between one and two years		
Other loans	34	36
Between two and five years		
Other loans	82	100
Over five years		
Other loans	-	16

Included in other loans are amounts of £116,000 (2019: £152,000) payable to the ESFA in relation to Salix loan funding. These loans do not bear any interest and are not secured against any asset.

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Notes to the Financial Statements
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20. Statement of funds

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds					
General Funds	831	1,875	(1,817)	-	889
Restricted funds					
General Annual Grant (GAG)	167	37,905	(37,753)	-	319
Other DfE/ESFA grants	-	3,518	(3,518)	-	-
Other government grants	-	2,621	(2,621)	-	-
Other restricted funds	132	1,227	(1,286)	-	73
Pension reserve	(28,702)	-	(2,613)	(6,042)	(37,357)
	<u>(28,403)</u>	<u>45,271</u>	<u>(47,791)</u>	<u>(6,042)</u>	<u>(36,965)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	3,390	1,297	(504)	-	4,183
Transfer on conversion	66,369	-	(2,304)	-	64,065
Capital expenditure from GAG	169	-	(801)	-	(632)
Donations	938	19	-	-	957
	<u>70,866</u>	<u>1,316</u>	<u>(3,609)</u>	<u>-</u>	<u>68,573</u>
Total Restricted funds	<u>42,463</u>	<u>46,587</u>	<u>(51,400)</u>	<u>(6,042)</u>	<u>31,608</u>
Total funds	<u><u>43,294</u></u>	<u><u>48,462</u></u>	<u><u>(53,217)</u></u>	<u><u>(6,042)</u></u>	<u><u>32,497</u></u>

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 provision, school trips and the Teaching School. These funds are applied for the primary purpose of the Trust and for the provision of these services, and to the extent they relate to carried forward GAG funding, this has been transferred to the GAG reserve.

Restricted fixed asset funds

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

In the year ended 31 August 2016, the Trust extended the capacity at one of its academies through the purchase of a new building due to an increased demand for pupil places in the catchment area. An agreement was reached with the local authority to fund the build cost through grant income but on deferred s106 receipts. In the current financial year £nil (2019: £463k) has been received from s106

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20. Statement of funds (continued)

receipts, with the remainder of £1.2m to be received when certain milestones are met, based on the achievement of occupancy rates of a new housing development. Therefore there are £1.2m of funds yet to be received which have not been recognised in grant income in the Statement of Financial Activities under the Charity SORP, as entitlement to the income has not yet been fully achieved.

Included within the income recognised in the Statement of Financial Activities during the year was £nil (2019: £143k) relating to indexation on the scheduled payments due from the local authority. The Trustees consider this income to be unrestricted as it is an additional amount to the agreed s106 payments and is not restricted to be used on capital spend.

Unrestricted funds

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £000	2019 £000
Diverse Academies Trust	1,281	1,130
Restricted fixed asset fund	68,573	70,866
Pension reserve	(37,357)	(28,702)
Total	32,497	43,294

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20. Statement of funds (continued)

Total cost analysis by academy

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

Diverse Academies Trust has seen a significant shift in the budget setting process to a much more trust wide approach, which has resulted in the trust pooling 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 services 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
- Targeted support more effectively, for example 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 identify where savings, brought about by economies of scale and bulk procurement practices, can be made. Thirdly this also helps identify where academies have previously focused on 'the nice' as opposed to 'the needed', or in most cases both, against a backdrop of a sector, nationally, under financial pressure.

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20. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £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 2019 £000</i>
Unrestricted funds						
General Funds	288	2,540	(2,109)	112	-	831
Restricted funds						
General Annual Grant (GAG)	(1,025)	33,726	(32,534)	-	-	167
Start up grants	-	30	(30)	-	-	-
Other DfE/ESFA grants	-	3,868	(3,868)	-	-	-
Other government grants	37	3,119	(3,156)	-	-	-
Other restricted funds	159	1,546	(1,573)	-	-	132
Pension reserve	(20,415)	-	(2,641)	-	(5,646)	(28,702)
	<u>(21,244)</u>	<u>42,289</u>	<u>(43,802)</u>	<u>-</u>	<u>(5,646)</u>	<u>(28,403)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	2,971	1,436	(1,017)	-	-	3,390
Transfer on conversion	68,682	-	(2,313)	-	-	66,369
Capital expenditure from GAG	169	-	-	-	-	169
Donations	587	463	-	(112)	-	938
	<u>72,409</u>	<u>1,899</u>	<u>(3,330)</u>	<u>(112)</u>	<u>-</u>	<u>70,866</u>
Total Restricted funds	<u>51,165</u>	<u>44,188</u>	<u>(47,132)</u>	<u>(112)</u>	<u>(5,646)</u>	<u>42,463</u>
Total funds	<u>51,453</u>	<u>46,728</u>	<u>(49,241)</u>	<u>-</u>	<u>(5,646)</u>	<u>43,294</u>

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21. Analysis of net assets between funds

Analysis of net assets between funds - current period

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

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	-	71,109	71,109
Current assets	4,842	299	-	5,141
Creditors due within one year	(3,859)	-	(243)	(4,102)
Creditors due in more than one year	(152)	-	-	(152)
Provisions for liabilities and charges	-	(28,702)	-	(28,702)
Total	831	(28,403)	70,866	43,294

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

	2020 £000	2019 £000
Net expenditure for the period (as per Statement of Financial Activities)	(4,755)	(2,513)
Adjustments for:		
Depreciation	2,808	2,708
Capital grants from DfE and other capital income	(1,297)	(1,899)
Interest receivable	(2)	(1)
Defined benefit pension scheme cost less contributions payable	2,086	2,117
Defined benefit pension scheme finance cost	527	524
Increase in debtors	(138)	(1,732)
Increase in creditors	1,779	670
Net cash provided by/(used in) operating activities	1,008	(126)

23. Cash flows from financing activities

	2020 £000	2019 £000
Net receipt/(payment) of loans	(55)	(55)

24. Cash flows from investing activities

	2020 £000	2019 £000
Dividends, interest and rents from investments	2	1
Purchase of tangible fixed assets	(1,986)	(937)
Capital grants from DfE Group	1,297	1,436
Capital funding received from sponsors and others	-	463
Net cash (used in)/provided by investing activities	(687)	963

25. Analysis of cash and cash equivalents

	2020 £000	2019 £000
Cash in hand	2,042	1,776

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26. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	Other non- cash changes £000	Total funds £000
Cash	1,776	266	-	2,042
Loans falling due within one year	(55)	(55)	74	(36)
Loans falling due after more than one year	(152)	-	36	(116)
Total 2020	<u>1,569</u>	<u>211</u>	<u>110</u>	<u>1,890</u>

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27. Pension commitments

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

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

Contributions amounting to £717,000 were payable to the schemes at 31 August 2020 (2019 - £526,000) and are included within creditors.

Teachers' Pension Scheme

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

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

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

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

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

The employer's pension costs paid to TPS in the year amounted to £4,325,000 (2019 - £2,822,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

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27. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £2,281,000 (2019 - £2,079,000), of which employer's contributions totalled £1,740,000 (2019 - £1,574,000) and employees' contributions totalled £ 541,000 (2019 - £505,000). The agreed contribution rates for future years are 18.3 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	2.5 - 3.3	2.7 - 3.7
Rate of increase for pensions in payment/inflation	2.2 - 2.3	2.2 - 2.3
Discount rate for scheme liabilities	1.6 - 1.7	1.8 - 1.9

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.4 - 21.8	21.2 - 21.7
Females	23.7 - 24.4	23.5 - 24.4
<i>Retiring in 20 years</i>		
Males	22.4 - 23.2	22.5 - 23.3
Females	25.2 - 25.9	25.2 - 26.2

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	67,052	55,443
Discount rate -0.1%	70,288	57,707
Mortality assumption - 1 year increase	70,999	58,494
Mortality assumption - 1 year decrease	66,377	56,018

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27. Pension commitments (continued)

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

	At 31 August 2020 £000	<i>At 31 August 2019 £000</i>
Equities	18,968	17,691
Gilts	1,102	815
Bonds	3,011	2,617
Property	4,026	3,617
Cash and other liquid assets	1,145	760
Other assets	3,037	2,356
Total market value of assets	31,289	27,856

The actual return on scheme assets was £000752000 (2019 - £1,250,000).

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

	2020 £000	<i>2019 £000</i>
Current service cost	3,826	3,040
Past service cost	-	(642)
Interest income	(532)	(687)
Interest cost	1,049	1,211
Administrative expenses	10	8
Total amount recognised in the Statement of Financial Activities	4,353	2,930

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

	2020 £000	<i>2019 £000</i>
At 1 September	56,558	45,339
Current service cost	3,826	3,040
Interest cost	1,049	1,211
Employee contributions	541	505
Actuarial losses	7,006	6,209
Benefits paid	(335)	(388)
Past service costs	-	642
At 31 August	68,645	56,558

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27. Pension commitments (continued)

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

	2020	2019
	£000	£000
At 1 September	27,856	24,923
Interest income	532	687
Actuarial gains	964	563
Employer contributions	1,740	1,574
Employee contributions	541	505
Benefits paid	(335)	(388)
Administration expenses	(10)	(8)
At 31 August	31,288	27,856

28. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£000	£000
Not later than 1 year	45	114
Later than 1 year and not later than 5 years	42	74
	87	188

29. Members' liability

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

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30. Related party transactions

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

The following related party transactions took place in the financial period:

National Church of England Academy Trust

The Trust was related to The National Church of England Academy Trust for the period 1 September 2019 to 31 December 2019 by virtue of having a Chief Executive and Accounting Officer in common.

During the period, the Trust received services from The National Church of England Academy Trust totaling £70,000 (year ended 31 August 2019: £115,000) and in return provided services of £675,000 (year ended 31 August 2019: £873,000).

Expenditure Related Party Transactions

RNN Group - an organisation in which C Burn (a trustee) is the Chair of Governors:

- The Academy Trust purchased training provision from RNN Group totaling £9,000 (2019: £nil) during the period. There were no amounts outstanding at 31 August 2020 (2019: £nil)
- The Academy Trust made the purchases at arms' length in accordance with its financial regulations, which Mrs. Burn neither participated in, nor influenced
- In entering into the transaction, the Academy Trust has complied with the requirements of the Academies Financial Handbook.

31. Post balance sheet events

On 1 December 2020, Hillocks Primary Academy were transferred into the MAT for £nil consideration.

32. Agency arrangements

The Trust administers the disbursement of the 16-19 bursary funds on behalf of the ESFA. During the year it received £66,000 (2019: £57,000) and disbursed £57,000 (2019: £53,000). An amount of £34,000 (2019: £32,000) was repayable to the ESFA as at 31 August 2020 and is included in other creditors. The Trust retained a beneficial interest in individual transactions such that £5,000 (2019: £3,000) has been recognised in income and expenditure in the statement of financial activities.

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33. Teaching school trading account

	2020 £000	2020 £000	2019 £000	2019 £000
Income				
Direct income				
Other income	256		290	
Total income		256		290
Expenditure				
Direct expenditure				
Direct staff costs	121		123	
Staff development	-		(4)	
Total direct expenditure	121		119	
Other staff costs	28		57	
Technology costs	1		1	
Other costs	20		15	
External education consultancy	77		152	
Total other expenditure	126		225	
Total expenditure		247		344
Surplus/(deficit) from all sources		9		(54)
Teaching school balances at 1 September 2019		(34)		20
Teaching school balances at 31 August 2020		(25)		(34)