

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs Anne Martin
The Derby Diocesan Board of Education
The Diocesan Secretary Derby Diocesan Board of Finance - Rachel Morris
The Diocesan Bishop of Derby, The Rt Revd Libby Lane
The Diocesan Director of Education (DDE) for Derby,
Dr Alison Brown (resigned 31 January 2021)
Acting, The Diocesan Director of Education (DDE) for Derby,
Mrs Linda Wainscott (appointed 31 January 2021)

Trustees

Ms. Alison Mary Brown (resigned 11 January 2021)
Mr. Michael John Ford, Chair
Mrs. Carol Coslett
Mr. Mark Mallender, Chief Executive
Dr Sarah Hardman Charles
Mr. Neil Andrew Beeson (resigned 31 July 2021)
Ms. Sheila Mary Lock
Ms. Holly Gasgoine (appointed 25 February 2021)
Mrs Linda Wainscott (appointed 25 February 2021)

Company registered number

08980079

Company name

Derby Diocesan Academy Trust

Principal and registered office

Top Floor, Unit 3 Endcliffe Mount Deepdale Business Park, Ashford Road, Bakewell, Derbyshire, DE45 1GT

Company secretary

Michelmores Secretaries Ltd
JN Hampton Ltd

Chief executive officer

Mr. Mark Mallender

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Senior management team

Ms. Sarah Ferguson, Chief Operating Officer
Mr. Mark Mallender, CEO & Accounting Officer
Mr. Richard Wetherall, Consultant Director of Finance (AMF (UK) Limited)
Mr. Declan McCauley, Deputy CEO

Independent auditor

Crowe U.K. LLP, Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG

Bankers

Lloyds Bank Plc, Iron Gate, Derby, DE1 3FT

Solicitors

Michelmores, Woodwater House, Pynes Hill, Exeter, EX2 5WR

DERBY DIOCESAN ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the Charitable Company for the year 1 September 2020 to 31 August 2021. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Multi Academy Trust operates fifteen primary academies and 1 secondary academy for pupils aged up to 16 years old serving the Derbyshire catchment area. The sixteen academies are, Bishop Lonsdale CE Primary School and Nursery, Newbold CE Primary School, Walter Evans CE Primary School, Christ Church CE Primary School, and Darley Churchtown CE Primary School, St Giles CE Primary School (Killamarsh), St George's CE Primary School, Firs Primary School, Hardwick Primary School, Derby Cathedral School, St Chad's CE Infant School, Woodthorpe CE Primary School and St Peter's C of E Aided Junior School, Bakewell CE Infant School, Bishop Purglove CE Primary School and St James' CE Junior School. The Multi Academy Trust has a pupil capacity of 4348 and had a roll of 4031 in the school census on October 2020.

2020/21 has seen further conservative growth with the successful addition of 3 further academies in to the trust. In conjunction with this growth great progress has continued in partnership with the DfE regarding the future of DDAT and how the trust may best serve the schools in Derby City and Derbyshire. This communication has culminated in an agreed strategy for doubling the size of the trust in the next 2 years, with the strategic plan outlining the phased approach. The growth plan has been included in the plans for future periods section.

1 further primary school is due to join on 1st March 2022.

The inception of the regional hub model has further developed and ensures appropriate levels of responsibility and accountability are maintained as the number of schools grow. This model has benefitted from the addition of St James' C of E Junior School within the city.

Investment in resources has been undertaken with an increase to staffing with a Central School Business Manager brought in to the trust within the year. In addition finance support and training has been provided to all schools to assist on improving reporting and supporting the transition to a new consistent financial system. The trust has further utilised expertise within the schools to provide greater central trust support, this is evidenced through executive HT models.

The growth within the trust has enabled the appointment of a finance assistant and HR assistant with both roles starting in September 2020. Additional financial support through TCAF has supported the trust with capacity for school improvement and HR administration.

The Derby Cathedral School which opened on 1st September 2018 has continued to flourish with applications for the intake September 2021 continuing to be very strong with over 300 applications for 180 places.

The trust has also invested in governance with all directors being assigned to a group of schools to provide additional links between the trust and academies and ensure consistent processes and governance are prevalent.

COVID COMMENTARY

The trust has continued to deal with the Coronavirus pandemic.

DDAT provided all training and CPD online to ensure that staff could continue to develop professionally through the period of lockdown. The DDAT training sessions were greatly enhanced to ensure pupils and staff could effectively deliver education in the difficult circumstances. Training sessions were also designed, created and delivered to parents to support remote learning.

The COVID pandemic resulted in a clearer focus on the DDAT vision and ethos in a number of ways. The positive relationships within DDAT were enhanced even further as the family of schools worked together to overcome challenges. The response of the DDAT central team was greatly appreciated by the schools who felt

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

fully supported to face the uncertain times. Schools have reported a very positive change in the relationships they have with their wider community and in particular parents and carers are extremely supportive of the schools and the work that staff do to provide the highest standard of provision.

Whilst the education sector continues to adapt to the fast moving changes as a result of the pandemic, the DDAT schools and central team remain flexible and well-prepared to make the adaptations needed to keep their staff, pupils and entire communities safe whilst continuing to provide excellent education.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Derby Diocesan Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Derby Diocesan Academy Trust. Details of the trustees who served during the year 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

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

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are recruited to the board based on their specialist skills and empathy for the ethos of the Trust and its objectives. Trustees and officers nominate new trustees to the members for appointment. Appointments are formally approved by resolution.

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TRUSTEES' REPORT (CONTINUED)
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STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

e. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

New trustees are assessed for experience and knowledge as academy trustees and appropriate induction is provided. Ongoing trustee skills needs assessment is carried out by Clerk with appropriate training being arranged.

The Trust have planned a governance support programme to embed procedures that link the Local Governing Board with the Derby Diocesan Academy Trust Board and to ensure governance remains effective as Derby Diocesan Academy Trust grows. An educational governance consultant and trainer with considerable multi academy trust experience will lead the governance support programme.

f. ORGANISATIONAL STRUCTURE

Governance: The Board of Trustees is responsible for ensuring that the vision, ethos and strategic direction of the Trust are clearly defined and ensuring the sound, proper and effective use of the school's financial resources. Schemes of delegation and authorisation limits are set out in the Trust's financial regulations.

Management: The Trust's day to day operations are managed by the Accounting Officer/ CEO/Chairman, Chief Financial Officer and Chief Operating Officer.

Academy Governance: Each Academy is governed by a local governing body. The functions of the governing body include:

- ensuring that the vision, ethos and strategic direction of the school are clearly defined
- ensuring that the headteacher performs his or her responsibilities for the educational performance of the school
- ensuring the sound, proper and effective use of the school's financial resources

The principal/headteacher's responsibilities at each academy include:

- the internal organisation, management and control of the school; and
- the educational performance of the school

g. ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trust's key management personnel are appointed by the trustees. Academy key management staff are appointed by the local governing board and Trust managers.

The key management personnel are considered to be the senior leadership team as noted on page 2.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Diocese Board of Education chaired by the Archdeacon of Chesterfield.

The same related party arrangement exists with Derby Diocesan Academies Trust 2 (DDAT 2). Derby Diocesan Academies Trust 2 is governed by the same Trustees as Derby Diocesan Academy Trust.

- Wider network- The trust continues to work closely with local trusts and schools. In particular providing school improvement services to Diocese schools. The trust has also developed strong links with Derby University in collaborative working with teacher training and developing NQTs. During this year and the challenges seen, the trust has been in constant contact with the DfE and shared operational plans some of which have been rolled out nationally as exemplar processes.
- Engagement with employees- The trust has continued to maintain and develop strong engagement with employees. Employees are encouraged to utilise professional services for wellbeing and pastoral services which have been procured through the absence insurance providers for all staff. Central team updates have been provided regularly through the year demonstrating the rigour and emphasis on safety for all staff.
- Engagement with suppliers, customers and others in a business relationship with the trust- The trust has engaged with key suppliers and clients with particular regards to the Procurement policy notices provided by the government this year. Always to ensure fairness and adherence to government guidelines whilst meeting obligations regarding regularity and appropriate spending of public funding.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES

a. OBJECTS AND AIMS

The Trust's aim is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- Other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Vision and Values

The Derby Diocese Board of Education has established a Multi Academy Trust "to provide the best possible education for the pupils in their care based on the Christian principle that Every Child Matters to God."

Derby Diocesan Academy Trust (DDAT) is approved by the DFE as an academy sponsor. DDAT supports schools with an exceptional school improvement strategy, and looks after the business elements of running an academy, protecting the distinctively Christian nature of each school.

DDAT aims to:

- Provide children with excellent educational provision
- rapidly improve under performing schools
- develop effective school to school support
- build strong relationships and promote work with external partners
- raise aspirations and tackle disadvantage so that no pupil is failed by their school.

The purpose of DDAT is to secure rapid and sustained improvement for every Academy it sponsors, and to sustain and build on the improvement of our converter academies. DDAT is rooted fully in the distinctively Christian and inclusive ethos of the MAT, DBE and the wider Diocese. DDAT will enable schools to work together, share expertise and maximise resources. Our vision is for a family of DDAT academies that offers an outstanding learning experience for every child that will enable them to reach their full potential in mind, body and spirit, thereby genuinely changing their lives.

As Academies within DDAT develop and improve, they will be expected and required to share their journey, skills and expertise with other DDAT academies. DDAT will encourage and nurture the dissemination of good practice, fostering a self sustaining culture of aspiration for educational excellence across all schools and exemplifying Christian values in every area.

DDAT follow a number of guiding principles:

- To promote an educational community based on love and inclusivity, providing a beacon where all can flourish.
- To foster, maintain and celebrate Christian distinctiveness in our schools.
- To ensure that our academies are centres of excellence with a focus on the nurture and achievement of all their members.

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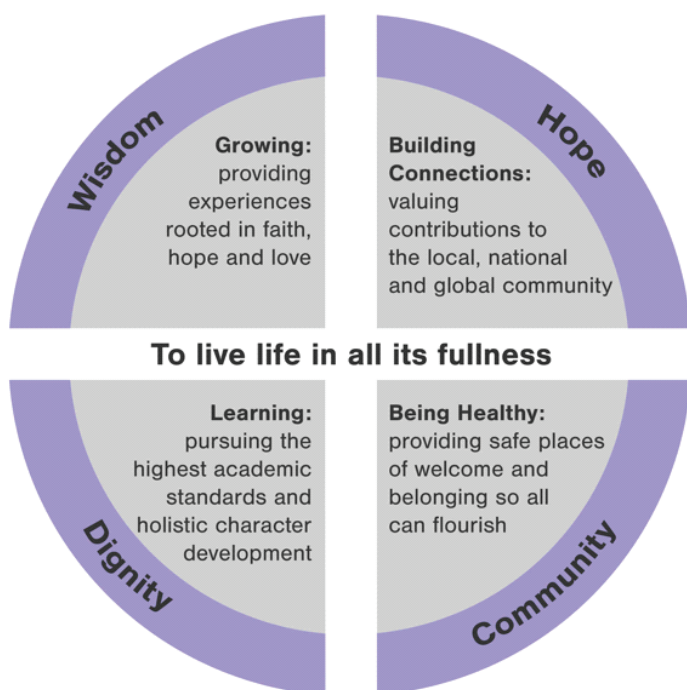
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES (CONTINUED)

- To promote mutual support, encouragement and benefit between all our academies.
- To develop future and aspirational thinking based on our educational heritage and to make use of the latest research in pedagogy and child development.
- To support the nurture and respect of God's creation with a close focus on the sustainability agenda.
- All human beings are made in the image of God. Each child is a unique human being, made by God and loved by him, and worth the highest possible standards of education and care and the closest attention to what will enable them to flourish.
- We must ensure that 'every child and young person has a life enhancing encounter with the Christian faith
- To recognise and enable those who often remain invisible, through ethnic or cultural disadvantage, or through disability or poverty.

Church schools have a particular vocation to the poor and vulnerable, to enable them through education to change their lives.

DDAT have adopted the wider vision of the Diocesan Board of Education:



School Improvement Strategy

DDAT have a structured approach to school improvement. An educational audit of the school prior to conversion will highlight areas where, and to what level, the MAT board, through the Head of School Improvement; will support the school post conversion. The level of support will depend on the category which either Ofsted or the MAT board, place the school.

DDAT have clear criteria based on Ofsted/DfE requirements and local knowledge in order to place a school at one of three levels based on its developmental state. The level will not necessarily be the same as the most recent Ofsted judgement but will be based on ongoing assessment resulting from school improvement visits.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES (CONTINUED)

There will be at least 6 such visits each year by a member of the school improvement team.

The key to the DDAT school improvement model is that the school is not judged by its last Ofsted inspection. This could have been as long as 10 years ago. Experience has shown that schools may have fallen from Outstanding to Inadequate in one Ofsted cycle. Such schools may have received little, if any, outside scrutiny because they were deemed as outstanding and therefore given considerable autonomy by the maintaining authority. DDAT has an approach to ensure that this cannot happen. Within DDAT, autonomy is earned, but there is still external scrutiny and rigour – at least 6 times a year. If a 'grade 1' Academy is showing signs of decline then the board will re-categorise the school. This will result in the necessary intervention to stop the school declining any further and putting it back on track to achieve outstanding outcomes. DDAT would, in such circumstances, increase the management fee it receives from the school in order to put more support and challenge in back in where it is needed. The decision making powers that the school has would be reduced. Equally, when an Academy has evidenced improvement, more autonomy is handed back to governors – they can make more decisions independently, the intensity and frequency of the support and challenge would reduce and the management fee would also reduce as less support and challenge will be needed. However, the Academy will still be monitored rigorously at least every 6 weeks.

Each school is aiming to become outstanding, but the barriers to this in each school can be very different. Therefore, DDAT do not produce an action plan to fit all Academies, but instead produce bespoke action plans to bring about rapid improvement in those Academies that need it or to ensure that the high standards are maintained in the outstanding schools.

This approach ensures early intervention in all schools before it is too late to protect the interests of the children.

Future Challenges

- Ensuring that the DDAT brand continues to represent something that is distinctively Christian within this professional context and as community schools join the Trust.
- Keep the focus on rigorous school improvement as set out in our 3 level approach so that all schools remain or become good or better.
- Managing growth and resisting the temptation to grow too quickly.
- Managing the vagaries of school demand to join DDAT in an ever changing and diverse local and national context.
- Building capacity of our own staff team so that DDAT are able to provide the high-quality services expected by schools on joining.
- Developing and maintaining positive links with Unions
- Ensuring that the continuing professional development for all of our staff team is up to date and relevant.
- COVID- Ensuring safe and effective practice safeguarding the welfare of all pupils and staff.
- Developing further hub models and centralisation of services
- Merger of DDAT 2 to DDAT to create 1 single large trust.

c. PUBLIC BENEFIT

Derby Diocesan Academy Trust provides significant public benefit through the dedicated school improvement programme. This programme will improve the quality of teaching and learning in the Derby and Derbyshire catchment area. The aims and objectives described earlier detail how the work of the Trust provide public benefit.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES AND ACTIVITIES (CONTINUED)

d. STRATEGIC REPORT

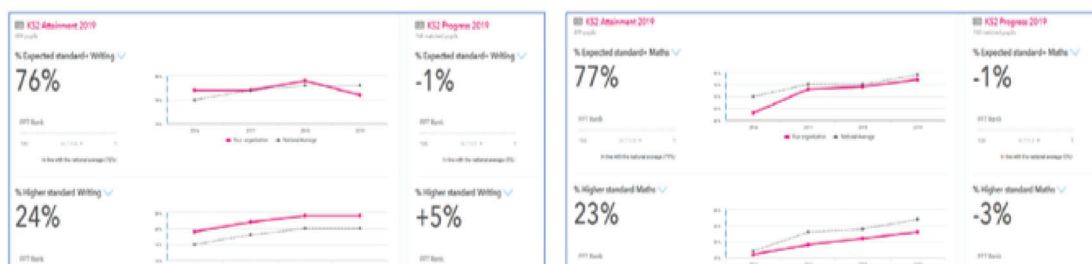
ACHIEVEMENTS AND PERFORMANCE

Summary of 2019 outcomes for DDAT Schools. This is the latest available data

DDAT outcomes for all schools in DDAT at the time of Summer 2019 Assessments regardless of the amount of time in DDAT. Some schools 5+ Years others a matter of weeks.



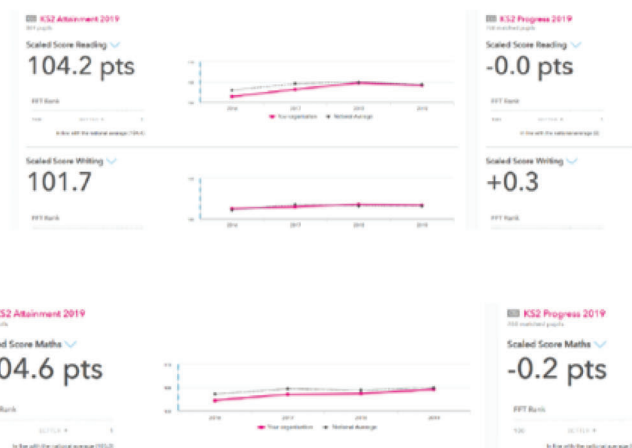
Graphs demonstrate that as a trust our schools are in line with the national average for both attainment and progress measures in Reading, writing, maths and combined.



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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)



Graphs demonstrate that as a trust our schools are in line with the national average for both scaled score attainment and progress measures in Reading, writing and maths.

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TRUSTEES' REPORT (CONTINUED)
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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)



There were 10 eligible schools in DDAT at the time of the Key stage 2 tests.

There is a continuing picture of improvement above a benchmark group when comparing average outcomes in schools in both DDAT and DDAT2 with those across 110 church schools in the diocese. The vast majority of schools in the diocese are maintained by the local authority.

Summary of outcomes for DDAT

Attainment and progress across all current DDAT schools is in line with the national average. The trend shows that the longer schools are within DDAT the higher the performance and progress, this is particularly relevant given the first schools to join the trust were sponsored academies and are achieving very well having spent 5 years in the trust. Each group of schools joining since the first group all have schools that were deemed to be inadequate within the group. However, the improvements are rapid and sustained as seen in the graph below.

Academy Summary Reports

Bishop Lonsdale Primary and Nursery School

Reading and learning in the early years are clear strengths in this school. In July 2021 Ofsted judged this school as remaining good. The executive headteacher is providing leadership support for Scargill CofE Primary School. The proportion of pupils reaching the higher standard at the end of Year 6 is above average.

Christ Church Primary School

The high-quality early years setting helps children to get off to a flying start to their education. At the end of Year 2 pupils have a positive value-added score which means it is above average in reading, writing and maths.

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Darley Churchtown Primary

The entrance to the school has been totally remodelled for the start of last academic year. At the end of Year 2 pupils are above the FFT average for value added in reading, writing and maths.

Derby Cathedral School

The school continues to grow in terms of staff and students. As the students increase the older ones have made their choices for GCSE courses. The end of the summer term saw the school leave the temporary site for the new building.

Firs Primary School

This school continues to improve well. The senior leaders have built robust systems which support learning and pupil wellbeing. The school environment has been transformed. At the end of Year 6 value added is inline the FFT average.

Hardwick Primary School

The executive headteacher continues to support leadership capacity at St James' CofE Junior School in Derby city. Many developments have taken place in the early years which are helping pupils to get off to a good start in their education.

Newbold Primary School

This school now has a fantastic new nursery building which opened earlier in the year. Value added is above average in reading, writing and maths combined at the end of Year 6.

St Chad's Infant School

This school continues to support families within the local community. It is a tranquil oasis in the city of Derby. At the end of Year 2 values added at the expected level is above average in reading, writing and maths.

St George's Primary School

School leaders continue to improve this school well. It is at the heart of the community, and it provides a great deal of support for the families of pupils attending. The early years setting is of exceptionally high quality. Value added at the expected level in reading, writing and maths is above average.

St Giles Primary School, Killamarsh

This school has seen massive changes in the early years leaving it well set up for this academic year. Attainment in grammar, punctuation and spelling is well above the FFT average and the value added is positive.

St Peter's Junior School

A new head of school took up post in January 2021. The school is on a journey of improvement under the overall leadership of the executive headteacher from Griffie Field Primary School in Derby city. Attainment in reading and writing is improving but is not yet at the FFT average.

Walter Evans Primary School

The school continues to go from strength to strength under secure leadership. Governors give good strategic direction. The deputy headteacher has given selflessly of his time to support two other DDAT schools during the year. Attainment at the end of Year 6 in reading, writing and mathematics is well above the FFT average.

Woodthorpe Primary School

The executive headteacher from Loscoe CofE Primary School has transformed education in this school since taking on the role at the start of last academic year. She is ably supported by a strong deputy headteacher. Value added at the end of Year 2 is positive in reading, writing and maths.

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TRUSTEES' REPORT (CONTINUED)
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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

a. KEY PERFORMANCE INDICATORS

Financial and education performance KPI's are produced for each school and the central trust. These are reviewed and analysed by the operations team, finance sub committee and board.

Key measures include expenditure costs against income and progress and attainment in each school.

b. GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

c. PROMOTING THE SUCCESS OF THE COMPANY

- Working with Sarah Charles to promote DDAT as an 'employer of choice' with NQTs at Derby University
- Michael Ford promotion of DDAT through Derby College
- Archdeacon Carol Coslett and Linda Wainscott promotion of DDAT throughout Diocese as Chair of DBE and DDE respectively
- Alison Brown distribution of DDAT fact sheet to congregations across Derby and Derbyshire
- New appointment of Sheila Lock with considerable experience as chair of LCSBs nationally – sharing of good practice and assisting in development of trust-wide safeguarding strategy.
- Holly Gascoigne promotion of DDAT with Department for Education.

FINANCIAL REVIEW

The main sources of income for the Academy Trust are grants from the Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), any capital grants and donations of fixed assets are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy Trust's accounting policies.

During the period ended 31 August 2021, total expenditure of £25,111,212 (2020: £19,320,572) was covered by recurrent grant funding from the DfE together with other incoming resources. The deficit of income over expenditure for the year (excluding restricted fixed asset funds) was £1,453,362 (2020: £792,482). These figures exclude the deficit on the Local Government Pension Scheme (see note 27 to the accounts). At 31 August 2021 the net book value of fixed assets was £23,040,947 (2020: £19,255,668) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

The financial position of the trust this year has benefitted from increased grant funding due to the national funding formula. This has increased per pupil funding at school level and has enabled schools to increase

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expenditure on educational practices. Additionally, as the trust seeks to create hubs of schools opportunities for savings have been prevalent. The monitoring of budgets ensures that robust plans are in place for spending appropriately in future years, this includes reviewing any surpluses generated to ensure current cohorts are receiving the best provision.

a. RESERVES POLICY

The Trustees review the reserve levels of the Academy Trust termly and annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. With no material designated projects the Trust's longer term policy with regard to the available free reserves is to use them strategically to maintain the high standard of teaching and learning across the academies.

The Academy is holding reserves at 31 August 2021 of £14,752,553 (2020: £14,902,100).

This comprises:

Restricted Funds deficit of £11,654,739 (2020: £6,924,704)
Unrestricted Funds of £1,983,457 (2020: £1,769,071)
Restricted Fixed Asset Funds of £24,423,835 (2020: £20,057,733)

Restricted Funds comprises:

£1,731,261 (2020: £918,296) general funds to support the academy's budget in 2020 21.
£13,386,000 (2020: £7,843,000) is the deficit on the defined benefit pension scheme.

The reserves policy indicates that the trust shall retain between £50,000 and £100,000 at any one time, subject to any future agreed commitments above these limits. The free reserves of the Academy Trust are £3,714,718 (2020: £2,687,367) at 31 August 2021.

The Trustees have reviewed these reserves and believes they are adequate to provide sufficient working capital for the Academy Trust to continue to operate within its financial resources, and to cover unexpected urgent work. Specific use to which the respective funds can be applied are detailed in note 18.

b. INVESTMENT POLICY

A return on working capital shall be optimised whilst allowing easy access of the funds. In balancing risk against return the Academy policy is geared towards avoiding risk rather than to maximise return. The Academies current investment policy is to maximise income but from a low risk strategy. All monies are currently held on bank deposit and are attracting interest.

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TRUSTEES' REPORT (CONTINUED)
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c. PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees review a register of principal risks at each meeting and receive a report from officers how the risks are being alleviated. The principal risks are listed in the table below:

Trust Capacity	The requirements of conversion projects, and new schools joining the Trust, will make significant demands on Trust capacity at times which carries the risk of poor performance, key deadlines being missed and reputational damage.
Governance	Trust may be unable to recruit individuals to the Local Governing Bodies who possess the required skills and knowledge. This results in poor performance, a lack of local context in the management of the school and disengagement with the local community.
Growth	DDAT's current strong reputation with the Department for Education as an Academy Sponsor is compromised and growth is halted.
Demand & Viability	Insufficient pupil demand for charity's services leaves it unsustainable.
Competition	Presence of other organisations with similar objects and little scope for differentiation.
Strategic & Reputational	Risk of the impact an uncontrollable event will have on the charity e.g. fire, flood, oil crisis, war, recession.
Strategic & Reputational	An inspection of a DDAT school results in a downgrading of Ofsted rating and has a negative impact on the reputation of the Trust and school improvement service.
HR	Failure to comply with employment law- e.g. unfair dismissal of an employee - attracts adverse publicity.
Governance	Committees not established with delegated authority, e.g. finance, personnel etc.
HR	Key person loss/succession risk.
HR	Recruitment risk - recruiting an individual not capable of performing duties and/or unsuitable to work with children.
Operational	Risk health and safety and/or employment legislation is not adhered to at schools.
Finance	Risk that school and/or Trust budgets will be in deficit.
Finance	Risk that actual performance is not measured against budget on a regular basis.
Operational	Risk that assets built by contractors do not meet specifications, or actual cost exceeds budget.
Finance	Risk that charity has entered into future commitments without having the future funding available to meet them.

FUNDRAISING

The Academy Trust's approach to fundraising is confirmed as conforming to recognised standards.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

STREAMLINED ENERGY AND CARBON REPORTING

UK energy use and associated greenhouse gas emissions

The Trust is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only for all assets that come under an operational control boundary. This includes 13 schools controlled during the reporting period along with minibuses and personal vehicles used for business mileage ("grey fleet").

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period. St James' Church of England Aided Junior School joined the Trust on 1st March 2021 and energy and emissions have been reported from this date.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2021 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The electricity and gas consumption were compiled from invoice records. Mileage records were used to calculate energy use and emissions associated with minibuses and grey fleet. Generally gross calorific values were used except for grey fleet mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities but occur from sources not owned or controlled by the organisation (scope 3).

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

	2021	2020
Energy consumption used to calculate emissions (kWh)	4,222,404	3,273,955
ENERGY CONSUMPTION BREAKDOWN (KWH):		
Gas	3,149,389	2,429,139
Electricity	1,071,513	840,938
Transport fuel	1,503	3,878
SCOPE 1 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):		
Gas consumption	576.8	446.6
Owned transport	0.2	0.2
TOTAL SCOPE 1	577.0	446.8

DERBY DIOCESAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

STREAMLINED ENERGY AND CARBON REPORTING (CONTINUED)

SCOPE 2 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):

Purchased electricity	227.5	196.1
	<hr/> <hr/>	<hr/> <hr/>

SCOPE 3 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):

Business travel in employee-owned or rental vehicles	0.2	0.7
	<hr/> <hr/>	<hr/> <hr/>

TOTAL GROSS EMISSIONS (IN TONNES OF CO2 EQUIVALENT):

804.7	643.6
<hr/> <hr/>	<hr/> <hr/>

INTENSITY RATIO:

Tonnes of CO2 equivalent per pupil	0.187	0.187
	<hr/> <hr/>	<hr/> <hr/>

Intensity ratio:

Tonnes of CO2 equivalent per pupil - 0.203

Tonnes of CO2e per square meter floor area - 0.035

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

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

Intensity ratio

Two intensity ratios are reported showing emissions (tCO2e) per pupil and per square meter floor area. Emissions per pupil is the recommended ratio for the sector for consistency and comparability and pupil numbers are based on the Autumn census of the respective year. Emissions per square meter floor area is reported to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

Energy efficiency action during current financial year

The Trust have continued to practice good energy management, utilising automatic meter readers at most schools to monitor consumption. Heating and air conditioning plant is also kept in optimal condition through regular servicing and maintenance, improving their efficiency. In addition to these ongoing actions, specific projects implemented this year include the following:

- Newbold Church School had a new nursery building open in January 2021 that uses air conditioning for heating and cooling, meaning no fossil fuel heating is used.
- At St George's CofE Primary School, part of the building is not currently used so all heating and lighting to that area is switched off. The school is also part way through having new double-glazed windows and roofing installed to improve the thermal performance of the building.

PLANS FOR FUTURE PERIODS

Approximately 60 schools have expressed an interest in joining the Trust. Significant demand from schools and the ability to grow selectively from a large number of schools offers DDAT a position of considerable strength. In order to manage growth in a sustainable manner, trustees have agreed that schools should not be brought into the Trust on a first come, first served, basis. Trustees formally consider which schools to bring into the trust on a termly basis against an agreed list of priorities. The growth plan is considered and has been communicated and ratified by the DfE through MAT reviews and subsequent approval.

DERBY DIOCESAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

PLANS FOR FUTURE PERIODS (CONTINUED)

Please note that the growth strategy and future planning relates to both DDAT and DDAT2 – the strategy moving forward is that all schools will join DDAT until some proposed point in time where the trusts may be merged to streamline the overall consolidated and combined strategic vision

Derby Diocesan Academy Trust (DDAT) Growth Plan.

Context

This narrative sets out the continuing strategic plan for a 24-month period. Growth is matched to strengthened capacity and there is a deliberate focus on improved accountability and governance and implementation of Trust wide systems that become essential for the successful management of a larger number of schools.

Growth Rationale and Context 1: Small School Solutions

Derby Diocese supports 33 Voluntary Aided (VA) Church of England (CE) Primary Schools and 77 Voluntary Controlled (VC) CE Primary Schools representing approximately 15,000 children. The diocese has many small schools, 53% with fewer than 110 pupils and 82% with fewer than 210 pupils. Some have fewer than 10 pupils! Many of our small schools will not be viable, especially after the removal of Minimum Funding Guarantees and as other protection built into the National Funding Formula in Derbyshire dissipates over time. Many of our schools work in supportive clusters, often including community schools, but few schools and governing bodies have tackled the requirement to embrace alternative models of leadership with adequate vigour, although many are beginning to be challenged by financial realities and changes to the LA offer.

DDAT has a pipeline of schools wanting to join the Trust but is unwilling to take on schools that do not have a viable financial future. DDAT is also unwilling to prop up schools in existing organisational structures that are unable to provide 21st Century Education sustainably due to their size. We need schools within structures that have the authority to remodel educational resource across groups of schools. The diocese is working with other MATs to facilitate this, but our own MAT (DDAT) must also model this approach and be part of the solution. Our experience is that demand is by far exceeding supply within Derbyshire.

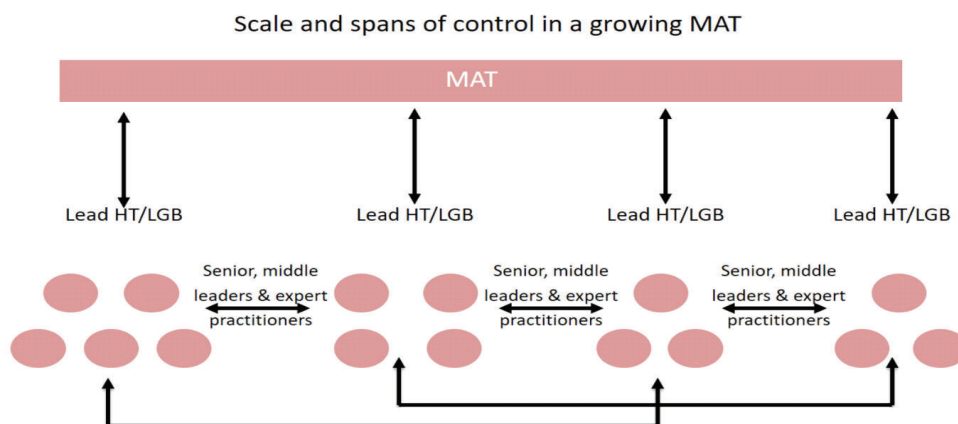
DDAT can provide a sustainable solution for many of the smaller schools, providing that they are brought into the MAT with other schools within the same geographical location. In this way DDAT can create sustainable “units of school” within a regional hub of 6-8 schools. The geographic importance is critical to ensure that staffing can be restructured across the group of schools to provide shared expertise from staff with the requisite skills. Our experience is that a federation of two schools of 100 pupils might save £10k from each budget (including second tier leadership) using an Executive Headteacher model, but this does not go far enough to improve provision or meet fiscal responsibilities beyond two years. A federation might however, be a stepping stone to a larger collaborative model. DDAT estimate that approximately 400 pupils are needed to sustain an effective Executive Headteacher role. However, the model for urban and rural communities will need to be context sensitive and second tier leadership is critical. In a small school rural context, leadership may be a teacher on a TLR with responsibilities as DSO. Effective leadership, previously provided by the headteacher, can be provided within units of school and overseen by a regional hub lead headteacher effectively held to account by the wider DDAT team.

Six to eight schools in rural Derbyshire are unlikely to offer enough pupils to form a viable MAT that adds value. DDAT modelling suggest that a MAT with resource to add value requires approximately 3000 pupils with an average top-slice of 5%; a geographical collaboration of this nature is unavailable in large parts of rural Derbyshire. However, a regional hub with fewer pupils could be viable if the economies of scale are within a larger Trust. In this context smaller schools can deliver high quality provision as part of a larger Trust if they also work with other hubs that are effectively collaborating.

DERBY DIOCESAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

PLANS FOR FUTURE PERIODS (CONTINUED)



Growth Rationale and Context 2: Delivering in Derby

Derby Diocese serves schools within Derby City LA as well as Derbyshire LA. DDAT have been working to deliver key priorities to support Derby as an opportunity area through two key projects.

Derby Cathedral School, an 11-18 CE secondary school opened in September 2018 with planned admission allowing for 1200+ pupils over time. This school is not a faith school for the faithful but a church school for the community and has already received and accepted applications from students from a diverse range of communities within the city.

DDAT also received a grant from the DfE for MAT development which has been used throughout this period to support the school improvement and develop training for the schools. This has helped the Derby City hub director role to be fully established and enabled significant investment in training events targeted for improvement across Derbyshire schools.

Growth priorities

Growth has always had to be managed carefully and the DDAT Board prioritise schools not on a first come first served basis, but in a manner, that should promote secure and stable growth. Schools joining the Trust must add value in terms of their contribution to viable regional hubs. All schools must embrace the “stick of rock” values for our Trust.

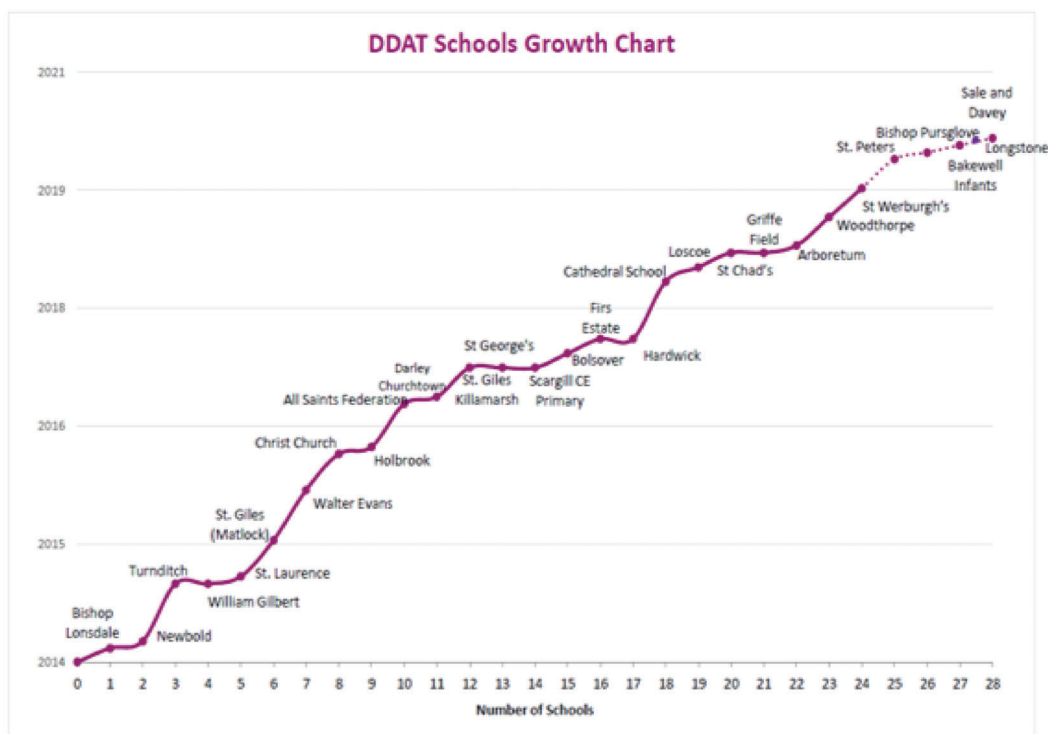
Priority order:

- Church of England schools that are “eligible for intervention”
- Strong schools (at least two thirds good or better) to ensure sustained capacity of Trust.
- A blend of small and larger schools.

DERBY DIOCESAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

PLANS FOR FUTURE PERIODS (CONTINUED)



Developing capacity for the next phase

Significant capacity building activity is already recorded within the DDAT Strategic Development Plan. However, DDAT are cognisant that the growing scale of operation will require key capacity building activity in the following areas.

1. School improvement within the central team, our schools and our partners.
2. Financial security over time, whilst providing an increased level of core service efficiently from the centre,
3. Strengthened Governance at all levels,
4. Increased alignment of Trust wide systems and accountability from CEO and core team through the new regional lead headteachers, to school leaders and staff.
5. Project is underway to merge DDAT with DDAT2, which will increase financial sustainability and effectiveness in combining 2 separate entities under single systems.

Growing Cautiously

Trustees are very cognisant of information provided by robust due diligence exercises before taking on a school. As such there are often periods of pause. Trustees have not followed any trajectory without proper consideration of the risks. In the last financial year, DDAT has put on pause any conversion where single status/equal pay issues remain unresolved, unless the school is Voluntary Aided where such risk can be managed. Building issues have also put projects on pause until money has been secured to resolve issues prior to conversion. One school has been with an academy order for over a year and continues to be maintained by the local authority pending resolution of issues raised by due diligence. Due diligence includes a formal review of Buildings, Finance, Human Resource, ICT and School improvement.

DERBY DIOCESAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

PLANS FOR FUTURE PERIODS (CONTINUED)

The DDAT board recognise the value of becoming a cross phase MAT. The new Derby Cathedral Secondary Free school opened on 1st September 2018. Trustees have a vision for this secondary school to be fed by a hub of DDAT feeder primary schools to offer high quality educational provision to the city of Derby for pupils from 3 to 18 years of age. It should be noted that this hub and secondary school will offer education to some significantly disadvantaged pupils. Derby has been highlighted as one of six areas nationally where social mobility has been extremely limited.

FUNDRAISING ACTIVITIES

The Academy Trust's approach to fundraising is confirmed as conforming to recognised standards.

This includes Protection of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

No fundraising work is undertaken with any commercial participators/professional fundraisers.
No fundraising complaints have been received.

The basis of fundraising is undertaken at the individual schools and takes the form of three specific models. These being, Parents and Teachers Association (PTA) fundraising through separate bodies from the trust, school based fundraising for the academy's benefit and fundraising for charities.

All funds raised by the school are recorded as unrestricted income and expenditure is recorded similarly. Funds raised for external charities are collected and sent onwards in their entirety.

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

There are no Funds held as Custodian Trustee on behalf of others.

TRADE UNION FACILITY TIME

The trust employs no trade union officials and therefore had no time or costs spent on union activities during the year.

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 was approved by order of the Board of Trustees, as the company directors, on 21 December 2021 and signed on its behalf by:


Mr. Michael John Ford
(Chair of Trustees)

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Ms. Alison Mary Brown	3	4
Mr. Michael John Ford, Chair	2	2
Mrs. Carol Coslett	6	6
Mr. Mark Mallender, Chief Executive	1	6
Dr Sarah Hardman Charles	6	6
Mr. Neil Andrew Beeson	3	6
Ms. Sheila Mary Lock	6	6
Ms. Holly Gasgoine	5	6
Mrs Linda Wainscott	3	4

Governance reviews

A Trustee skills audit is completed annually and undertaken in 2020. This is in the form of a robust survey outlining qualities and expertise for each trustee in over 30 specific areas related to the ability to provide strong governance. This is completed to review the effectiveness of the board and to highlight any areas of individual development as well as where appointments to provide additional effectiveness should be recommended.

This year's audit highlighted strong expertise in all areas with strong outcomes, however there was a need identified for additional finance and accounting knowledge following the resignation of the previous finance committee chair last year. This resulted in an appointment of Holly Gascoigne who has provided significant expertise based on her working within the financial and project management within the department for education. Similarly, although expertise is present a recommendation has been made to identify a further trustee with strong knowledge of Human Resources. Work has commenced to recruit such a professional.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees.

DERBY DIOCESAN ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ms. Alison Mary Brown	1	1
Mr Neil Beeson	0	3
Mr. Michael John Ford	3	3
Mr. Mark Mallender	2	3
Ms Holly Gascoigne	2	2

Review of value for money

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

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

- implementing the Trust's highly regarded school improvement service it ensures that public funds are used effectively and efficiently to improve teaching and learning.
- actively encouraging collaboration between Academies and other Church of England schools in Derbyshire to share best practice and mutual support to deal with issues assists the continuing improvement in pupil attainment
- Implementing joint purchasing for the Academies and use of third party assessors to get the best value for money

The purpose of the system of internal control

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

Capacity to handle risk

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

DERBY DIOCESAN ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees have developed a program of internal scrutiny which is managed and monitored through the finance and audit committee established this year.

Internal scrutiny for the period of 2020/21 has been undertaken by using independent professional external reviews across key areas highlighted and formally agreed by the Finance and Audit Committee.

Summary of work undertaken and standards 2020/21

- **H&S risk audits** have been completed with RAG ratings supplied for each school within the trust in distinct areas namely: Management of health and safety, in-house compliance and contractor compliance. YMD Boon Ltd have acted as specialist Independent scrutineers. The overall score of majority of the schools is above 80%. All schools, apart from William Gilbert (on Competent Person package), currently receive three health and safety visits per academic year.
- **Trust Diagnostic Survey** has been completed using Ambition Institute as expert scrutineers. This provided a full diagnostic report to enable the trust to review the findings from the diagnosis and agree deep dive areas. The full report has been circulated with survey results included.
- **Utilities** - Report raised that Water suppliers across the schools provided varying levels of service and cost. Recommendation to have consistent provider has been implemented and due to be completed in 2021.
- **Budget/Finance monitoring and Payroll** - Ongoing financial scrutiny for all schools within the trust. Actioned by DDAT Finance team and reported/monitored by Finance and Audit committee. External consultants S4S have provided a summary of quality assurance across all schools to highlight areas of support and further training. This output has led to a number of support plans being implemented across schools for key areas of compliance. Full training has been rolled out this year to all schools (HTs and SBMs) regarding payroll and HR activities.
- **HR Harmonisation audit and recommendations**. Completed by Michelmores solicitors to review the differing terms and conditions inherited as schools have joined from different Local Authorities. This audit has resulted in the business case shared with the full board in Summer term 2021. Recommendations have been provided regarding pay scales and grading, Increments, overtime rates, working hours and allowances, which have been circulated to the board accordingly. The end result being that standard terms are being rolled out with full board approval for all DDAT staff and future contractual arrangements.

DERBY DIOCESAN ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

The trust will continue to prioritise internal scrutiny. The finance and audit committee will continue to identify areas for review in the subsequent years. The trust will continue to use qualified and experienced external companies to undertake the specific review areas as directed along with suitably qualified internal directors and partners for Financial scrutiny.

The trust has agreed that the option of internal scrutiny being conducted by bought in audit services from external organisations and individuals is most appropriate with additional finance scrutiny from our qualified internal directors and external working partners. This decision is based on the board's wish to ensure that specialists inform them on areas of development and scrutiny identified by the audit committee rather than peer reviews or non-employed trustees. Other approaches have been considered and will continue to be reviewed dependent on complexity and risk profile of the elements included in the internal scrutiny.

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on *21 December 2021*
their behalf by:

and signed on



Mr. Michael John Ford
Chair of Trustees



Mark Mallender
Accounting Officer

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Derby Diocesan Academy Trust I have considered my responsibility to notify the Academy 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 Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

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

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



Mark Mallender

Accounting Officer

Date: 21 December 2021

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 the 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:



Mr. Michael John Ford

Trustee

Date: 21 December 2021

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DERBY DIOCESAN ACADEMY TRUST

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DERBY DIOCESAN ACADEMY TRUST (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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.

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

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

Responsibilities of trustees

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

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

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DERBY DIOCESAN ACADEMY TRUST (CONTINUED)

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DERBY DIOCESAN ACADEMY TRUST (CONTINUED)

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 Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Dave Darlaston (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 21 December 2021

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DERBY
DIOCESAN ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 12 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Derby Diocesan Academy Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Derby Diocesan Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Derby Diocesan Academy 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 Derby Diocesan Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Derby Diocesan Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Derby Diocesan Academy Trust's funding agreement with the Secretary of State for Education dated 1 June 2014 and the Academies Financial Handbook, extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DERBY
DIOCESAN ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

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



Crowe U.K. LLP

Reporting Accountant

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 21 December 2021

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		215,403	(1,083,000)	3,800,000	2,932,403	1,706,137
Other donations and capital grants		6,308	10,964	1,515,324	1,532,596	1,064,702
Other trading activities	4	693,572	192,350	-	885,922	873,073
Investments	6	430	-	-	430	1,777
Charitable activities	5	318,967	22,388,347	-	22,707,314	17,798,105
Total income		1,234,680	21,508,661	5,315,324	28,058,665	21,443,794
Expenditure on:						
Other trading activities		696,915	-	-	696,915	521,898
Charitable activities		-	23,499,788	914,509	24,414,297	18,798,674
Total expenditure	7	696,915	23,499,788	914,509	25,111,212	19,320,572
Net income/(expenditure)		537,765	(1,991,127)	4,400,815	2,947,453	2,123,222
Transfers between funds	18	(323,379)	358,092	(34,713)	-	-
Net movement in funds before other recognised gains/(losses)		214,386	(1,633,035)	4,366,102	2,947,453	2,123,222
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	27	-	(3,097,000)	-	(3,097,000)	191,000
Net movement in funds		214,386	(4,730,035)	4,366,102	(149,547)	2,314,222

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Note					
Reconciliation of funds:					
Total funds brought forward	1,769,071	(6,924,704)	20,057,733	14,902,100	12,587,878
Net movement in funds	214,386	(4,730,035)	4,366,102	(149,547)	2,314,222
Total funds carried forward	1,983,457	(11,654,739)	24,423,835	14,752,553	14,902,100

The notes on pages 40 to 77 form part of these financial statements.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08980079

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	23,040,947	19,255,668
Current assets			
Debtors	15	1,733,051	1,706,332
Cash at bank and in hand		5,519,286	3,689,910
		<u>7,252,337</u>	<u>5,396,242</u>
Creditors: amounts falling due within one year	16	(2,153,762)	(1,905,195)
Net current assets		5,098,575	3,491,047
Total assets less current liabilities		<u>28,139,522</u>	<u>22,746,715</u>
Creditors: amounts falling due after more than one year	17	(969)	(1,615)
Net assets excluding pension liability		28,138,553	22,745,100
Defined benefit pension scheme liability	27	(13,386,000)	(7,843,000)
Total net assets		<u><u>14,752,553</u></u>	<u><u>14,902,100</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	24,423,835	20,057,733
Restricted income funds	18	1,731,261	918,296
		<u>26,155,096</u>	<u>20,976,029</u>
Restricted funds excluding pension asset	18	26,155,096	20,976,029
Pension reserve	18	(13,386,000)	(7,843,000)
Total restricted funds	18	12,769,096	13,133,029
Unrestricted income funds	18	1,983,457	1,769,071
Total funds		<u><u>14,752,553</u></u>	<u><u>14,902,100</u></u>

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08980079

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements on pages 35 to 77 were approved by the Trustees, and authorised for issue on
21 December 2021 and are signed on their behalf, by:



Mr. Michael John Ford
Trustee

The notes on pages 40 to 77 form part of these financial statements.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,299,606	556,602
Cash flows from investing activities	22	314,367	853,530
Cash flows from financing activities	21	215,403	63,137
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		1,829,376	1,473,269
Cash and cash equivalents at the beginning of the year		3,689,910	2,216,641
Cash and cash equivalents at the end of the year	23, 24	<hr/> 5,519,286 <hr/>	<hr/> 3,689,910 <hr/>

The notes on pages 40 to 77 form part of these financial statements

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. 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.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Derby Diocesan Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Company Status

The Academy Trust is a company limited by guarantee. The Academy Trust is incorporated in England & Wales, registered number 08980079. The registered office is Top Floor, Unit 3 Endcliffe Mount Deepdale Business Park, Ashford Road, Bakewell, United Kingdom, DE45 1GT. The members of the company are named on page 1. In the event of The Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of The Academy Trust.

1.3 GOING CONCERN

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

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 INCOME

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

- **Grants**

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

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

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

- **Sponsorship income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable (where there are no performance-related conditions) where receipt is probable and it can be measured reliably.

- **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.

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

- **Other income**

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

- **Transfer on conversion**

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

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 INCOME (CONTINUED)

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

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

1.5 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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

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

1.6 INTEREST RECEIVABLE

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

1.7 TAXATION

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

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

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.8 TANGIBLE FIXED ASSETS

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

Leasehold Land	- Over the term of the lease
Leasehold Property	- 2% (straight line)
Leasehold Improvements	- 2% (straight line)
Furniture and equipment	- 10% (straight line)
Computer equipment	- 25% (straight line)

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.

The leasehold land and buildings at Newbold CfE VA Primary School, Bishop Lonsdale CfE Primary School, Walter Evans Church of England Aided Primary School, Christ Church CE Primary School, Darley Churchtown Church of England Primary School, St Giles CofE Primary School, St George's CofE Primary School, Firs Primary School, St Chad's CofE (VC) Nursery and Infant School, Woodthorpe CofE Primary School, St Peter's Church of England Aided Junior School, Bakewell CofE Infant School, Bishop Purglove CofE (A) Primary School and St James' Church of England Aided Junior School are owned by The Derby Diocesan Board of Education. The Trustees of The Derby Diocesan Board of Education have granted the Academy, via a supplemental agreement, the right to use the land and buildings for educational purposes indefinitely. The buildings have therefore been treated as long leasehold property. The land has not been depreciated as there is no cessation date for occupancy. This policy also applies to the land only at Hardwick Primary School, the school building was granted under an existing PFI scheme.

The playing fields are owned by The Derbyshire County Council and have been leased to Walter Evans Church of England Aided Primary School under a 125 year lease agreement.

1.9 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.10 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation. 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.

1.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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.

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 16 and 17. 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.

The LGPS pension deficit is recognised at its net present value at each balance sheet date and is based on an annual actuarial valuation. The key judgements in performing this valuation can be found in note 1.14.

1.13 OPERATING LEASES

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

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.14 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 and assets are held separately from those of the Academy Trust.

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. The 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.

1.15 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Bakewell CofE Infant School, Bishop Pursglove CofE (A) Primary School and St James' Church of England Aided Junior School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.16 FUND ACCOUNTING

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

For valuation of the land and buildings in relation to converted academies, the Trust intended to use the desktop valuations provided by the Department for Education (DfE), however these are not available at the date of signing the audit report. Therefore, where an academy trust occupies premises on a long lease, in order to determine an appropriate fair value for the asset on acquisition an estimate is made using insurance values and other Local Authority school values on a £/sqm basis together with other factors such as condition of the building. The trust believes this method provides a reasonable and reliable estimate of the current value.

Critical areas of judgment:

There are no critical judgements which would have a material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
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	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
DONATIONS				
Donated fixed assets	-	-	3,800,000	3,800,000
Budget surplus on LA and School funds	215,403	-	-	215,403
Defined benefit pension scheme deficit	-	(1,083,000)	-	(1,083,000)
TRANSFER FROM LOCAL AUTHORITY ON CONVERSION	215,403	(1,083,000)	3,800,000	2,932,403
Other donations	6,308	10,964	128,000	145,272
Capital Grants	-	-	1,387,324	1,387,324
	6,308	10,964	1,515,324	1,532,596
	221,711	(1,072,036)	5,315,324	4,464,999

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
DFE/ESFA GRANTS			
General Annual Grant	-	17,406,398	17,406,398
OTHER DFE/ESFA GRANTS			
Pupil Premium Grant	-	1,590,375	1,590,375
Teachers Pay and Pension Grant	-	752,401	752,401
UFSM	-	330,458	330,458
Other DfE Group Grants	-	696,501	696,501
	-	20,776,133	20,776,133
OTHER GOVERNMENT GRANTS			
Local Authority Grants - SEN Funding	-	713,926	713,926
Local Authority Grants - Early Years Funding	-	428,000	428,000
Local Authority Grants - Other	-	160,140	160,140
	-	1,302,066	1,302,066
Other income from the Academy Trust's funding for educational operations	318,967	-	318,967
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Catch-up Premium	-	310,148	310,148
	-	310,148	310,148
	318,967	22,388,347	22,707,314

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding (DFE/ESFA)".

The academy received £310,148 of funding for catch-up premium and costs incurred in respect of this funding totalled £310,148.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the Academy Trust's educational operations (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
DFE/ESFA GRANTS			
General Annual Grant	-	13,593,254	13,593,254
OTHER DFE/ESFA GRANTS			
Pupil Premium Grant	-	1,321,226	1,321,226
Teachers Pay and Pension Grant	-	511,679	511,679
UFSM	-	319,013	319,013
Other DfE Group grants	-	631,292	631,292
	-	16,376,464	16,376,464
OTHER GOVERNMENT GRANTS			
Local Authority Grants - SEN Funding	-	489,885	489,885
Local Authority Grants - Early Years Funding	-	482,372	482,372
Local Authority Grants - Other	-	82,301	82,301
	-	1,054,558	1,054,558
Other income from the Academy Trust's funding for educational operations	359,086	-	359,086
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Other DfE/ESFA COVID-19 funding	-	7,997	7,997
	-	7,997	7,997
	359,086	17,439,019	17,798,105

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

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NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
School improvement service income	95,850	-	95,850
Day care income	62,422	-	62,422
Other income	226,350	192,350	418,700
Out of school club	185,597	-	185,597
Consultancy income	123,353	-	123,353
TOTAL 2021	693,572	192,350	885,922

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
School improvement service income	122,020	-	122,020
Day care income	68,426	-	68,426
Other income	133,662	224,576	358,238
Out of school club	186,048	-	186,048
Consultancy income	138,341	-	138,341
TOTAL 2020	648,497	224,576	873,073

6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Interest receivable	430	430

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

6. Investment income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Interest receivable	1,777	1,777

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Funding for educational operations:				
Direct costs	14,494,898	915,269	1,007,369	16,417,536
Support costs	4,286,384	1,714,625	1,996,558	7,997,567
Other incoming resources:				
Support costs	-	-	696,109	696,109
	<u>18,781,282</u>	<u>2,629,894</u>	<u>3,700,036</u>	<u>25,111,212</u>

	<i>Staff Costs 2020 £</i>	<i>Premises 2020 £</i>	<i>Other 2020 £</i>	<i>Total 2020 £</i>
Funding for educational operations:				
Direct costs	11,298,394	351,883	862,034	12,512,311
Support costs	3,333,118	1,330,181	1,623,063	6,286,362
Other incoming resources:				
Support costs	-	-	521,898	521,898
	<u>14,631,512</u>	<u>1,682,064</u>	<u>3,006,995</u>	<u>19,320,571</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Funding for educational operations	16,417,536	7,997,567	24,415,103
Other incoming resources	-	696,109	696,109
	<u>16,417,536</u>	<u>8,693,676</u>	<u>25,111,212</u>

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Funding for educational operations	12,512,311	6,286,362	18,798,673
Other incoming resources	-	521,898	521,898
	<u>12,512,311</u>	<u>6,808,260</u>	<u>19,320,572</u>

Analysis of support costs

	Funding for educational operations 2021 £	Other incoming resources 2021 £	Total funds 2021 £
Staff costs	4,286,384	-	4,286,384
Technology costs	329,437	-	329,437
Maintenance of premises and equipment	1,752,638	-	1,752,638
Other support costs	1,569,933	696,109	2,266,042
Governance costs	38,156	-	38,156
Legal costs	21,019	-	21,019
	<u>7,997,567</u>	<u>696,109</u>	<u>8,693,676</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charitable company's activities. These costs will include any employee benefits for governorship, the cost of charity employees involved in meetings with governors, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

	<i>Funding for educational operations 2020 £</i>	<i>Other incoming resources 2020 £</i>	<i>Total funds 2020 £</i>
Staff costs	3,333,118	-	3,333,118
Technology costs	237,682	-	237,682
Maintenance of premises and equipment	1,330,181	-	1,330,181
Other support costs	1,332,260	521,898	1,854,158
Governance costs	39,306	-	39,306
Legal costs	13,815	-	13,815
	<u>6,286,362</u>	<u>521,898</u>	<u>6,808,260</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Depreciation of tangible fixed assets: owned by charity	915,269	351,883
Auditor's remuneration - audit	20,250	17,650
Auditor's remuneration - other services	5,575	4,750
Operating lease rentals	361,390	339,848

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	12,848,462	10,254,429
Social security costs	1,200,149	941,605
Pension costs	4,029,928	3,179,703
	<u>18,078,539</u>	<u>14,375,737</u>
Agency staff costs	702,743	252,756
Staff restructuring costs	-	3,019
	<u><u>18,781,282</u></u>	<u><u>14,631,512</u></u>

Staff restructuring costs comprise:

	2021 £	2020 £
Severance payments	-	3,019
	<u>-</u>	<u>3,019</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2020: £3,019).

c. Staff numbers

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

	2021 No.	2020 No.
Teachers	330	274
Support	234	198
Management	44	40
	<u>608</u>	<u>512</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. Staff (continued)

d. Higher paid staff

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

	2021	<i>2020</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	7	<i>5</i>
In the band £70,001 - £80,000	8	<i>3</i>
In the band £80,001 - £90,000	-	<i>1</i>
In the band £90,001 - £100,000	1	<i>-</i>
In the band £100,001 - £110,000	2	<i>1</i>
In the band £120,001 - £130,000	-	<i>1</i>
In the band £140,001 - £150,000	1	<i>-</i>
	=====	<i>=====</i>

The employees included above have participated in the teachers pension scheme, employer contributions in the year totalled £245,218 (2020: £177,218).

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £183,717 (2020 £153,387).

Within the year the central trust management team also included consultancy operational management by Richard Wetherall. The cost for these services totalled £42,240 (2020: £42,240).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. Central services

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

- Management Services
- Legal Services
- Education support services
- Maintenance and admin support services
- Finance and accounts support

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

Flat percentage of GAG income (2 to 6%).

Any surplus generated is held as contingency reserve for use in future periods.

The actual amounts charged during the year were as follows:

	2021 £	2020 £
Bishop Lonsdale Church of England Aided Primary School and Nursery	45,808	42,247
Newbold Church of England VA Primary School	45,315	39,804
Walter Evans Church of England Aided Primary School	74,062	60,966
Christ Church CE Primary School	40,894	39,181
Darley Churchtown Church of England Primary School	19,236	21,611
Firs Primary School	111,403	102,435
Hardwick Primary School	53,048	48,330
St George's Church of England Primary School	34,102	32,442
St Giles Church of England Primary School	64,601	64,799
Derby Cathedral School	140,200	91,140
St Chad's CofE (VC) Nursery and Infant School	30,352	30,938
Woodthorpe CofE Primary School	28,089	26,752
St Peter's Church of England Aided Junior School	59,303	26,984
Bakewell CofE Infant School	14,985	-
Bishop Purglove CofE (A) Primary School	21,020	-
St James' Church of England Aided Junior School	41,809	-
TOTAL	824,227	627,629

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NOTES TO THE FINANCIAL STATEMENTS
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12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021	2020
		£	£
Mr. Declan McCauley, Acting CEO (resigned 20 March 2020)	Remuneration	0	45,000 - 50,000
	Pension contributions paid	0	0 - 5,000
Mr. Mark Mallender, Chief Executive	Remuneration	145,000 - 150,000	120,000 - 125,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000

The trustee noted above is paid on a single contract through Derby Diocesan Academy Trust. The cost is split equally between Derby Diocesan Academy Trust and Derby Diocesan Academy Trust 2 via a recharge for work undertaken on behalf of both Trusts.

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

13. Trustees' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Tangible fixed assets

	Long-term leasehold property £	Short-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2020	19,273,000	542,450	260,380	594,369	20,670,199
Additions	-	347,093	45,792	510,240	903,125
On acquisition of subsidiaries	3,800,000	-	-	-	3,800,000
Disposals	-	-	(7,890)	-	(7,890)
At 31 August 2021	23,073,000	889,543	298,282	1,104,609	25,365,434
DEPRECIATION					
At 1 September 2020	1,116,395	57,596	55,004	185,536	1,414,531
Charge for the year	434,196	18,047	84,199	374,434	910,876
On disposals	-	-	(920)	-	(920)
Transfers between classes	30,000	(30,000)	-	-	-
At 31 August 2021	1,580,591	45,643	138,283	559,970	2,324,487
NET BOOK VALUE					
At 31 August 2021	21,492,409	843,900	159,999	544,639	23,040,947
At 31 August 2020	18,156,605	484,854	205,376	408,833	19,255,668

15. Debtors

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	130,002	98,268
Other debtors	330,693	1,045
Prepayments and accrued income	906,078	1,085,110
VAT recoverable	366,278	521,909
	1,733,051	1,706,332

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Other loans (see note 17)	1,615	1,615
Trade creditors	833,058	669,330
Other taxation and social security	298,343	241,728
Other creditors	316,041	376,028
Accruals and deferred income	704,705	616,494
	<u>2,153,762</u>	<u>1,905,195</u>
	2021 £	2020 £
Deferred income at 1 September 2020	325,948	328,458
Resources deferred during the year	382,303	325,948
Amounts released from previous periods	(325,948)	(328,458)
	<u>382,303</u>	<u>325,948</u>

At the balance sheet date the Academy Trust is holding amounts within deferred income in respect of grants received in advance for Nursery funding, universal infant free school meals, rates, trips and local authority funding.

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

	2021 £	2020 £
Other loans	969	1,615

During 2015, Newbold C of E Primary School received a £5,168 Salix loan from the ESFA as part of funding for capital works. The loan is at 0% interest and will be repaid over an 8 year period in £323 instalments every 6 months from 1 March 2016.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
UNRESTRICTED FUNDS						
General Funds - all funds	1,769,071	1,234,680	(696,915)	(323,379)	-	1,983,457
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	918,296	17,406,398	(16,951,525)	358,092	-	1,731,261
Pupil premium	-	1,590,375	(1,590,375)	-	-	-
Local authority grants	-	1,302,066	(1,302,066)	-	-	-
Other restricted income	-	203,314	(203,314)	-	-	-
UIFSM	-	330,458	(330,458)	-	-	-
Other DfE Group grants	-	696,501	(696,501)	-	-	-
Teachers Pay and Pension grant	-	752,401	(752,401)	-	-	-
COVID-19 Catch up premium	-	310,148	(310,148)	-	-	-
Pension reserve	(7,843,000)	(1,083,000)	(1,363,000)	-	(3,097,000)	(13,386,000)
	(6,924,704)	21,508,661	(23,499,788)	358,092	(3,097,000)	(11,654,739)

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

**RESTRICTED
FIXED ASSET
FUNDS**

Fixed assets	19,255,668	3,928,000	(914,509)	771,788	-	23,040,947
DfE/ESFA capital grants	-	128,716	-	(128,716)	-	-
School Capital Allocation	783,336	1,046,268	-	(499,608)	-	1,329,996
Other capital donation	18,729	(14,665)	-	-	-	4,064
Project management capital donation	-	227,005	-	(184,135)	-	42,870
School Nurseries Capital Fund	-	-	-	5,958	-	5,958
	<u>20,057,733</u>	<u>5,315,324</u>	<u>(914,509)</u>	<u>(34,713)</u>	<u>-</u>	<u>24,423,835</u>
TOTAL RESTRICTED FUNDS	<u>13,133,029</u>	<u>26,823,985</u>	<u>(24,414,297)</u>	<u>323,379</u>	<u>(3,097,000)</u>	<u>12,769,096</u>
TOTAL FUNDS	<u>14,902,100</u>	<u>28,058,665</u>	<u>(25,111,212)</u>	<u>-</u>	<u>(3,097,000)</u>	<u>14,752,553</u>

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

- | | | |
|----|------------------------------|-------------------------------------------------------------------------------------------------------|
| 1) | General Annual Grant: | this must be used for the normal running costs of the Academy Trust. |
| 2) | Other DfE/ESFA Grant: | this fund relates to other grants received which must be used for the purposes intended. |
| 3) | Other restricted: | this fund relates to all other restricted funds received which must be used for the purpose intended. |
| 4) | Restricted fixed asset fund: | this fund relates to resources which must be applied for specific capital purposes intended. |

Transfers between funds represent capital expenditure from funds other than the restricted fixed asset fund and reclassifications of certain funds between restricted and unrestricted.

The difference between the fixed asset note and the restricted fixed asset funds represents unspent capital funding.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Statement of funds (continued)

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

	<i>Balance at 1 September 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2020</i>
	£	£	£	£	£	£
UNRESTRICTED FUNDS						
General Funds - all funds	1,416,292	1,072,497	(521,898)	(197,820)	-	1,769,071
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	247,517	13,593,254	(13,313,335)	390,860	-	918,296
Pupil premium	-	1,321,226	(1,321,226)	-	-	-
Local authority grants	-	1,054,558	(1,054,558)	-	-	-
Other DfE Group grants	-	631,292	(631,292)	-	-	-
Other restricted income	-	241,693	(241,693)	-	-	-
UIFSM	-	319,013	(319,013)	-	-	-
COVID-19 funding	-	7,997	(7,997)	-	-	-
Teachers Pay and pension grant	-	511,679	(511,679)	-	-	-
Pension reserve	(6,411,000)	(577,000)	(1,046,000)	-	191,000	(7,843,000)
	(6,163,483)	17,103,712	(18,446,793)	390,860	191,000	(6,924,704)

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

**RESTRICTED FIXED
ASSET FUNDS**

Fixed assets	17,191,719	2,220,000	(351,881)	195,830	-	19,255,668
DfE/ESFA capital grants	-	119,633	-	(119,633)	-	-
Conditional improvement fund	143,350	-	-	(143,350)	-	-
School Capital Allocation	-	909,223	-	(125,887)	-	783,336
Other capital donation	-	18,729	-	-	-	18,729
	<u>17,335,069</u>	<u>3,267,585</u>	<u>(351,881)</u>	<u>(193,040)</u>	<u>-</u>	<u>20,057,733</u>
TOTAL RESTRICTED FUNDS	<u>11,171,586</u>	<u>20,371,297</u>	<u>(18,798,674)</u>	<u>197,820</u>	<u>191,000</u>	<u>13,133,029</u>
TOTAL FUNDS	<u><u>12,587,878</u></u>	<u><u>21,443,794</u></u>	<u><u>(19,320,572)</u></u>	<u><u>-</u></u>	<u><u>191,000</u></u>	<u><u>14,902,100</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021 £	2020 £
Bishop Lonsdale C of E Primary School	121,786	89,081
Newbold Church of England Primary School	118,891	110,299
Walter Evans Church of England Aided Primary School	138,391	212,018
Christ Church CE Primary School	280,121	241,017
Darley Churchtown Church of England Primary School	96,492	60,566
Firs Primary School	509,426	365,209
Hardwick Primary School	613,648	554,230
St George's Church of England Primary School	149,981	120,616
St Giles Church of England Primary School	15,234	51,524
Derby Cathedral School	545,181	407,282
St Chad's CofE (VC) Nursery and Infant School	224,875	130,013
Woodthorpe coFE Primary School	160,799	140,458
St Peter's Church of England Aided Junior School	162,352	30,500
Trust	315,366	174,554
Bakewell CofE Infant School	115,491	-
Bishop Purglove CofE (A) Primary School	10,018	-
St James' Church of England Aided Junior School	136,666	-
Total before fixed asset funds and pension reserve	3,714,718	2,687,367
Restricted fixed asset fund	24,423,835	20,057,733
Pension reserve	(13,386,000)	(7,843,000)
TOTAL	14,752,553	14,902,100

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18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2021 £
Bishop Lonsdale C of E Primary School	784,234	141,722	24,387	254,084	1,204,427
Newbold Church of England Primary School	849,317	85,699	45,086	296,596	1,276,698
Walter Evans Church of England Aided Primary School	1,370,753	248,539	35,553	425,406	2,080,251
Christ Church CE Primary School	640,420	93,417	23,890	286,327	1,044,054
Darley Churchtown Church of England Primary School	279,114	47,900	4,051	125,899	456,964
Firs Primary School	1,429,111	262,266	33,117	584,032	2,308,526
Hardwick Primary School	2,376,175	291,549	59,698	870,483	3,597,905
St George's Church of England Primary School	486,096	93,055	10,243	177,492	766,886
St Giles Church of England Primary School	1,203,686	179,602	36,111	318,869	1,738,268
Derby Cathedral School	2,280,515	306,382	70,488	694,603	3,351,988
St Chad's CofE (VC) Nursery and Infant School	443,889	84,616	11,569	180,740	720,814
Woodthorpe coFE Primary School	411,708	93,161	15,305	153,369	673,543
St Peter's Church of England Aided Junior School	735,720	118,944	13,438	211,334	1,079,436
Bakewell CofE Infant School	188,476	51,966	3,361	98,564	342,367
Bishop Pursglove CofE (A) Primary School	331,562	66,015	8,798	142,588	548,963
St James' Church of England Aided Junior School	642,067	103,357	7,086	159,175	911,685
Trust	42,055	2,018,194	-	37,312	2,097,561
ACADEMY TRUST	14,494,898	4,286,384	402,181	5,016,873	24,200,336

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	<i>Teaching and educational support staff costs £</i>	<i>Other support staff costs £</i>	<i>Educational supplies £</i>	<i>Other costs excluding depreciation £</i>	<i>Total 2020 £</i>
Bishop Lonsdale C of E Primary School	735,820	148,554	15,680	175,085	1,075,139
Newbold Church of England Primary School	742,344	77,670	30,343	230,820	1,081,177
Walter Evans Church of England Aided Primary School	1,234,247	245,450	12,214	286,577	1,778,488
Christ Church CE Primary School	566,224	76,860	14,970	251,690	909,744
Darley Churchtown Church of England Primary School	285,951	48,216	5,804	108,618	448,589
Firs Primary School	1,345,641	248,629	35,286	386,379	2,015,935
Hardwick Primary School	2,095,769	303,522	56,388	650,257	3,105,936
St George's Church of England Primary School	475,557	104,462	8,073	125,212	713,304
St Giles Church of England Primary School	1,101,461	173,249	36,985	256,943	1,568,638
Derby Cathedral School	1,425,448	163,422	44,723	312,082	1,945,675
St Chad's CofE (VC) Nursery and Infant School	478,270	80,063	4,287	138,233	700,853
Woodthorpe coFE Primary School	397,242	94,130	6,802	121,098	619,272
Trust	385,901	68,220	2,809	83,010	539,940
Central services	28,519	1,500,671	-	936,811	2,466,001
ACADEMY TRUST	11,298,394	3,333,118	274,364	4,062,815	18,968,691

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	23,040,947	23,040,947
Current assets	4,138,188	1,731,261	1,382,888	7,252,337
Creditors due within one year	(2,153,762)	-	-	(2,153,762)
Creditors due in more than one year	(969)	-	-	(969)
Provisions for liabilities and charges	-	(13,386,000)	-	(13,386,000)
TOTAL	1,983,457	(11,654,739)	24,423,835	14,752,553

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	19,255,668	19,255,668
Current assets	3,675,881	918,296	802,065	5,396,242
Creditors due within one year	(1,905,195)	-	-	(1,905,195)
Creditors due in more than one year	(1,615)	-	-	(1,615)
Provisions for liabilities and charges	-	(7,843,000)	-	(7,843,000)
TOTAL	1,769,071	(6,924,704)	20,057,733	14,902,100

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	2,947,453	2,123,222
ADJUSTMENTS FOR:		
Depreciation charges	910,876	351,883
Loss on disposal of fixed assets	6,970	-
(Increase)/decrease in debtors	(26,719)	(734,559)
Increase/(decrease) in creditors	247,921	525,555
Capital grants from DfE and other capital income	(1,217,062)	(1,047,585)
Defined benefit pension scheme obligation inherited on conversion	1,083,000	577,000
Defined benefit pension scheme cost less contributions payable	1,207,000	910,000
Defined benefit pension scheme finance cost	156,000	136,000
Donated fixed assets on conversion	(3,800,000)	(2,220,000)
Donations of budget surpluses on local authority and school funds on conversion	(215,403)	(63,137)
Interest receivable	(430)	(1,777)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,299,606	556,602

21. Cash flows from financing activities

	2021 £	2020 £
Donations of budget surpluses on local authority and school funds on conversion	215,403	63,137
NET CASH PROVIDED BY FINANCING ACTIVITIES	215,403	63,137

22. Cash flows from investing activities

	2021 £	2020 £
Purchase of tangible fixed assets	(903,125)	(195,832)
Capital grants from DfE Group	1,217,062	1,047,585
Interest received	430	1,777
NET CASH PROVIDED BY INVESTING ACTIVITIES	314,367	853,530

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	5,519,286	3,689,910
TOTAL CASH AND CASH EQUIVALENTS	5,519,286	3,689,910

24. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	3,689,910	1,829,376	5,519,286
Debt due within 1 year	(1,615)	-	(1,615)
Debt due after 1 year	(1,615)	646	(969)
	3,686,680	1,830,022	5,516,702

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NOTES TO THE FINANCIAL STATEMENTS
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25. Conversion to an academy trust

On 1 September 2020 Bakewell CofE Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Derby Diocesan Academy Trust from Derbyshire County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	950,000	950,000
Cash - representing budget surplus on LA funds	62,384	-	-	62,384
LGPS pension deficit	-	(466,000)	-	(466,000)
NET ASSETS/(LIABILITIES)	62,384	(466,000)	950,000	546,384

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NOTES TO THE FINANCIAL STATEMENTS
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25. Conversion to an academy trust (continued)

On 1 September 2020 Bishop Pursglove CofE (A) Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Derby Diocesan Academy Trust from Derbyshire County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	1,350,000	1,350,000
Cash - representing budget surplus on LA funds	10,921	-	-	10,921
LGPS pension deficit	-	(617,000)	-	(617,000)
NET ASSETS/(LIABILITIES)	10,921	(617,000)	1,350,000	743,921

On 1 March 2021 St James' Church of England Aided Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Derby Diocesan Academy Trust from Derby County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	1,500,000	1,500,000
Cash - representing budget surplus on LA funds	142,098	-	142,098
NET ASSETS	142,098	1,500,000	1,642,098

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NOTES TO THE FINANCIAL STATEMENTS
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26. Capital commitments

At 31 August 2021 the Academy Trust had capital commitments as follows:

	2021 £	2020 £
Contracted for but not provided for in these financial statements	141,102	-

27. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Derbyshire Pension Fund. 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 £310,350 were payable to the schemes at 31 August 2021 (2020 - £241,622) and are included within creditors.

Teachers' Pension Scheme

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

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

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27. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,713,593 (2020 - £1,364,645).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £1,152,631 (2020 - £1,026,518), of which employer's contributions totalled £892,805 (2020 - £810,773) and employees' contributions totalled £ 259,826 (2020 - £215,745). The agreed contribution rates for future years are 21 per cent for employers and 5.50 per cent for employees.

As described in note 25 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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.

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27. Pension commitments (continued)

Principal actuarial assumptions

	2021	<i>2020</i>
	%	%
Discount rate for scheme liabilities	1.65	<i>1.70</i>
Rate of increase in salaries	3.60	<i>2.90</i>
Rate of increase for pensions in payment/inflation	2.90	<i>2.20</i>

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

	2021	<i>2020</i>
	Years	Years
<i>Retiring today</i>		
Males	21.3	<i>21.6</i>
Females	23.9	<i>23.7</i>
<i>Retiring in 20 years</i>		
Males	22.5	<i>22.6</i>
Females	25.8	<i>25.1</i>

Sensitivity analysis on scheme obligations

	2021	<i>2020</i>
	£000	£000
Discount rate +0.1%	25,660	<i>13,977</i>
Discount rate -0.1%	27,026	<i>18,355</i>
Salary increase rate +0.1%	26,408	<i>16,399</i>
Salary increase rate -0.1%	26,278	<i>15,933</i>
Pension increase rate +0.1%	26,950	<i>18,082</i>
Pension increase rate -0.1%	25,736	<i>14,250</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Pension commitments (continued)

Share of scheme assets

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

	2021 £	2020 £
Equities	8,422,000	5,160,000
Bonds	2,980,000	1,914,000
Property	907,000	666,000
Cash and other liquid assets	648,000	583,000
TOTAL MARKET VALUE OF ASSETS	12,957,000	8,323,000

The actual return on scheme assets was £1,748,000 (2020 - £29,000).

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

	2021 £	2020 £
Current service cost	2,103,000	1,644,000
Interest cost	156,000	136,000
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	2,259,000	1,780,000

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

	2021 £	2020 £
At 1 September	16,166,000	13,459,000
Transferred in on academies joining the trust	2,892,000	982,000
Current service cost	2,103,000	1,644,000
Interest cost	324,000	282,000
Employee contributions	261,000	208,000
Actuarial losses/(gains)	4,677,000	(308,000)
Benefits paid	(80,000)	(101,000)
AT 31 AUGUST	26,343,000	16,166,000

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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:

	2021 £	2020 £
At 1 September	8,323,000	7,048,000
Transferred in on academies joining the trust	1,809,000	405,000
Interest income	168,000	146,000
Actuarial gains/(losses)	1,580,000	(117,000)
Employer contributions	896,000	734,000
Employee contributions	261,000	208,000
Benefits paid	(80,000)	(101,000)
AT 31 AUGUST	12,957,000	8,323,000

28. Operating lease commitments

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

	2021 £	2020 £
Not later than 1 year	375,437	361,390
Later than 1 year and not later than 5 years	1,536,278	1,479,088
Later than 5 years	1,213,632	1,594,842
	3,125,347	3,435,320

The charitable company is committed to funding payments under the PFI Scheme for Hardwick Primary School. Separate funding is received from the ESFA towards these costs which have been included in the commitment above.

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

Part of the leasehold land is held by the Derby Diocesan Trustees registered as custodians for the beneficial users of the land - Bishop Lonsdale Church of England Aided Primary School and Nursery, Newbold CofE VA Primary School, Walter Evans Church of England Aided Primary School, Christ Church CE Primary School, Darley Churchtown Church of England Primary School, St Giles Church of England Primary School, St George's CofE Primary School, Firs Primary School, Hardwick Primary School, St Chad's CofE Infant School, Woodthorpe CofE Primary School, St Peter's Church of England Aided Junior School, Bakewell CofE Infant School, Bishop Pursglove CofE (A) Primary School and St James' Church of England Aided Junior School constituent Academies in the Derby Diocesan Academy Trust. The Derby Diocesan Trustees have granted the Academies, via a supplemental agreement, the right to use the land for educational purposes indefinitely. However, The Derby Diocesan Trustees may give not less than two years written notice to the Company and the Secretary of State to terminate this supplemental agreement.

Derby Diocesan Academy Trust and Derby Diocesan Academy Trust 2 are related parties due to them having the same Members and Trustees. Amounts due from the Derby Diocesan Academy Trust 2 at 31 August 2021 was £322,978 (2020: amount owed to £126,278).

31. Controlling party

The Derby Diocesan Academy Trust is an autonomous body, financed mainly by public funding and files separate entity accounts.

The Academy's sponsor, The Diocesan Board of Education, has the power to appoint Governors to the board of the Academy Trust.