

DERBY DIOCESAN ACADEMY TRUST

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

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DERBY DIOCESAN ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs. Anne Martin (resigned 1 November 2022)
The Derby Diocesan Board of Education
The Diocesan Bishop of Derby, The Rt Revd Libby Lane
The Diocesan Director of Education (DDE) for Derby, Carolyn Lewis (appointed 7 September 2021)
Acting, The Diocesan Secretary Derby Diocesan Board of Finance, Martyn Marples (appointed 24 May 2022)
The Diocesan Secretary Derby Diocesan Board of Finance - Kathryn Godfrey (resigned 24 May 2022)
The Diocesan Director of Education (DDE) for Derby, Linda Wainscott (resigned 1 September 2021)

Trustees

Mr. Michael John Ford (resigned 16 September 2022)
Archdeacon Carol Coslett (previously of Chesterfield, now Derbyshire Peak and Dales from June 22)
Mr. Mark Mallender, Chief Executive (resigned 14 November 2022)
Dr. Sarah Hardman Charles, Chair
Ms. Sheila Mary Lock (resigned 30 June 2022)
Ms. Holly Gasgoine (resigned 31 May 2022)
Mrs Linda Wainscot (resigned 1 September 2021)
Mr. Mark Richard Emly (appointed 19 May 2022)
Mr. Michael John Holt (appointed 19 May 2022)
Ms. Harjinder Kaur (appointed 13 July 2022)
Mr. Christopher Justin Wilson (appointed 19 May 2022)

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

Interim Chief Executive Officer and Accounting Officer

Mr. Declan McCauley

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Senior management team

Mrs. Hayley Wharton, Chief Operating Officer
Mr. Patrick Mosley, Interim Chief Finance Officer
Mr. Declan McCauley, Interim Chief Executive Officer
Mrs. Jackie Stirland, Interim Head of School Improvement

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 2022

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the Charitable Company for the year 1 September 2021 to 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report, and a directors' report under company law.

The Multi-Academy Trust operates 16 primary academies and 1 secondary academy for pupils aged up to 16 years old serving the Derbyshire catchment area. The 17 academies are, Bishop Lonsdale CE Primary School and Nursery, Newbold CE Primary School, Walter Evans CE Primary School, Christ Church CE Primary School, 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, St Peter's C of E Aided Junior School, Bakewell CE Infant School, Bishop Pursglove CE Primary School, St James' CE Junior School and Sale and Davys CE Primary School. The Multi-Academy Trust has a pupil capacity of 4558 and had a roll of 4206 in the school census on October 2021.

Between DDAT and DDAT2 there is an agreed strategy for doubling the size of the consolidated trust in the next 4 years, with the strategic plan outlining the phased approach. The growth plan has been included in the plans for future periods section.

The inception of a 'regional hub' model last year has developed and ensures appropriate levels of responsibility and accountability are maintained as the number of schools grow.

Investment in resources has been undertaken with an increase to staffing with a Central School Business Manager brought into the trust within the year. In addition, finance support and training has been provided to all schools to assist in 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 Trust faced the challenge of a change in personnel to two of the senior roles within the central team. The positions of Chief Financial Officer and Chief Operations Officer were previously outsourced to AMF, with both roles now being employed in-house providing stability for the Trust and compliance with the Academy Trust Handbook.

The growth within the trust has enabled the appointment of additional central team staff. Additional financial support has supported the trust with capacity for school improvement and HR administration.

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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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

In line with the DDAT executive pay policy, all central posts are externally benchmarked by the HR function across the educational and public sectors and matched appropriately to the DDAT central pay structure, which is in line with NJC and Chief Officer scales. Key evidence and justification around the decision making, along with job description and personal specifications are recorded and maintained. The Trust is committed to providing remuneration that will attract and retain key employees whilst reflecting their experience and responsibilities in the Trust. The Board will discharge its responsibilities effectively whilst ensuring pay and benefits are transparent, proportionate, and justifiable.

Annual salary reviews will be in line with the DDAT executive pay policy or School Teachers Pay and Conditions document (STPCD) as appropriate and will be linked to performance and based on achievement of Key Performance Indicators ("KPIs") and the Trust's growth strategy.

Academy key management staff are appointed by the local governing board and Trust managers in line with STPCD and Derbyshire Pay policy. Job descriptions and personal specifications are evaluated against job family profiles and salary bandings are reviewed in line with the guidance within the STPCD.

Increments will only be awarded upon completion of a successful performance management review and where there is scope for an increment within the set banding of the role. Pay bands should only be reviewed, when there have been significant changes to the role, responsibilities or accountabilities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Diocese Board of Education chaired by the Rt Revd Malcolm McNaughton Bishop of Repton.

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 2022

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

OBJECTIVES AND ACTIVITIES (CONTINUED)

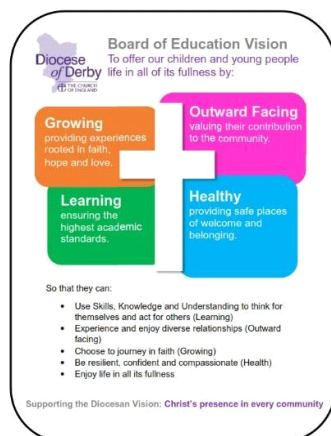
DDAT follow a number of guiding principles:

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

OBJECTIVES AND ACTIVITIES (CONTINUED)

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 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 does not produce an action plan to fit all Academies, but instead produces 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.
- 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 2022

OBJECTIVES AND ACTIVITIES (CONTINUED)

d. STRATEGIC REPORT

There were 12 eligible schools in DDAT at the time of the Key stage 2 tests.

Summary of outcomes for DDAT.



This data has been taken from FFT national data. Data show as a trust Key Stage 2 pupils' attainment and progress are generally in line with the national average. DDAT had a lower scaled score compared to the national average in reading and mathematics.



The impact of the COVID-19 pandemic can be seen in the dip in DDAT data in 2021. The data show the gap between DDAT and national data closing in 2022 due to the immense efforts of the teachers in the DDAT schools.

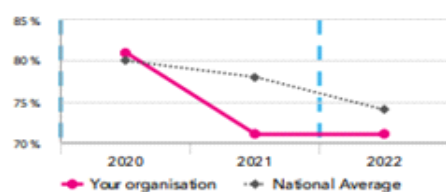
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

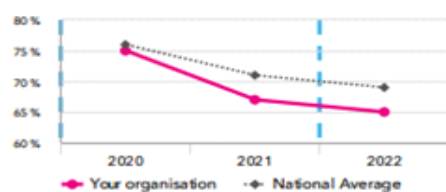
OBJECTIVES AND ACTIVITIES (CONTINUED)

Actual results over time

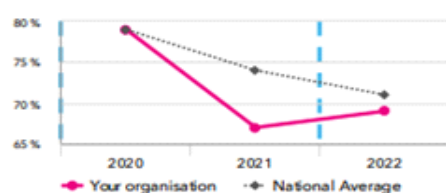
% Expected standard+ Reading



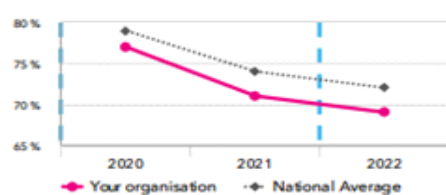
% Expected standard+ Writing



% Expected standard+ Maths



% Expected standard+ Grammar, Punctuation & Spelling



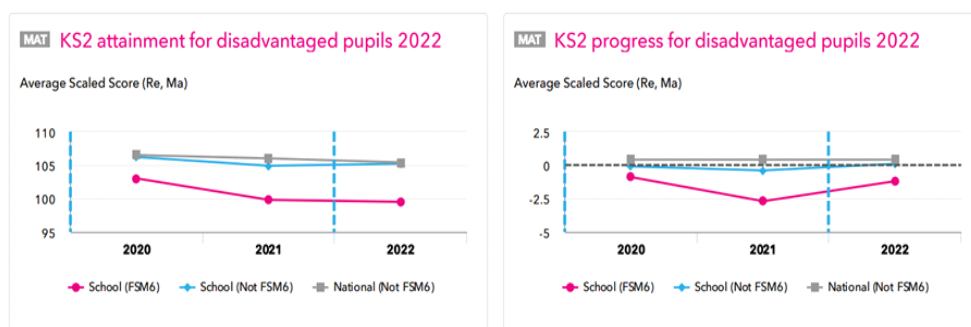
% Expected standard+ Science

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

OBJECTIVES AND ACTIVITIES (CONTINUED)

When data is broken down into subjects showing the proportion of pupils reaching the expected standard it shows the gap for DDAT schools compared to national is less than in the other subjects. Attainment is stronger in mathematics than the other subjects.



Disadvantaged pupils' attainment in reading and mathematics was similar to that in 2021. It is pleasing to see the progress gap is narrowing between disadvantaged non disadvantaged in school and all pupils nationally.

Attainment and progress across all current DDAT schools is generally in line with the national average. At the end of Key Stage 2 attainment is stronger in mathematics.

Academy Summary Reports

Bishop Lonsdale CE Primary and Nursery School

Leadership has been strengthened through the appointment of a new assistant headteacher who is having a strong impact on the quality of curriculum provided for pupils. Children get off to a good start in their education in the early years.

Christ Church CE Primary School

Pupils make good progress in their learning at this school. The nurture provision in school helps pupils to become successful in their learning.

Darley Churchtown CE Primary School

The school has recently moved to become a member of the Matlock and Dales Primary Partnership. There is now a full-time head of school working under the direction of a highly experienced executive headteacher.

Derby Cathedral School

Numbers continue to increase at this school on the new site. The building is amazing and preparations are being made to open a new sixth form next September. Year 11 exam results are eagerly awaited next summer.

Firs Primary School

Staff and pupils were delighted the school was judged as 'Good' by Ofsted when they were inspected at the end of last academic year. The school caters for pupils who speak a wide range of languages other than English.

Hardwick Primary School

The executive headteacher continues to support leadership capacity at St James' CofE Junior School in Derby city as well as St. Chads. The leaders have been working recently on strengthening subject leadership across the school. The school does much to support parents in the wider community.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

OBJECTIVES AND ACTIVITIES (CONTINUED)

Newbold CE Primary School

This school has recently undergone an Ofsted inspection which identified many strengths. The addition of the Nursery is making a big difference to the start the children get at the school. The recently introduced phonics scheme has improved the teaching of reading.

St Chad's CE Infant and Nursery School

This school continues to support many families within the inner-city Derby community. Children get off to a flying start to their education. The school staff care deeply for the pupils and are very nurturing in their approach.

St George's CE Primary School

School leaders were delighted to have many aspects of school judged as good by Ofsted in their previous inspection. Much work has been done on the building in the past year including new toilets.

St Giles CE Primary School, Killamarsh

At a recent Ofsted inspection, the school was judged to continue to be good. Leaders give selflessly of their time to support other schools across DDAT and DDAT2. Much is done to support children and families locally.

St Peter's CE Junior School

The head of school has been appointed as the headteacher and he has been joined by a new assistant headteacher. Together they are improving the quality of education well. The learning environment is bright and stimulating for pupils.

Sale and Davys CE Primary School

Since joining DDAT the school has benefitted from the support offered. There have been recent changes to the arrangements for special educational needs support which will benefit the school. Academic outcomes remain good.

Walter Evans CE Primary School

The executive headteacher is working to drive improvements at Walter Evans and Turnditch CofE Primary School. Walter Evans is effectively led and managed. Children get off to a good start when they join the Nursery which stands them in good stead for their time in the school.

Woodthorpe CE Primary School

The school continues to improve well. It is effectively led and managed. The quality of education provided in the school is of a high standard. The outdoor education area is well used by young children. Support for those pupils with special educational needs is effective.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

ACHIEVEMENTS AND PERFORMANCE

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 2022 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 2022, total expenditure of £30,298,454 (2021: £25,148,094) was covered by recurrent grant funding from the DfE together with other incoming resources. The in year deficit on free reserves was £1,884,674 (2021: £1,453,362). These figures exclude the deficit on the Local Government Pension Scheme (see note 27 to the accounts). At 31 August 2022 the net book value of fixed assets was £32,220,401 (2021: £7,100,274) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

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 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 2022 of £35,516,084 (2021: deficit £1,188,120).

This comprises of:

Restricted Funds deficit of £885,274 (2021: £11,654,739)

Unrestricted Funds of £2,607,935 (2021: £1,983,457)

Restricted Fixed Asset Funds of £33,793,423 (2021: £8,483,162)

Restricted Funds comprises:

£1,613,726 (2021: £1,731,261) general funds to support the academy's budget in 2020 21.

£2,499,000 (2021: £13,386,000) is the deficit on the defined benefit pension scheme.

The free reserves of the Academy Trust are £4,221,661 (2021: £3,714,718) at 31 August 2022. This represents approximately 2 months of the Trust's annual payroll costs plus contingency for capital spend and unexpected costs which is considered to be a reasonable level of reserves in the current economic climate.

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.

DERBY DIOCESAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

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 funding increases don't match the additional cost pressures on our budgets, mainly linked to staffing and energy costs.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

FUNDRAISING

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.

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 assets owned or operated within the UK only as defined by the operational control boundary. This includes all 17 schools controlled during the reporting period and minibuses along with the mandatory inclusion of scope 3 business travel in employee-owned or hire vehicles (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. Sale and Davys Church of England Primary School joined the Trust on 01/05/2022 however data for the entire reporting year has been included as this provides an annual comparison for total gross emissions and the intensity ratios.

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 2022 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, gas, and minibus diesel consumption were compiled from invoice records. Mileage claims were used to calculate energy use and emissions associated with 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).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STREAMLINED ENERGY AND CARBON REPORTING (CONTINUED)

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

	2022	<i>2021</i>
Energy consumption used to calculate emissions (kWh)	4,982,275	<i>4,222,404</i>
ENERGY CONSUMPTION BREAKDOWN (KWH):		
Gas	3,429,277	<i>3,149,389</i>
Electricity	1,546,693	<i>1,071,513</i>
Transport fuel	6,306	<i>1,503</i>
SCOPE 1 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):		
Gas consumption	626.0	<i>576.8</i>
Owned transport	0.9	<i>0.2</i>
TOTAL SCOPE 1	626.9	<i>577.0</i>
SCOPE 2 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):		
Purchased electricity	299.1	<i>227.5</i>
SCOPE 3 EMISSIONS (IN TONNES OF CO2 EQUIVALENT):		
Business travel in employee-owned or rental vehicles	0.6	<i>0.2</i>
TOTAL GROSS EMISSIONS (IN TONNES OF CO2 EQUIVALENT):	926.6	<i>804.7</i>
INTENSITY RATIO:		
Tonnes of CO2 equivalent per pupil	0.220	<i>0.203</i>

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.

DERBY DIOCESAN ACADEMY TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

STREAMLINED ENERGY AND CARBON REPORTING (CONTINUED)

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 is committed to reducing emissions and this year has seen the implementation of the following energy efficiency measures:

- The Trust has installed LED lighting at various sites such as Bishop Lonsdale Church of England Primary School and Nursery, Christ Church CofE Primary School, and Newbold CofE Primary School.
- There has been a new Heating system installed in the Infant School at Firs Primary School during summer predicting to save approximately 40 hours per week in the time the heating is on. Blue window vinyl has also been applied to windowpanes which keeps the heat out in summer and the heat in during cold weather.
- New windows have also been installed with upgraded level of insulation at St George's Primary
- There has been a refurbishment of the infant toilets at Newbold CofE Primary School and have now had energy Efficient lighting and controls installed.
- There has been a replaced water heater in February 2022 at Derby St Chad's CofE Nursery and Infant School.
- Automated meter readers have been installed for gas and electricity on site at St Peter's CE Junior School.
- There has also been regular maintenance works around different sites within the Trust for example boiler & hot water servicing at Bakewell CofE Infant School and Christ Church CofE Primary School.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

PLANS FOR FUTURE PERIODS

DDAT is planning to merge with DDAT2 during 2022-23. This will create a single trust structure and provide consistency and greater effectiveness by combining the 2 related organisations. The growth plan outlined below relates to the current organisational structure and plans for the wider consolidated trust.

Approximately 15 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 (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.

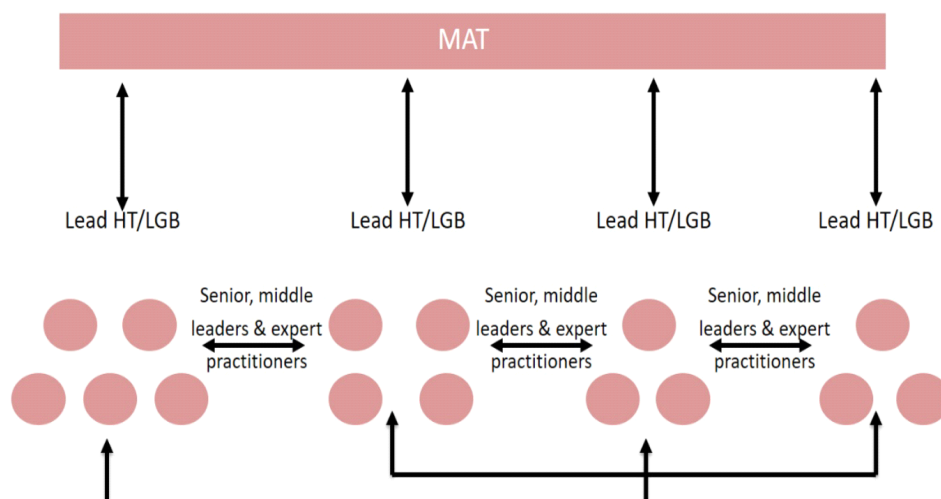
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

PLANS FOR FUTURE PERIODS (CONTINUED)

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.

Scale and spans of control in a growing MAT



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, which 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.

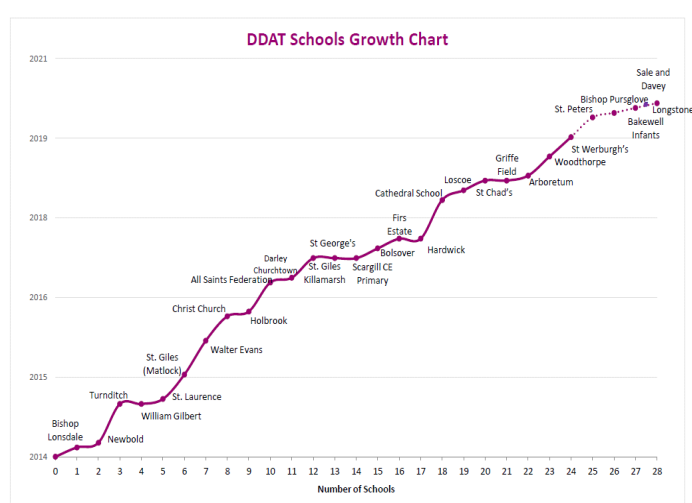
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

PLANS FOR FUTURE PERIODS (CONTINUED)

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.



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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

PLANS FOR FUTURE PERIODS (CONTINUED)

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.

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 3-18 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.

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.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employee consultation

Employee engagement and consultation has been maintained through the year. Prior to schools joining the trust a full program of consultation with staff is undertaken. Following conversion staff are provided with a welcome pack and information on matters that may affect them, including details on HR and TUPE as well as through trust handbooks and regulations. A strategic committee has been implemented which includes HTs from across the schools, whereby decisions are agreed to enable first hand communication of impact and rationale between the senior leaders and their staff. Unions are involved as appropriate for any proposed changes to terms affecting staff and changes are implemented only after formal consultation.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Disabilities

Sickness absence may result from a disability or develop into a disability.

The Equality Act 2010 provides a single consolidated source of discrimination law and covers the disability provision.

You're disabled under the Equality Act 2010 if you have a physical or mental impairment that has a 'substantial' and 'long term' negative effect on your ability to do normal daily activities.

Managers/Headteachers and Governors have an obligation under the Equality Act 2010. The Act places a duty on the Trust and Governing Bodies not to discriminate against current employees on the grounds of disability. Schools should give consideration at each stage of the Sickness Absence Procedure as to whether there are reasonable adjustments that could be made to the requirements of the job, or practices to ensure as far as reasonably possible that a disabled person can be supported at work or to assist them to return to work.

If you consider that you are impacted by a disability or any medical condition which affects your ability to undertake your work, you should inform your Manager/Headteacher to ensure that the right support is put in place to assist you in maintaining your attendance at work.

Disability discrimination

If you are disabled or become disabled, we encourage you to tell us about your condition so that we can support you as appropriately.

If you experience difficulties at work because of your disability, you may wish to contact your line manager or Human Resources to discuss any reasonable adjustments that would help overcome or minimise the difficulty. Your line manager or a member of the HR team may wish to consult with you and a medical adviser(s) about possible adjustments. We will consider the matter carefully and try to accommodate your needs within reason. If we consider a particular adjustment would not be reasonable, we will explain our reasons and try to find an alternative solution where possible.

We will monitor the physical features of our premises to consider whether they place disabled workers, job applicants or service users at a substantial disadvantage compared to other staff. Where reasonable, we will take steps to improve access for disabled staff and service users.

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15 December 2022 and signed on its behalf by:



Dr. Sarah Hardman Charles
Chair of Trustees

DERBY DIOCESAN ACADEMY TRUST
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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 9 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
Mr. Michael John Ford	8	9
Venerable Carol Coslett	6	9
Mr. Mark Mallender, Chief Executive	8	9
Dr. Sarah Hardman Charles, Chair	6	9
Ms. Sheila Mary Lock	6	9
Ms. Holly Gasgoine	2	7
Mr. Mark Richard Emly	1	4
Mr. Michael John Holt	4	4
Mr. Christopher Justin Wilson	3	4

Governance reviews

A Trustee skills audit is completed 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.

The Trust is committed to ensuring that all Employees, Members, Trustees and Governors understand what constitutes a conflict of interest, and their responsibility to identify and declare any conflicts that might arise; and that the conflict and the actions taken are recorded to ensure that the conflict does not affect decision-making at any level within the governance of the Trust.

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

The Committees remit is as follows:

- To ensure sound management of the Trust's finances and resources, including the proper planning, monitoring, probity and value for money.
- Advise the board on the adequacy and effectiveness of the Trust's governance, risk management, internal control and value for money systems and frameworks.

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
Mr. Michael John Ford	3	3
Mr. Mark Mallender	3	3
Ms Holly Gascoigne	2	3
Mrs. Sheila Lock	1	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 2021 to 31 August 2022 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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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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 2021/22 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 2021/22

•**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 the majority of the schools is above 80%, with several scoring above 85%. All schools currently receive three health and safety visits per academic year with the audits taking place in the spring term.

•**Utilities-** Report raised that Water suppliers across the schools provided varying levels of service and cost. Recommendation to have consistent provider is being investigated in January 2023.

•**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.

•**HR Harmonisation audit and recommendations.** The harmonisation project is still ongoing with the HR Team currently focussing on the implementation of a suite of HR policies and procedures.

•**Health Check meetings** – All schools have received a thorough health check across all functions including HR, Finance, Operations and School Improvement.

•**Contract Compliance** - Introduction of a number of HR reports to check compliance such as a starters forms to ensure contract compliance.

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.

DERBY DIOCESAN ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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 depending 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 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 work of the external auditor;

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 15 December 2022 and signed on their behalf by:



Dr. Sarah Hardman Charles
Chair of Trustees

DERBY DIOCESAN ACADEMY TRUST
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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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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.

Declan McCauley

Declan McCauley
Accounting Officer
Date: 15 December 2022

DERBY DIOCESAN ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2022

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:



Dr. Sarah Hardman Charles

Trustee

Date: 15 December 2022

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 2022 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 2021 to 2022 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 2022 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 2021 to 2022 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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)

Responsibilities of trustees

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

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:

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.

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)

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.

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:

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 15 September 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, 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 2021 to 31 August 2022 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 Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 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 2021 to 31 August 2022 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:

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

		Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	<i>As restated Total funds 2021 £</i>
	Note					
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		114,169	(154,000)	-	(39,831)	(605,097)
Other donations and capital grants		-	460,485	26,135,276	26,595,761	1,918,422
Other trading activities		760,574	309,403	-	1,069,977	885,922
Investments		577	-	-	577	430
Charitable activities		692,588	25,334,586	-	26,027,174	22,707,314
Total income		1,567,908	25,950,474	26,135,276	53,653,658	24,906,991
Expenditure on:						
Charitable activities:						
Academy Trust educational operations		-	28,459,626	895,398	29,355,024	24,451,985
Other charitable activities		943,430	-	-	943,430	696,109
Total expenditure		943,430	28,459,626	895,398	30,298,454	25,148,094
Net income/(expenditure)		624,478	(2,509,152)	25,239,878	23,355,204	(241,103)
Transfers between funds	18	-	(70,383)	70,383	-	-
Net movement in funds before other recognised gains/(losses)		624,478	(2,579,535)	25,310,261	23,355,204	(241,103)
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	13,349,000	-	13,349,000	(3,097,000)
Net movement in funds		624,478	10,769,465	25,310,261	36,704,204	(3,338,103)

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 2022

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	As restated Total funds 2021 £
Note					
Reconciliation of funds:					
Total funds brought forward as previously stated	1,983,457	(11,654,739)	24,423,835	14,752,553	14,902,100
Prior year adjustment	-	-	(15,940,673)	(15,940,673)	(12,752,117)
Total funds brought forward as restated	1,983,457	(11,654,739)	8,483,162	(1,188,120)	2,149,983
Net movement in funds	624,478	10,769,465	25,310,261	36,704,204	(3,338,103)
Total funds carried forward	2,607,935	(885,274)	33,793,423	35,516,084	(1,188,120)

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

The notes on pages 42 to 81 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2022

		2022 £	As restated 2021 £
Fixed assets	Note		
Tangible assets	13	32,220,401	7,100,274
Current assets			
Debtors	14	4,279,203	2,504,703
Cash at bank and in hand		5,311,176	5,519,286
		<u>9,590,379</u>	<u>8,023,989</u>
Creditors: amounts falling due within one year	15	(3,794,404)	(2,924,445)
Net current assets		<u>5,795,975</u>	<u>5,099,544</u>
Total assets less current liabilities		<u>38,016,376</u>	<u>12,199,818</u>
Creditors: amounts falling due after more than one year	16	(1,292)	(1,938)
Net assets excluding pension liability		<u>38,015,084</u>	<u>12,197,880</u>
Defined benefit pension scheme liability	27	(2,499,000)	(13,386,000)
Total net assets		<u><u>35,516,084</u></u>	<u><u>(1,188,120)</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	33,793,423	8,483,162
Restricted income funds	18	1,613,726	1,731,261
		<u>35,407,149</u>	<u>10,214,423</u>
Restricted funds excluding pension asset	18	35,407,149	10,214,423
Pension reserve	18	(2,499,000)	(13,386,000)
Total restricted funds	18	<u>32,908,149</u>	<u>(3,171,577)</u>
Unrestricted income funds	18	<u>2,607,935</u>	<u>1,983,457</u>
Total funds		<u><u>35,516,084</u></u>	<u><u>(1,188,120)</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The financial statements on pages 37 to 81 were approved by the Trustees, and authorised for issue on 15 December 2022 and are signed on their behalf, by:



Dr Sarah Hardman Charles
Trustee

The notes on pages 42 to 81 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 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(442,598)	1,299,606
Cash flows from investing activities	22	120,319	314,367
Cash flows from financing activities	21	114,169	215,403
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(208,110)	1,829,376
Cash and cash equivalents at the beginning of the year		5,519,286	3,689,910
Cash and cash equivalents at the end of the year	23, 24	5,311,176	5,519,286
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 42 to 81 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 2022

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 2021 to 2022 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.

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.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.4 INCOME (CONTINUED)

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

- **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.

- **Donated goods, facilities and services**

The rent of the land and buildings owned by the Church is donated by the Diocese/Charity at a market rate of rent and is recognised as income, with a corresponding expense in the Statement of Financial Activities. The supplemental agreements state a two year notice period and this is recognised within debtors with a corresponding creditor.

- **Transfer on conversion**

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

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

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

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

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.

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.

DERBY DIOCESAN ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.8 TANGIBLE FIXED ASSETS (CONTINUED)

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 Derby Diocese own the land and buildings of Bakewell CofE Infant School, Bishop Lonsdale CofE Primary School, Bishop Pursglove CofE (A) Primary School, Christ Church CE Primary School, Darley Churchtown Church of England Primary School, Newbold CofE VA Primary School, Sale & Davys CofE Primary School, St Chad's CofE (VC) Nursery and Infant School, St George's CofE Primary School, St Giles CofE Primary School, St James' Church of England Aided Junior School, St Peter's Church of England Aided Junior School and Walter Evans Church of England Aided Primary School. The Trust occupies the premises for the provision of education. There is a Church Supplemental Agreement in place between the Diocese and the Trust. The rent of the land and buildings is donated by the Diocese/Charity at a market rate of rent and is recognised as income, with a corresponding expense in the Statement of Financial Activities. The supplemental agreements state a two year notice period and this is recognised within debtors with a corresponding creditor.

Land and buildings at, or adjoining the sites at, Bishop Lonsdale CofE Primary School, Bishop Pursglove CofE (A) Primary School, Christ Church CE Primary School, Newbold CofE VA Primary School, St George's CofE Primary School, St Giles CofE Primary School, St Peter's Church of England Aided Junior School, Walter Evans Church of England Aided Primary School and Woodthorpe CofE Primary School are owned by Derbyshire County Council. There is a 125 year lease agreement and the land is being depreciated over this period, with any buildings depreciated over 50 years.

Land adjoining the site at Woodthorpe CofE Primary School is owned by the Trustees of Chatsworth Settlement. There is a 125 year lease agreement and the land is being depreciated over this period.

Land and buildings at Derby Cathedral School and Firs Primary School are owned by The Secretary of State for Housing, Communities & Local Government and Derbyshire County Council respectively. There is a 125 year lease agreement and the land is being depreciated over this period, with any buildings depreciated over 50 years.

This policy also applies to the land only at Hardwick Primary School, the school building was granted under an existing PFI scheme.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

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.

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 14. Prepayments are not financial instruments. 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 15 and 16. 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.

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NOTES TO THE FINANCIAL STATEMENTS
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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 Sale and Davys CofE Primary 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 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 2022. 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.

The asset values are reported using estimated asset allocations prepared by the scheme Actuary. The asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received and benefits paid out. During each annual reporting period between triennial valuations, asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
DONATIONS				
Donated fixed assets	-	-	24,950,000	24,950,000
Budget surplus on LA and School funds	114,169	-	-	114,169
Defined benefit pension scheme deficit	-	(154,000)	-	(154,000)
TRANSFER FROM LOCAL AUTHORITY ON CONVERSION	114,169	(154,000)	24,950,000	24,910,169
Other donations	-	460,485	-	460,485
Capital Grants	-	-	1,185,276	1,185,276
TOTAL 2022	114,169	306,485	26,135,276	26,555,930

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>As restated Restricted fixed asset funds 2021 £</i>	<i>As restated Total funds 2021 £</i>
DONATIONS				
Donated fixed assets	-	-	262,500	262,500
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)	262,500	(605,097)
Other donations	6,308	396,790	128,000	531,098
Capital Grants	-	-	1,387,324	1,387,324
SUBTOTAL	6,308	396,790	1,515,324	1,918,422
TOTAL 2021 AS RESTATED	221,711	(686,210)	1,777,824	1,313,325

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
FUNDING FOR EDUCATIONAL OPERATIONS			
DFE/ESFA GRANTS			
General Annual Grant	-	20,554,524	20,554,524
OTHER DFE/ESFA GRANTS			
Pupil Premium Grant	-	1,861,477	1,861,477
UIFSM	-	314,174	314,174
Other DfE Group Grants	-	1,004,888	1,004,888
	-	23,735,063	23,735,063
OTHER GOVERNMENT GRANTS			
Local Authority Grants - SEN Funding	-	871,727	871,727
Local Authority Grants - Early Years Funding	-	490,295	490,295
Local Authority Grants - Other	-	75,728	75,728
	-	1,437,750	1,437,750
Other income from the Academy Trust's funding for educational operations	692,588	-	692,588
COVID-19 ADDITIONAL FUNDING (DFE/ESFA)			
Catch-up Premium	-	150,835	150,835
Other DfE/ESFA COVID-19 Funding	-	10,938	10,938
	-	161,773	161,773
TOTAL 2022	692,588	25,334,586	26,027,174

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
FUNDING FOR EDUCATIONAL OPERATIONS			
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
TOTAL 2021	318,967	22,388,347	22,707,314

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
School improvement service income	17,350	-	17,350
Day care income	123,650	-	123,650
Other income	210,090	309,403	519,493
Out of school club	259,917	-	259,917
Consultancy income	149,567	-	149,567
TOTAL 2022	<u>760,574</u>	<u>309,403</u>	<u>1,069,977</u>
	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
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	<u>693,572</u>	<u>192,350</u>	<u>885,922</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £
Funding for educational operations:				
Direct costs	16,519,498	867,747	1,568,355	18,955,600
Support costs	5,899,922	1,872,311	2,627,191	10,399,424
Other incoming resources:				
Support costs	-	-	943,430	943,430
	<u>22,419,420</u>	<u>2,740,058</u>	<u>5,138,976</u>	<u>30,298,454</u>

	Staff Costs 2021 £	As restated Premises 2021 £	Other 2021 £	As restated Total 2021 £
Funding for educational operations:				
Direct costs	14,494,898	538,672	1,035,022	16,068,592
Support costs	4,286,384	1,714,625	2,382,384	8,383,393
Other incoming resources:				
Support costs	-	-	696,109	696,109
	<u>18,781,282</u>	<u>2,253,297</u>	<u>4,113,515</u>	<u>25,148,094</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £
Funding for educational operations	18,955,600	10,399,424	29,355,024
Other incoming resources	-	943,430	943,430
	<u>18,955,600</u>	<u>11,342,854</u>	<u>30,298,454</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

	<i>As restated Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>As restated Total funds 2021 £</i>
Funding for educational operations	16,068,592	8,383,393	24,451,985
Other incoming resources	-	696,109	696,109
	<u>16,068,592</u>	<u>9,079,502</u>	<u>25,148,094</u>

Analysis of support costs

	Funding for educational operations 2022 £	Other incoming resources 2022 £	Total funds 2022 £
Staff costs	5,899,922	-	5,899,922
Technology costs	440,091	-	440,091
Recruitment and support	438,492	-	438,492
Maintenance of premises and equipment	1,872,311	-	1,872,311
Other support costs	1,642,923	943,430	2,586,353
Governance costs	35,645	-	35,645
Legal costs	70,040	-	70,040
	<u>10,399,424</u>	<u>943,430</u>	<u>11,342,854</u>

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Funding for educational operations 2021 £</i>	<i>Other incoming resources 2021 £</i>	<i>Total funds 2021 £</i>
Staff costs	4,286,384	-	4,286,384
Technology costs	339,921	-	339,921
Recruitment and support	385,826	-	385,826
Maintenance of premises and equipment	1,742,154	-	1,742,154
Other support costs	1,569,933	696,109	2,266,042
Governance costs	38,156	-	38,156
Legal costs	21,019	-	21,019
	<u>8,383,393</u>	<u>696,109</u>	<u>9,079,502</u>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	<i>As restated 2021 £</i>
Depreciation of tangible fixed assets: owned by charity	895,398	586,832
Auditor's remuneration - audit	25,100	20,250
Auditor's remuneration - other services	6,375	5,575
Operating lease rentals	375,437	361,390

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	14,188,227	12,848,462
Social security costs	1,372,685	1,200,149
Pension costs	5,261,265	4,029,928
	20,822,177	18,078,539
Agency staff costs	1,597,243	702,743
	22,419,420	18,781,282

Staff restructuring costs comprise:

Redundancy payments	51,062	-
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b. Staff numbers

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

	2022	2021
	No.	No.
Teachers	175	330
Support	430	234
Management	38	44
	643	608

c. Higher paid staff

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. Staff (continued)

c. Higher paid staff (continued)

	2022	<i>2021</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	8	7
In the band £70,001 - £80,000	8	8
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	2	2
In the band £140,001 - £150,000	-	1
In the band £150,001 - £160,000	1	-
	<u>1</u>	<u>-</u>

The employees included above have participated in the teachers pension scheme, employer contributions in the year totalled £301,715 (2021: £245,218).

d. 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 £296,135 (2021 £277,382).

Within the year the central trust management team also included consultancy operational management by Richard Wetherall (Finance Director) and Sarah Ferguson (Chief Operating Officer). The cost for these services totalled £86,767 (2021: £107,400).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. 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:

	2022 £	2021 £
Bishop Lonsdale Church of England Aided Primary School and Nursery	47,931	45,808
Newbold Church of England VA Primary School	48,478	45,315
Walter Evans Church of England Aided Primary School	87,293	74,062
Christ Church CE Primary School	43,632	40,894
Darley Churchtown Church of England Primary School	19,973	19,236
Firs Primary School	115,502	111,403
Hardwick Primary School	57,095	53,048
St George's Church of England Primary School	34,849	34,102
St Giles Church of England Primary School	71,761	64,601
Derby Cathedral School	215,374	140,200
St Chad's CofE (VC) Nursery and Infant School	32,413	30,352
Woodthorpe CofE Primary School	31,752	28,089
St Peter's Church of England Aided Junior School	58,806	59,303
Bakewell CofE Infant School	15,228	14,985
Bishop Purglove CofE (A) Primary School	23,233	21,020
St James' Church of England Aided Junior School	86,791	41,809
Sale and Davys CofE Primary School	8,986	-
TOTAL	999,097	824,227

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. 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:

		2022	2021
		£	£
Mr. Mark Mallender, Chief Executive	Remuneration	155,000 -	145,000 -
		160,000	150,000
	Pension contributions paid	0 - 5,000	10,000 -
			15,000

The Trustee noted above was paid on a single contract through Derby Diocesan Academy Trust. The cost is split proportionately between Derby Diocesan Academy Trust and Derby Diocesan Academy Trust 2 via a recharge for work undertaken on behalf of both Trusts. The Trustee resigned on 14 November 2022.

During the year ended 31 August 2022, no Trustee expenses have been incurred (2021 - £NIL).

12. 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
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13. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION					
At 1 September 2021 (as previously stated)	23,073,000	889,543	298,282	1,104,609	25,365,434
Prior Year Adjustment	(17,284,000)	-	-	-	(17,284,000)
At 1 September 2021 (as restated)	5,789,000	889,543	298,282	1,104,609	8,081,434
Additions	24,950,000	569,609	63,499	432,419	26,015,527
At 31 August 2022	30,739,000	1,459,152	361,781	1,537,028	34,096,961
DEPRECIATION					
At 1 September 2021 (as previously stated)	1,580,591	45,643	138,283	559,970	2,324,487
Prior Year Adjustment	(1,343,327)	-	-	-	(1,343,327)
At 1 September 2021 (as restated)	237,264	45,643	138,283	559,970	981,160
Charge for the year	557,851	18,424	32,728	286,397	895,400
At 31 August 2022	795,115	64,067	171,011	846,367	1,876,560
NET BOOK VALUE					
At 31 August 2022	29,943,885	1,395,085	190,770	690,661	32,220,401
At 31 August 2021 (as restated)	5,551,736	843,900	159,999	544,639	7,100,274

During the year the Derby Diocese expressed that in their opinion, land and buildings held on a Church Supplemental Agreement should not be shown on the Trust's Statement of Financial Position in accordance with Section 3.34 of the Academies Accounts Direction and a prior year adjustment was made to reflect this (see note 17). Where adjoining land at the school is owned by another party with a long-term lease in place, the value of this land has been retained on the Statement of Financial Position.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	2022	<i>As restated</i>
	£	<i>2021</i>
		£
Trade debtors	102,219	130,002
Other debtors	1,144,979	1,102,345
Prepayments and accrued income	1,224,575	906,078
VAT recoverable	1,807,430	366,278
	4,279,203	2,504,703

15. Creditors: Amounts falling due within one year

	2022	<i>As restated</i>
	£	<i>2021</i>
		£
Other loans (see note 16)	646	646
Trade creditors	1,337,447	833,058
Other taxation and social security	296,291	298,343
Other creditors	1,187,190	1,087,693
Accruals and deferred income	972,830	704,705
	3,794,404	2,924,445

	2022	<i>2021</i>
	£	£
Deferred income at 1 September 2021	382,303	325,948
Resources deferred during the year	444,934	382,303
Amounts released from previous periods	(382,303)	(325,948)
	444,934	382,303

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.

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

	2022	<i>2021</i>
	£	£
Other loans	1,292	<i>1,938</i>

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.

17. Prior year adjustments

Land and buildings used by the schools in the Trust but owned by the Church had previously been recognised by the Trust in the Statement of Financial Position. Following a reassessment of the terms of the supplemental agreements by the Derby Diocesan Board of Education, management now considers the land and buildings to be under the control of the Church. A prior year adjustment has been made to remove these assets from the Statement of Financial Position. The effect of this adjustment is a reduction of £15,940,673 in the land and buildings asset value and restricted fixed asset fund, and a reduction of £3,188,556 in expenditure as at 31 August 2021.

Where adjoining land at the school is owned by another party with a long-term lease in place, the value of this land has been retained on the Statement of Financial Position. An estimate of 25% of the value of the land has been removed along with the value of the buildings, to acknowledge the footprint of the land owned by the Church where the building is situated.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	As restated Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
UNRESTRICTED FUNDS						
General Funds - all funds	1,983,457	1,567,908	(943,430)	-	-	2,607,935
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	1,731,261	20,554,524	(20,601,676)	(70,383)	-	1,613,726
Pupil premium	-	1,861,477	(1,861,477)	-	-	-
Local authority grants	-	1,437,750	(1,437,750)	-	-	-
Other restricted income	-	331,396	(331,396)	-	-	-
UIFSM	-	314,174	(314,174)	-	-	-
Other DfE Group grants	-	1,004,888	(1,004,888)	-	-	-
COVID-19 Recovery premium	-	150,835	(150,835)	-	-	-
Other DfE/ESFA COVID-19 Funding	-	10,938	(10,938)	-	-	-
Land and buildings donation and rent	-	438,492	(438,492)	-	-	-
Pension reserve	(13,386,000)	(154,000)	(2,308,000)	-	13,349,000	(2,499,000)
	(11,654,739)	25,950,474	(28,459,626)	(70,383)	13,349,000	(885,274)

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

**RESTRICTED
FIXED ASSET
FUNDS**

Fixed assets	7,100,274	24,950,000	(895,398)	1,065,525	-	32,220,401
School Capital Allocation	1,329,996	721,557	-	(478,531)	-	1,573,022
Devolved Formula Capital	-	116,069	-	(116,069)	-	-
Other capital donation	4,064	-	-	(4,064)	-	-
Project management capital donation	42,870	347,650	-	(390,520)	-	-
School Nurseries Capital Fund	5,958	-	-	(5,958)	-	-
	<u>8,483,162</u>	<u>26,135,276</u>	<u>(895,398)</u>	<u>70,383</u>	<u>-</u>	<u>33,793,423</u>
TOTAL RESTRICTED FUNDS	<u>(3,171,577)</u>	<u>52,085,750</u>	<u>(29,355,024)</u>	<u>-</u>	<u>13,349,000</u>	<u>32,908,149</u>
TOTAL FUNDS	<u>(1,188,120)</u>	<u>53,653,658</u>	<u>(30,298,454)</u>	<u>-</u>	<u>13,349,000</u>	<u>35,516,084</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 2022.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

	<i>As restated Balance at 1 September 2020 £</i>	<i>As restated Income £</i>	<i>As restated Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>As restated Balance at 31 August 2021 £</i>
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 Recovery premium	-	310,148	(310,148)	-	-	-
Land and buildings donation and rent	-	385,826	(385,826)	-	-	-
Pension reserve	(7,843,000)	(1,083,000)	(1,363,000)	-	(3,097,000)	(13,386,000)
	<u>(6,924,704)</u>	<u>21,894,487</u>	<u>(23,885,614)</u>	<u>358,092</u>	<u>(3,097,000)</u>	<u>(11,654,739)</u>

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

**RESTRICTED
FIXED ASSET
FUNDS**

Fixed assets	6,503,551	390,500	(565,565)	771,788	-	7,100,274
DfE/ESFA capital grants	-	128,716	-	(128,716)	-	-
Devolved Formula Capital	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>7,305,616</u>	<u>1,777,824</u>	<u>(565,565)</u>	<u>(34,713)</u>	<u>-</u>	<u>8,483,162</u>
TOTAL RESTRICTED FUNDS	<u>380,912</u>	<u>23,672,311</u>	<u>(24,451,179)</u>	<u>323,379</u>	<u>(3,097,000)</u>	<u>(3,171,577)</u>
TOTAL FUNDS	<u><u>2,149,983</u></u>	<u><u>24,906,991</u></u>	<u><u>(25,148,094)</u></u>	<u><u>-</u></u>	<u><u>(3,097,000)</u></u>	<u><u>(1,188,120)</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

	2022 £	2021 £
Bishop Lonsdale C of E Primary School	111,611	121,786
Newbold Church of England Primary School	120,445	118,891
Walter Evans Church of England Aided Primary School	335,802	138,391
Christ Church CE Primary School	241,451	280,121
Darley Churchtown Church of England Primary School	100,651	96,492
Firs Primary School	357,995	509,426
Hardwick Primary School	623,003	613,648
St George's Church of England Primary School	122,773	149,981
St Giles Church of England Primary School	10,717	15,234
Derby Cathedral School	766,519	545,181
St Chad's CofE (VC) Nursery and Infant School	280,049	224,875
Woodthorpe coFE Primary School	204,635	160,799
St Peter's Church of England Aided Junior School	204,868	162,352
Trust	344,028	315,366
Bakewell CofE Infant School	116,844	115,491
Bishop Pursglove CofE (A) Primary School	5,488	10,018
St James' Church of England Aided Junior School	173,085	136,666
Sale and Davys CofE Primary School	101,697	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	4,221,661	3,714,718
Restricted fixed asset fund	33,793,423	8,483,162
Pension reserve	(2,499,000)	(13,386,000)
	<hr/>	<hr/>
TOTAL	35,516,084	(1,188,120)
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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 2022 £
Bishop Lonsdale C of E Primary School	808,913	266,608	25,530	238,234	1,339,285
Newbold Church of England Primary School	925,231	216,682	28,732	276,245	1,446,890
Walter Evans Church of England Aided Primary School	1,393,721	472,044	39,223	457,689	2,362,677
Christ Church CE Primary School	660,730	188,248	21,711	299,675	1,170,364
Darley Churchtown Church of England Primary School	319,170	92,129	6,381	127,666	545,346
Firs Primary School	1,682,774	507,163	49,456	532,759	2,772,152
Hardwick Primary School	2,504,273	626,394	90,275	886,770	4,107,712
St George's Church of England Primary School	509,087	175,168	12,556	190,791	887,602
St Giles Church of England Primary School	1,221,301	357,715	48,358	392,658	2,020,032
Derby Cathedral School	3,030,612	910,543	160,983	862,752	4,964,890
St Chad's CofE (VC) Nursery and Infant School	443,611	161,432	14,150	205,257	824,450
Woodthorpe coFE Primary School	417,266	172,418	18,909	172,023	780,616
St Peter's Church of England Aided Junior School	654,202	211,394	19,902	315,080	1,200,578
Bakewell CofE Infant School	195,456	77,439	7,571	96,141	376,607
Bishop Pursglove CofE (A) Primary School	311,239	129,227	13,447	224,085	677,998
St James' Church of England Aided Junior School	1,192,971	399,630	28,093	369,116	1,989,810
Sale and Davys CofE Primary School	141,117	32,073	2,075	47,158	222,423
Trust	107,824	903,615	-	702,185	1,713,624

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. Statement of funds (continued)

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2022 £
ACADEMY TRUST	<u>16,519,498</u>	<u>5,899,922</u>	<u>587,352</u>	<u>6,396,284</u>	<u>29,403,056</u>

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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 2021 £</i>
Bishop Lonsdale C of E Primary School	784,234	141,722	24,387	289,805	1,240,148
Newbold Church of England Primary School	849,317	85,699	45,086	321,929	1,302,031
Walter Evans Church of England Aided Primary School	1,370,753	248,539	35,553	469,678	2,124,523
Christ Church CE Primary School	640,420	93,417	23,890	311,072	1,068,799
Darley Churchtown Church of England Primary School	279,114	47,900	4,051	137,218	468,283
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	210,714	800,108
St Giles Church of England Primary School	1,203,686	179,602	36,111	362,469	1,781,868
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	201,149	741,223
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	245,708	1,113,810
Bakewell CofE Infant School	188,476	51,966	3,361	111,328	355,131
Bishop Pursglove CofE (A) Primary School	331,562	66,015	8,798	202,417	608,792
St James' Church of England Aided Junior School	642,067	103,357	7,086	199,404	951,914
Trust	42,055	2,018,194	-	37,321	2,097,570
ACADEMY TRUST	14,494,898	4,286,384	402,181	5,402,699	24,586,162

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	32,220,401	32,220,401
Current assets	2,607,935	5,409,422	1,573,022	9,590,379
Creditors due within one year	-	(3,794,404)	-	(3,794,404)
Creditors due in more than one year	-	(1,292)	-	(1,292)
Provisions for liabilities and charges	-	(2,499,000)	-	(2,499,000)
TOTAL	2,607,935	(885,274)	33,793,423	35,516,084

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>As restated Restricted fixed asset funds 2021 £</i>	<i>As restated Total funds 2021 £</i>
Tangible fixed assets	-	-	7,100,274	7,100,274
Current assets	1,983,457	4,657,644	1,382,888	8,023,989
Creditors due within one year	-	(2,924,445)	-	(2,924,445)
Creditors due in more than one year	-	(1,938)	-	(1,938)
Provisions for liabilities and charges	-	(13,386,000)	-	(13,386,000)
TOTAL AS RESTATED	1,983,457	(11,654,739)	8,483,162	(1,188,120)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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

	2022 £	<i>As restated</i> 2021 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	23,355,204	(241,103)
ADJUSTMENTS FOR:		
Depreciation charges	895,400	561,932
Loss on disposal of fixed assets	-	6,970
(Increase)/decrease in debtors	(1,774,500)	(26,719)
Increase/(decrease) in creditors	869,313	247,921
Capital grants from DfE and other capital income	(1,185,276)	(1,217,062)
Defined benefit pension scheme obligation inherited on conversion	154,000	1,083,000
Defined benefit pension scheme cost less contributions payable	2,069,000	1,207,000
Defined benefit pension scheme finance cost	239,000	156,000
Donated fixed assets on conversion	-	(262,500)
Donations of budget surpluses on local authority and school funds on conversion	(114,169)	(215,403)
Interest receivable	(570)	(430)
Donated land and buildings	(24,950,000)	-
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(442,598)	1,299,606

21. Cash flows from financing activities

	2022 £	2021 £
Donations of budget surpluses on local authority and school funds on conversion	114,169	215,403
NET CASH PROVIDED BY FINANCING ACTIVITIES	114,169	215,403

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

22. Cash flows from investing activities

	2022 £	2021 £
Purchase of tangible fixed assets	(1,065,527)	(903,125)
Capital grants from DfE Group	1,185,276	1,217,062
Interest received	570	430
NET CASH PROVIDED BY INVESTING ACTIVITIES	120,319	314,367

23. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	5,311,176	5,519,286
TOTAL CASH AND CASH EQUIVALENTS	5,311,176	5,519,286

24. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	Other non- cash changes £	At 31 August 2022 £
Cash at bank and in hand	5,519,286	(208,110)	-	5,311,176
Debt due within 1 year	(646)	646	(646)	(646)
Debt due after 1 year	(1,938)	-	646	(1,292)
	5,516,702	(207,464)	-	5,309,238

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

25. Conversion to an academy trust

On 1 May 2022 Sale and Davys CofE 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 loss in the Statement of Financial Activities as Expenditure on Charitable activities - 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 £	Total funds £
Cash - representing budget surplus on LA funds	104,678	-	104,678
LGPS pension deficit	-	(108,000)	(108,000)
NET ASSETS/(LIABILITIES)	<u>104,678</u>	<u>(108,000)</u>	<u>(3,322)</u>

The Derby Diocesan Trustees have granted, via a Church 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.

26. Capital commitments

At 31 August 2022 the Academy Trust had capital commitments as follows:

	2022 £	2021 £
Acquisition of tangible fixed assets	<u>-</u>	<u>141,102</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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 £304,214 were payable to the schemes at 31 August 2022 (2021 - £310,350) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

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

The employer's pension costs paid to TPS in the year amounted to £1,794,468 (2021 - £1,713,593).

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 2022 was £1,303,594 (2021 - £1,152,631), of which employer's contributions totalled £1,009,637 (2021 - £892,805) and employees' contributions totalled £ 293,957 (2021 - £259,826). 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.

Principal actuarial assumptions

	2022	<i>2021</i>
	%	%
Discount rate for scheme liabilities	4.25	<i>1.65</i>
Rate of increase in salaries	3.75	<i>3.60</i>
Rate of increase for pensions in payment/inflation	3.05	<i>2.90</i>

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

	2022	<i>2021</i>
	Years	Years
<i>Retiring today</i>		
Males	21.1	<i>21.3</i>
Females	22.2	<i>23.9</i>
<i>Retiring in 20 years</i>		
Males	23.8	<i>22.5</i>
Females	25.6	<i>25.8</i>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

27. Pension commitments (continued)

Sensitivity analysis on scheme obligations

	2022 £000	<i>2021</i> <i>£000</i>
Discount rate +0.1%	15,570	25,660
Discount rate -0.1%	16,396	27,026
Salary increase rate +0.1%	16,023	26,408
Salary increase rate -0.1%	15,943	26,278
Pension increase rate +0.1%	16,359	26,950
Pension increase rate -0.1%	15,607	25,736
Mortality assumption - 1 year increase	16,622	27,397
Mortality assumption - 1 year decrease	15,344	25,289

Share of scheme assets

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

	At 31 August 2022 £	<i>At 31 August 2021</i> <i>£</i>
Equities	9,034,000	8,422,000
Bonds	2,832,000	2,980,000
Property	1,214,000	907,000
Cash and other liquid assets	404,000	648,000
TOTAL MARKET VALUE OF ASSETS	13,484,000	12,957,000

The actual return on scheme assets was £(771,000) (2021 - £1,748,000).

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

	2022 £	<i>2021</i> <i>£</i>
Current service cost	3,089,000	2,103,000
Interest cost	239,000	156,000
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	3,328,000	2,259,000

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27. Pension commitments (continued)

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

	2022 £	2021 £
At 1 September	26,343,000	16,166,000
Transferred in on academies joining the trust	240,000	2,892,000
Current service cost	3,089,000	2,103,000
Interest cost	463,000	324,000
Employee contributions	297,000	261,000
Actuarial (gains)/losses	(14,344,000)	4,677,000
Benefits paid	(105,000)	(80,000)
AT 31 AUGUST	15,983,000	26,343,000

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

	2022 £	2021 £
At 1 September	12,957,000	8,323,000
Transferred in on academies joining the trust	86,000	1,809,000
Interest income	224,000	168,000
Actuarial (losses)/gains	(995,000)	1,580,000
Employer contributions	1,020,000	896,000
Employee contributions	297,000	261,000
Benefits paid	(105,000)	(80,000)
AT 31 AUGUST	13,484,000	12,957,000

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28. Operating lease commitments

At 31 August 2022 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Not later than 1 year	389,938	375,437
Later than 1 year and not later than 5 years	1,574,510	1,536,278
Later than 5 years	820,985	1,213,632
	<u>2,785,433</u>	<u>3,125,347</u>

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 Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Derby Diocese are considered related parties due to the both parties being under common control. The rent of the land and buildings owned by the Church (see note 1.8) is donated by the Diocese/Charity at a market rate of rent and is recognised as income of £438,492 (2021: £385,826), with a corresponding expense of £438,492 (2021: £385,826) in the Statement of Financial Activities. The supplemental agreements state a two year notice period and this is recognised within debtors of £876,984 (2021: £771,652) with a corresponding creditor of £876,984 (2021: £771,652).

Derby Diocesan Academy Trust and Derby Diocesan Academy Trust 2 are related parties due to them having the same Members and Trustees. Amounts in relation to recharges and SCA transfers from the Derby Diocesan Academy Trust 2 totalled: £598,233 (2021: £694,882) in the financial year, with recharges made of £609,693 (2021: £220,936). As at the 31 August 2022, there were balances due from the Derby Diocesan Academy Trust 2 totalling: £322,749 (2021: £409,852) and balance due to, totalling: £11,553 (2021: £18,229).

Derby Diocesan Academy Trust and AMF (UK) Limited are related parties due to the significant influence exercised by certain Directors of AMF (UK) Limited on the Academy Trust in their role as key management personnel. During the year the Academy Trust received services totalling £113,500 (2021: £117,800). Of these costs, an element related to costs incurred in providing key management personnel services as detailed in note 9, and an element related to other services provided and costs incurred after the services relating to the role key management personnel ceased. As at the 31 August 2022 the balance due to the company was £10,260 (2021: £12,300).

31. Post balance sheet events

The Trustees have agreed to expand the Trust by welcoming Long Lane CofE Primary School into the Trust. The school has been issued to the Trust via an academy order.

32. 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.