Registration number: 08372064

DALES ACADEMIES TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2021

Dales Academies Trust

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Dales Academies Trust

Reference and Administrative Details

Members	The Archbishop of York (represented by the Right Reverend P Ferguson) The Diocesan Bishop of the Church of England (The Right Reverend N Baines) The Director of Education for the Diocese of Leeds (R Noake) One appointee of the Leeds Diocesan Board of Education (P Foskett) The Diocese of York Educational Trust (Represented by A Smith)
Trustees (Directors)	The Right Reverend P Ferguson, Chair Rev S Bennett C Brooks D Chubb E Edwards J Hooton, Vice Chair I Juden J Probert G Thompson W Town (appointed 30 November 2020)
Company Secretary	C Holmes
Senior Management Team	D Chubb, Chief Executive Officer F Holmes, Chief Financial Officer F Sharp, Headteacher Ainderby Steeple Church of England Primary School A Lees, Headteacher All Saints Academy H Dudman, Headteacher Barton Church of England Primary School, Ravensworth Church of England Primary School, East Cowton Church of England Primary School & Kirkby Fleetham Church of England Primary School S Robson, Headteacher Croft Church of England Primary School K Williamson, Headteacher Trinity Academy Eppleby Forcett, Trinity Academy Middleton Tyas, Trinity Academy Richmond L Probets, Headteacher St Francis of Assisi Church of England Primary School A Gledhill, Heateacher South Otterington Church of England Primary School E Hughes-Narbrough, Headteacher Thornaby Church of England Primary School L Newport, Headteacher Carnagill Community Primary School
Principal and Registered Office	All Saints CE Academy Blair Avenue Ingleby Barwick Stockton On Tees TS17 5BL
Company Name	Dales Academies Trust
Company Registration Number	08372064

Reference and Administrative Details (continued)

Auditors	MHA Tait Walker Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
Bankers	Lloyds Bank plc 2nd Floor Skinnergate Darlington County Durham DL3 7ND
Solicitors	Lupton Fawcett LLP Stamford House Piccadilly York YO1 9PP

Dales Academies Trust

Trustees Report for the Year Ended 31 August 2021

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

As of August 2021, Dales Academies Trust consists of fourteen academies (one secondary and thirteen primary) in North Yorkshire and Stockton LA areas comprising 2,536 pupils and 442 staff with an annual budget of £15,239,562.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association (dated 12 September 2017) are the primary governing documents of the Academy Trust. The Trustees of Dales Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Dales Academies Trust and includes the following academies:

- All Saints Church of England Secondary Academy
- Barton Church of England Primary School
- Croft Church of England Primary School
- East Cowton Church of England Primary School
- Kirkby Fleetham Church of England Primary School
- Ravensworth Church of England Primary School
- South Otterington Church of England Primary School
- Trinity Academy Eppleby Forcett
- Trinity Academy Middleton Tyas
- Trinity Academy Richmond
- Ainderby Steeple Church of England Primary School
- St Francis of Assisi Church of England Primary School
- Thornaby Church of England Primary School
- Carnagill Community Primary School

The Trustees of Dales Academies Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

The Members of the Company are the Archbishop of York, the Anglican Bishop of Leeds, the Director of Education for the Leeds Diocesan Board of Education, one person appointed by the Leeds Diocesan Board of Education and the Diocese of York Educational Trust. Each Member 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.

Trustees Report for the Year Ended 31 August 2021 (continued)

Trustees' indemnities

Subject to the provisions of the Companies Act 2006, every Trustee of the Trust shall be indemnified out of the assets of the trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or trust in relation the affairs of the Trust.

A Trustee may benefit from any indemnity insurance purchased at the Trust's expense to cover the liability of the Trustee 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 Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard 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 Trust.

The charitable company is part of the RPA scheme which provides indemnity insurance of £10m for the Trustees.

Method of recruitment and appointment or election of Trustees

The Members appoint a minimum of five Trustees. The Diocese of York Educational Trust appoints up to one Trustee as does the Leeds Diocesan Board of Education. With the consent of the Diocesan Board of Education the Trustees may appoint up to two Co-opted Trustees for a term not exceeding four years. The Board seeks to have a membership with an appropriate sets of skills. New Trustees are identified through local and regional networks including those of the Dioceses.

Policies and procedures adopted for the induction and training of Trustees

New Trustees are provided with a pack of documents pertinent to their role, including Code of Conduct, role descriptor, Scheme of Delegation etc. A programme of visits to Trust schools is also arranged as well as one to one meetings with the Chair, CEO and CFO. Appropriate training is flagged to individuals and also undertaken as a Board throughout the year.

Organisational structure

The main Board, Finance & Resources and Education & Standards committees meet half termly; decisions made in these committees are ratified at full Board. An extensive and detailed annex to the Scheme of Delegation gives clarity to all within the Trust as to the level at which decisions are made. This is reviewed, updated and shared with LGBs on a regular basis. The CEO is the Accounting Officer.

The Board of Trustees are supported by the CEO and CFO, both of whom now work full time for Dales. The Trust continues to have the support of its sister Trust, the Bradford Diocesan Academies Trust in particular areas of expertise as required.

Trust Headteachers play a significant role in the leadership of activities across the Trust. Primary Headteachers are also members of the Primary Headteachers' Forum which focuses specifically on the school improvement agenda and collaborative working.

Arrangements for setting pay and remuneration of key management personnel

The performance and subsequent remuneration of Executive Headteachers and Headteachers is discussed by Trustees at the Finance & Resources Committee, following recommendations from both the LGBs and the CEO. Committee decisions are then taken to Board for approval.

Trade Union

No trade union time is undertaken by Trust staff.

Principal Activities

The charitable company acts as sponsor for Church of England academies and those with no religious character with a view to providing a high standard of education to the communities in which they exist.

Objectives and activities

Objects and aims

The objects of the company are specifically restricted to the following:

- 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.

Objectives, strategies and activities

The Trust's original mission is "to set up a Multi Academy Trust for North Yorkshire and the north of the Dioceses of York and Leeds, determined to deliver the very highest quality of education through collaboration, shared best practice and underpinned by our Christian ethos and values." Our Vision as a group of schools is that: "Working together for excellence, and rooted in quality, collaboration and care, we deliver exceptional learning experiences through inspirational teaching and nurturing a love of life-long learning. We dare greatly, travel hopefully and enable each other to flourish".

Public benefit

In line with the policy of the Church of England, the academies offer an education, with a Christian ethos, to the whole local community; encouraging good educational standards and engagement with the wider community. Our values underpin everything we do as communities. We understand these values are not exclusive to Church schools and welcome the opportunity to work with or support all schools not just those within the CofE faith. Staff and pupils are all encouraged and supported in exploring 'faith' and what it means to them, whilst appreciating and respecting, the viewpoints and faith of others.

Strategic report

Achievements and performance and Key Performance Indicators

No further growth was planned in this period. The key priority for the last year was to ensure all schools continued to be fully supported during the period of Covid-19 restrictions; this was the first and most important priority on the Trust Operational Plan which, due to the pandemic, had retained many of the same priorities as the previous academic year. This support was focused on enhancing support for Headteacher / staff wellbeing through sharing of resources and minimising or re-scheduling non-essential non-T&L related activities. In practice this included regularly reviewing and disseminating resources and guidance to support wellbeing; reviewing and revising calendar of Trust level reporting / deadlines for 2020/21 and procurement processes as well as reviewing non-T&L responsibilities that might be lifted from Headteachers at this time to reduce workload. Through 1:1 meetings and data collections, the Trust maintained effective oversight of Covid-19 related impact in schools in order to respond appropriately and supported further remote T&L / working capability. In the latter case this included such activities as reviewing home broadband provision and availability of devices to support remote T&L and responding to schools needs in respect to the use of Teams as the chosen remote learning platform and the development of protocols around remote learning. As soon as was appropriate, and possible, virtual SIA visits were resumed to support schools and give the Trust additional oversight of schools' T&L provision.

Progress on the other priorities was as follows:

1. **Strategy:** The final draft of the Trust strategy document, elements of which were developed through consultation with all schools prior to the first National lockdown has now been shared with all stakeholders prior to its publication at the end of the Autumn 2021. This comprehensive document sets out the aspirations of the Trust for the next five years and its three key priorities, namely

a. Ensure the best possible outcomes for all pupils

b. Recruit and retain the best staff

c. Grow appropriately, becoming a sustainable, viable organisation

Further details can be found below in the section concerning 'Plans for the Future'.

2. **Systems:** Despite the ongoing restrictions in place due to the ongoing pandemic, progress was made in further improving and embedding effective practice across the Trust.

- **Teaching & Learning:** The SENDCo, Safeguarding and Early Years networks have now been established. A programme of external reviews has been established which is being progressed. Building on the work undertaken in developing an effective Remote Learning offer in Trust schools, the IT Strategy working group has had it first meeting as we look to develop a specific strategy for both Teaching & Learning and administrative purposes.

- **Governance:** Further to the annual skills audit and conscious of future developments, the Members appointed a further \trustee to the Bard who brings with hem, considerable estates management experience. A review of Trust Board governance has also been undertaken this year and a common induction process adopted across the Trust from 1st January 2021. WE have also rolled out 'View my Financial Insights' to support LGBs' understanding of their financial position.

- **Safeguarding:** A consultant has now been appointed to provide additional high-level advice; she has also undertaken reviews of some Trust schools, with others to be completed in the coming year.

- **HR:** The Trust is nearing the completion of the process of adopting single Trust policies for HR and are currently in the process of implementing a new software package and processes to further support effective HR process.
- **Procurement:** A procurement exercise was carried out through the CPC framework for multi-functional devices for a number of Trust schools. The Trust also procured a HR software package, which is due to be implemented during 21/22. The pandemic has impacted on the progression of further procurement projects during the year.
- **Estates:** In addition to the appointment of a Trustee with expertise in this area and the ongoing arrangement with BDAT to enable the Trust to utilise the expertise of their Estates and H&S Manager, Trustees and LGB CofGs have undergone training on effective Estates management. The Trust has been successful with a number of CIF bids.
- **Communication:** The pandemic has accelerated the Trust's use of virtual meetings. Given its geography this has enhanced practice in the Trust and reduced time wasted in travel, but we are mindful of the importance of in-person meetings. The aggregation of Trust central documentation is now been almost complete, utilising Microsoft Teams, thus lifting records into the Cloud rather than physical servers on the ground. A programme of moving schools' documentation to the cloud has also been devised.

3. **Secondary growth:** Perhaps inevitably, given the other significant pressures on all schools at this time, it has not been able to progress the identification of a partner school for All Saints, although they have been able to support another North Yorkshire school with their IT practice in relation to remote learning.

In May 2021, the Trust was delighted to be named as the sponsor of a new Primary Free School in North Northallerton, now due to open in September 2024.

Key Financial Performance Indicators

The Trust has fulfilled its key performance indicators (before adjustments for the LGPS and other miscellaneous items) this year which included:

- Total staff costs 73.38% of expenditure
- Teacher costs 47.22% of income
- Average teacher cost £53,195
- Pupil teacher ratio 17.6
- Surplus / deficit 7.29% of income
- Movement in reserves £1,008,662

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, the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

The Trust has managed the challenges of COVID-19 well and do not consider there to be any going concern issues as a result of this.

Trustees Report for the Year Ended 31 August 2021 (continued)

Financial review

The Trust's new Finance Policy was updated and agreed by Trustees in October 2021 to ensure that Dales Academies Trust maintains and develops systems of financial control to conform with both propriety and good financial management to meet the requirements of the Education and Skills Funding Agency.

The majority of the Academy's income is obtained for the DfE in the form of recurrent grants, the use of which is restricted for particular uses. All expenditure of the Academy Trust is made in line with this handbook and supports the education of all students on roll.

During the period ending 31 August 2021 total expenditure of £14,879,000 including depreciation which was lower than recurrent DfE grant funding together with other incoming resources. The excess of income over expenditure was £1,160,000 including actuarial gains on the Local Government Pension Scheme and transferred assets on conversion. Ignoring the impact of transferred assets and actuarial gains the surplus of the period was £973,000.

Reserves policy

The Academy Trust had reserves in surplus totalling £2,750,000 at 31 August 2021 made up of unrestricted funds of £1,457,000 and restricted income funds of £1,296,000. Restricted funds also included a Fixed Asset Fund with a total value of £4,965,000 which would require the disposal of fixed assets to be realised.

The only fund in deficit is the Pension Reserve Fund, reflecting a pension liability valued at £4,316,000 under Financial Reporting Standard 102.

The Academy Trust is confident that it can meet pension contributions from projected future income without significant impact on its planned levels of activity, so Trustees have not designated any of the existing funds to meet future pension commitments.

Therefore, free reserves at 31 August 2021 have been calculated as:

Restricted Reserves	Unrestricted Reserves	Total Free Reserves
£1,269,000 (2020 - £422,000)	£1,456,000 (2020 - £1,330,000)	£2,725,000 (2020 - £1,752,000)

The Reserves Policy agreed by Trustees in October 2021 requires the Academy Trust to hold between one and two months of expenditure in reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Covid-19 has not had any impact on the academy trust's reserves policy as of 31 August 2021. As the challenges of the pandemic continue this will be closely monitored by Trustees if reserves need to be used to fund future commitments in these unprecedented times.

Investment policy

The Finance & Resources Committee (FARC) of Dales Academies Trust has the responsibility to authorise any investments that are deemed appropriate and in line with the liquidity requirements of the Trust. The FARC is responsible for monitoring adherence to this policy, the appointment of investment advisors/managing agents, and for deciding changes between the proportions of funds invested in common investment funds and/or liquid investments (Cash Deposits).

The Investment policy states surplus income should only be invested if there is no requirement to spend the money within 24 months of the investment

Principal risks and uncertainties

Trustees are aware of the major risks to which the Trust is potentially exposed and have put in place mechanisms to mitigate these. The primary risks are those of school performance; finance; those associated with being a relatively recently established Trust, for example, continuing to develop its reputation, limited but growing central capacity and reviewing initially adopted processes and procedures to ensure they continue to be fit for purpose; as well as those particular to small rural schools including leadership, recruitment and fluctuations in pupil numbers. At this stage in its development, combined with the impact of the pandemic, an additional risk is that of ensuring the highest quality provision is in place to support the best possible outcomes for pupils in Trust schools'. This risk is mitigated through a clear timeline and ongoing review of capacity.

Trustees are kept up to date with current risks at Board meetings. In support of this, a comprehensive Trust Risk register is maintained and now, dependent on the nature of the risk, scrutinised at Finance & Resources, Education & Standards committee meetings as well as at full Board. Mechanisms to mitigate risk include close, detailed monitoring and reporting of standards and finance at both LGB and Board level combined with clear protocols on actions to be taken when issues arise or risk increases, for example through Board challenge to LGBs. The Board regularly 'horizon scans' to ensure wherever possible, its decisions take into account external factors that may impact on its operations and potential growth.

Risks associated with Covid-19 have continued to be managed on a daily and weekly basis as the pandemic has evolved and government guidance issued.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Plans for the future

The priorities for the coming year are:

1. **Support:** Whilst restrictions have eased, to date, cases of Covid continue to impact on schools' capacity to deliver the curriculum to all pupils as they would wish and this is against a backdrop of schools continuing to address gaps in pupils' education as well as an awareness by leaders and staff of impending Ofsted and SIAMS inspections in 11/14 Trust schools. Schools are fragile and there will be a need to provide additional practical support over the coming year and beyond. This will determine the key elements of the 2021/22 operational plan, in addition to those supporting the delivery of the Trust Strategic Plan (please see below).

2. **Strategy:** As stated earlier, the newly published Trust strategy, focuses on three key priorities for the coming five years. These, together with how we intend to achieve success in each respect, as well as indicative activities, are as follows:

3. **Secondary growth:** The identification of a partner school for All Saints continues to be a priority for the Trust as it is important for the further development of the school; as previously reported, practice is strong at the school but such a relationship will further improve it and equally the school has much to offer a partner establishment.

a. Ensure the best possible outcomes for all pupils - through timely, intelligence led, research informed school improvement activities utilising high quality support and effective collaboration within a supportive accountability framework. We will continue to focus on the establishment of practice in all schools being underpinned by research, ensure challenge and support in Trust schools is consistently of the highest standard as well as our CPL provision ensuring high quality Teaching & Learning (T&L) and support in all schools. We will continue to develop partnerships with proven local providers, including Teaching School Hubs, Literacy / Maths / Behaviour hubs and HEIs ensures high quality provision in ITT, NQT / RQT development as well as CPD, with a particular focus on internal expertise through the development and deployment of homegrown talent. We will continue to develop of phase / subject networks and through these activities will establish the Trust as an effective provider for School to School support in the region.

b. Recruit and retain the best staff - through establishing Dales as an employer of choice, committed to the ongoing development of its staff through rigorous, personalised, evidence based CPD and effective talent management at all levels of the organisation.

c. Grow appropriately, becoming a sustainable, viable organisation - through optimisation of financial efficiencies, infrastructure and processes, to ensure fitness for purpose, and further informed by relationships with networks and organisations beyond the Trust.

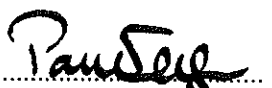
The practical steps to be taken in achieving these strategic priorities will be published in the one year operational plans over the course of the next five calendar years.

Auditor
Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the 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.

Reappointment of auditor
In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 6 December 2021 and signed on its behalf by:



The Right Reverend P Ferguson
Trustee

Dales Academies Trust

Governance Statement

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Dales Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Directors has formally met five times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
The Right Reverend P Ferguson (Chair)	5	5
I Juden (Vice Chair)	4	5
Rev S Bennett	5	5
C Brooks	5	5
D Chubb (Accounting Officer)	5	5
E Edwards	5	5
J Hooton	4	5
G Thompson	4	5
J Probert	5	5
Will Town (appointed 30/11/20)	3	3

There was one appointment during the year, Will Town, and there were no resignations during the year.

Each academy has its own Local Governing Body which has delegated powers as laid down in the Scheme of Delegation. The Trustees believe the current governance structure is appropriate to the size and composition of the Trust but this will be reviewed on a regular basis.

The Finance and Resources Committee is a sub-committee of the main Board of Trustees; its purpose is to evaluate the financial performance of the organisation and to ensure finance resources are used appropriately and in accordance with the objectives of the organisation. To ensure that the appropriate advice and recommendations are made to the Board to ensure the ongoing viability of the organisation.

Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
D Chubb	6	6
E Edwards	6	6
I Juden	4	6
Will Town (appointed 30/11/20)	4	4
G Thompson (Chair)	5	6

The Education and Standards committee is also a sub-committee of the main board of Trustees. It was set up to evaluate the educational performance of Trust schools.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
D Chubb	6	6
C Brooks (Chair)	6	6
J Probert	4	6
J Hooton	3	6
S Bennett	6	6

Review of value for money

As Accounting Officer, the Chief Executive Officer 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:

- The leadership model put in place across four small rural Primary schools, reducing overall costs for individual schools has been confirmed during this period.
- The ongoing review of services and contracts.
- The use of procurement frameworks for electronic devices and multi-functional devices
- Centralised procurement of additional digital devices to support remote learning.
- At Primary level CPD opportunities are, wherever possible, open to staff across all Trust schools.
- The further development of the Primary Headteachers forum and subject networks has impacted positively on schools through the closer collaborative working and sharing of best practice and expertise.

- Academies also generate income through lettings facilities out of school hours to a range of organisations.

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 Dales Academies Trust for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

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 period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

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 internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Financial records and procedures
- GDPR, policies and risk
- Purchasing and tendering

Week commencing 8 February 2021 an internal assurance review was undertaken, and the summary identified four low risk and one medium risk recommendations.

Governance Statement (continued)

Week commencing 12 July 2021 an internal assurance review was undertaken and three low risk, one medium risk and one high risk recommendations were identified.

On 1 October 2019 an internal assurance review was undertaken and only two low risk recommendations were identified. The low level of recommendations from the internal audit reports gives the Board of Trustees a great level of assurance regarding the financial controls are procedures that are in place within the Trust.

Twice a year, the internal auditor reports to the board of trustees, via formal reports, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. An annual summary report is prepared for the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

The Accounting Officer during the academic year was the CEO and he has the responsibility for reviewing the effectiveness of the systems of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the systems of internal control by the finance and general purposes committee and a plan to address the weaknesses and ensure continuous improvement of the systems are in place.

Approved by order of the members of the Governing Body on 6 December 2021 and signed on its behalf by:

.....

The Right Reverend P Ferguson
Trustee

.....

D Chubb
Trustee

Dales Academies Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Dales Academies Trust I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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

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D Chubb
Accounting officer

6 December 2021

Dales Academies Trust

Statement of Trustees' Responsibilities

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 apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 6 December 2021 and signed on its behalf by:

.....

The Right Reverend P Ferguson
Trustee

Dales Academies Trust

Independent Auditor's Report on the Financial Statements to the Members of Dales Academies Trust

Opinion

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

In our opinion the financial statements:

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

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Independent Auditor's Report on the Financial Statements to the Members of Dales Academies Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

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

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

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities [set out on page 16], the trustees 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'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 or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report on the Financial Statements to the Members of Dales Academies Trust (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- enquiries of management and those charged with governance around any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading correspondence with regulators including the OFSTED;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing to support documentation.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report on the Financial Statements to the Members of Dales Academies Trust (continued)

Use of our report

This report is made solely to the Academy's trustees, 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's trustees 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 and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Tait Walker

Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker,
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 15th December 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

Dales Academies Trust

Independent Reporting Accountant's Assurance Report on Regularity to Dales Academies Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 22 April 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dales Academies Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 August 2013 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of available Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

Independent Reporting Accountant's Assurance Report on Regularity to Dales Academies Trust and the Education and Skills Funding Agency (continued)

- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

Conclusion

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

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

MHA Tait Walker

MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 15th December 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

Dales Academies Trust

Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2021 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	66	-	538	604
Charitable activities:					
Funding for the Academy trust's educational operations	3	148	14,597	-	14,745
Other trading activities	4	462	-	-	462
Investments	5	1	-	-	1
Total		677	14,597	538	15,812
Expenditure on:					
Raising funds	6	503	199	-	702
Charitable activities:					
Academy trust educational operations	7	48	13,895	234	14,177
Total		551	14,094	234	14,879
Net income		126	503	304	933
Transfers between funds		-	(172)	172	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	26	-	227	-	227
Net movement in funds		126	558	476	1,160
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2020		1,330	(3,605)	4,502	2,227
Total funds/(deficit) carried forward at 31 August 2021		1,456	(3,047)	4,978	3,387

Dales Academies Trust

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	58	-	1,089	1,147
Transfer from local authority on conversion		77	(176)	2,984	2,885
Charitable activities:					
Funding for the Academy trust's educational operations	3	123	12,748	-	12,871
Other trading activities	4	460	-	-	460
Investments	5	3	-	-	3
Total		721	12,572	4,073	17,366
Expenditure on:					
Raising funds	6	418	182	-	600
Charitable activities:					
Academy trust educational operations	7	38	12,549	134	12,721
Total		456	12,731	134	13,321
Net income/(expenditure)		265	(159)	3,939	4,045
Transfers between funds		-	19	(19)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	26	-	(911)	-	(911)
Net movement in funds/(deficit)		265	(1,051)	3,920	3,134
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		1,065	(2,554)	582	(907)
Total funds/(deficit) carried forward at 31 August 2020		1,330	(3,605)	4,502	2,227

Dales Academies Trust

(Registration number: 08372064)
Balance Sheet

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Tangible assets	12	4,737	4,004
Current assets			
Debtors	13	1,154	1,598
Cash at bank and in hand		3,208	2,366
		4,362	3,964
Creditors: Amounts falling due within one year	14	(1,373)	(1,714)
Net current assets		2,989	2,250
Total assets less current liabilities		7,726	6,254
Creditors: Amounts falling due after more than one year	15	(23)	-
Net assets excluding pension liability		7,703	6,254
Pension scheme liability	26	(4,316)	(4,027)
Net assets including pension liability		3,387	2,227
Funds of the Academy:			
Restricted funds			
Restricted income fund	16	1,269	422
Restricted fixed asset fund	16	4,978	4,502
Restricted pension fund	16	(4,316)	(4,027)
		1,931	897
Unrestricted funds			
Unrestricted income fund	16	1,456	1,330
Total funds		3,387	2,227

The financial statements on pages 23 to 56 were approved by the trustees, and authorised for issue on 6 December 2021 and signed on their behalf by:

The Right Reverend P Ferguson
Trustee

Dales Academies Trust

Statement of Cash Flows

	Note	2021 £ 000	2020 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	20	1,249	810
Cash flows from investing activities	22	(430)	359
Cash flows from financing activities	21	23	-
Change in cash and cash equivalents in the year		842	1,169
Cash and cash equivalents at 1 September		2,366	1,197
Cash and cash equivalents at 31 August	23	3,208	2,366

Notes to the Financial Statements for the Year Ended 31 August 2021

1 Accounting policies

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

Basis of preparation
The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical 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 2019 (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements 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.

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 period is deducted from income and recognised as a liability.

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

1 Accounting policies (continued)

Sponsorship income
Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), Were the 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.

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

Investment income
Interest receivable is included in the statement of financial activities on an accruals basis.

Donated goods, facilities and services
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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 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.

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 transfer on conversion within donations and capital grant income.

Donated fixed assets
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 a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1 Accounting policies (continued)

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

Tangible fixed assets
Assets costing £3,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

1 Accounting policies (continued)

Asset class	Depreciation method and rate
Land	No depreciation provided
Buildings	20 - 50 years straight line
Furniture and equipment	4 - 10 years straight line

The Academy Trust occupies land (including buildings) which are owned by its Trustees who are the Diocese of York and Diocese of Leeds. The Trustees are the providers of the academies on the same basis as when the academies were maintained schools. The Academy Trust occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church of England's contribution to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust for the time being, but does not vest any rights over the land in the Academy Trust. The Trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the Academy Trust is occupying the land (and buildings) the directors have considered that the value of the land and buildings occupied by the Academy Trust will not be recognised on the balance sheet of the company.

Liabilities
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
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 can be estimated reliably.

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.

Leased assets
Rentals under operating leases are charged on a straight-line basis over the lease term.

1 Accounting policies (continued)

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 basis 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 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

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 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 Education Skills and Funding Agency and the Department for Education Group.

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

1 Accounting policies (continued)

Local Government Pension Scheme
The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation
The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £236,000 (2020 - £134,000).

Critical areas of judgement
Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment.
In assessing whether there have been any indicators of impairment of assets the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

Private Finance Initiative
One academy within the trust occupies buildings which have been procured by Stockton-on-Tees Local Authority as a PFI project. The academy pays revenue contributions in respect of Facilities Management. The academy does not have any rights of obligations of ownership in respect of these assets, and therefore they are not included on the academy's balance sheet. The revenue payment for service (net of affordability gap contributions) is recognised in the SOFA.

1 Accounting policies (continued)

Pension benefits

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

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

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

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Capital grants	-	-	538	538	1,089
Other donations	66	-	-	66	58
	66	-	538	604	1,147

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000
Total 2020	58	-	1,089	1,147

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	11,581	-	11,581	10,240
Other ESFA Group grants	-	1,852	-	1,852	1,724
	-	13,433	-	13,433	11,964
Other government grants					
Local authority grants	-	870	-	870	784
	-	870	-	870	784
COVID-19 additional funding (DfE/ESFA)					
Catch-up Premium	-	197	-	197	-
Other DfE/ESFA COVID-19 funding	-	63	-	63	-
	-	260	-	260	-
COVID-19 additional funding (non-DfE/ESFA)					
Coronavirus Job Retention Scheme grant	-	5	-	5	-
Other Coronavirus funding	-	29	-	29	-
	-	34	-	34	-
Non-government grants and other income					
Other income	148	-	-	148	123
Total grants	148	14,597	-	14,745	12,871

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

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000
Total 2020	123	12,748	-	12,871

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "COVID-19 funding".

The funding received for coronavirus exceptional support covers £63,050 of costs. These costs are included in note 6 below as appropriate.

The academy furloughed some of its staff under the government's CJRS. The funding received of £5,521 relates to staff costs in respect of staff which are included within note 8 below as appropriate.

	2021 £ 000	2020 £ 000
Other DfE/ESFA Grants		
Rates reclaim	66	63
Pupil Premium and Service Premium	539	453
Universal Infant Free School Meals (UiFSM)	231	146
PE and Sports Grant	222	212
Other	188	257
Teachers' Pay Grant	606	593
	1,852	1,724

4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Catering income	6	-	-	6	5
Recharges and reimbursements	129	-	-	129	162
School trips	23	-	-	23	78
Other income	304	-	-	304	215
	462	-	-	462	460

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000
Total 2020	460	-	-	460

5 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2021 £ 000	Total 2020 £ 000
Short term deposits	1	-	-	1	3

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000
Total 2020	3	-	-	3

6 Expenditure

		Non Pay Expenditure			
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2021 £ 000	Total 2020 £ 000
Expenditure on raising funds	199	-	503	702	600
Academy's educational operations					
Direct costs	9,560	-	930	10,490	9,538
Allocated support costs	1,472	1,702	513	3,687	3,183
	11,231	1,702	1,946	14,879	13,321

		Non Pay Expenditure		
	Staff costs £ 000	Premises £ 000	Other costs £ 000	Total 2020 £ 000
Total 2020	10,354	1,458	1,509	13,321

Net income/(expenditure) for the year includes:

	2021 £ 000	2020 £ 000
Operating lease rentals	31	18
Depreciation	236	134
Fees payable to auditor - audit	6	6
Fees payable to auditor - other audit services	2	9

7 Charitable activities

	2021 £ 000	2020 £ 000
Direct costs - educational operations	10,490	9,538
Support costs - educational operations	3,687	3,183
	14,177	12,721

	Educational operations £ 000	Total 2021 £ 000	Total 2020 £ 000
Analysis of support costs			
Support staff costs	1,472	1,472	1,242
Depreciation	234	234	134
Technology costs	6	6	6
Premises costs	1,468	1,468	1,324
Legal costs	196	196	205
Other support costs	294	294	257
Governance costs	17	17	15
Total support costs	3,687	3,687	3,183

8 Staff

Staff costs

	2021 £ 000	2020 £ 000
Staff costs during the year were:		
Wages and salaries	8,178	7,569
Social security costs	729	668
Operating costs of defined benefit pension schemes	2,193	1,943
	11,100	10,180
Supply staff costs	131	167
Staff restructuring costs	-	7
	11,231	10,354

	2021 £ 000	2020 £ 000
Staff restructuring costs comprise:		
Severance payments	-	7

8 Staff (continued)

Staff numbers

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

	2021 No.	2020 No.
Charitable Activities		
Teachers	136	139
Administration and support	207	205
Management	24	24
	367	368

Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	4	6
£70,001 - £80,000	3	2
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-

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 £982,460 (2020 - £911,576).

9 Central services

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

- Human resources
- Financial and audit
- Payroll
- Premise insurance
- School improvement
- Trust leadership service

The academy trust charges for these services on the following basis:

4.5% of GAG funding

9 Central services (continued)

The actual amounts charged during the year were as follows:

	2021/20 £ 000	2020/19 £ 000
Ainderby Steeple Church of England Primary School	17	16
All Saints Academy	172	99
Barton Church of England Primary School	12	12
Carnagill Community Primary School	33	14
Croft Church of England Primary School	21	20
East Cowton Church of England Primary School	10	9
Trinity Academy Eppleby Forcett	12	10
Kirkby Fleetham Church of England Primary School	10	9
Trinity Academy Middleton Tyas	26	24
Ravensworth Church of England Primary School	13	13
Trinity Academy Richmond	32	32
St Francis of Assisi Church of England Primary School	65	56
South Otterington Church of England Primary School	22	20
Thornaby Church of England Primary School	63	62
	508	396

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

D Chubb (Chief Executive Officer):

Remuneration: £90,000 - £95,000 (2020 (0.8 FTE) - £65,000 - £70,000)
Employer's pension contributions: £20,000 - £25,000 (2020 - £15,000 - £20,000)

Mr Chubb is employed full time by Dales Academies Trust, prior to this, throughout 2019/20 he was seconded to Bradford Diocesan Academies Trust one day a week. This disclosure includes the element of his remuneration paid by Dales Academies Trust.

During the year ended 31 August 2021, travel and subsistence expenses totalling £124 (2020 - £221) were reimbursed or paid directly to 1 trustees (2020 - 2).

Other related party transactions involving the trustees are set out in note 27.

11 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 trustees and officers indemnity element from the overall cost of the RPA scheme.

12 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Assets under construction £ 000	Leasehold improvements £ 000	Total £ 000
Cost					
At 1 September 2020	2,975	700	639	252	4,566
Additions	-	286	683	-	969
Transfers	-	-	(509)	509	-
At 31 August 2021	2,975	986	813	761	5,535
Depreciation					
At 1 September 2020	25	527	-	10	562
Charge for the year	59	155	-	22	236
At 31 August 2021	84	682	-	32	798
Net book value					
At 31 August 2021	2,891	304	813	729	4,737
At 31 August 2020	2,950	173	639	242	4,004

The academy trust company occupies land (including buildings) which are owned by its trustees who are The Diocese of Leeds and The Diocese of York. The trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their trustees is pursuant to, and subject to, the trustees' charitable objects, and is part of the Diocese's contribution since to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being but does not vest any rights over the land in the academy trust company. The trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the buildings occupied by the academy trust company will not be recognised on the balance sheet of the academy trust.

13 Debtors

	2021 £ 000	2020 £ 000
Trade debtors	17	14
VAT recoverable	36	64
Other debtors	3	28
Prepayments	505	509
Accrued grant and other income	593	983
	1,154	1,598

14 Creditors: amounts falling due within one year

	2021 £ 000	2020 £ 000
Trade creditors	575	705
Other taxation and social security	184	165
Other creditors	5	12
Accruals	416	633
Deferred income	193	199
	1,373	1,714

	2021 £ 000	2020 £ 000
Deferred income		
Deferred income at 1 September 2020	199	126
Resources deferred in the period	193	199
Amounts released from previous periods	(199)	(126)
Deferred income at 31 August 2021	193	199

At the balance sheet date the academy trust was holding funds received in advance in respect of, Rates Relief, Universal Infant Free School Meals and school trips relating to the following accounting period.

15 Creditors: amounts falling due after one year

	2021 £ 000	2020 £ 000
Other	23	-

Included within creditors: amounts falling due in more than one year is £11,695 (2020 - £Nil) of creditors due in more than five years, repayable by instalments.

Loans of £13,284 from Salix Finance Ltd which is provided on the following terms: Salix Finance loan (Ravensworth Church of England Primary School) - Interest free loan repayable through GAG in 6-monthly instalments of £830 from September 2022.

Loans of £10,107 from Salix Finance Ltd which is provided on the following terms: Salix Finance loan (Barton Church of England Primary School) - Interest free loan repayable through GAG in 6-monthly instalments of £632 from September 2022.

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds

	Balance at 1 September 2020 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2021 £ 000
Restricted general funds					
General Annual Grant (GAG)	422	11,582	(10,563)	(172)	1,269
Other DfE / ESFA grants	-	1,921	(1,921)	-	-
Other government grants	-	869	(869)	-	-
COVID-19 Catch-up Premium	-	197	(197)	-	-
COVID-19 Mass Testing	-	28	(28)	-	-
	422	14,597	(13,578)	(172)	1,269
Restricted fixed asset funds					
Transfer on conversion	22	-	-	-	22
DfE group capital grants	4,361	538	(234)	172	4,837
Capital expenditure from GAG	96	-	-	-	96
Other capital grants	23	-	-	-	23
	4,502	538	(234)	172	4,978
Restricted pension funds					
Pension reserve	(4,027)	-	(516)	227	(4,316)
Total restricted funds	897	15,135	(14,328)	227	1,931
Unrestricted funds					
General funds	1,330	677	(551)	-	1,456
Total funds	2,227	15,812	(14,879)	227	3,387

16 Funds (continued)

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

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	26	10,240	(9,863)	19	422
Other DfE / ESFA grants	-	1,724	(1,724)	-	-
Other government grants	-	784	(784)	-	-
	26	12,748	(12,371)	19	422
Restricted fixed asset funds					
Transfer on conversion	22	-	-	-	22
DfE group capital grants	441	4,073	(134)	(19)	4,361
Capital expenditure from GAG	96	-	-	-	96
Other capital grants	23	-	-	-	23
	582	4,073	(134)	(19)	4,502
Restricted pension funds					
Pension reserve	(2,580)	(176)	(360)	(911)	(4,027)
Total restricted funds	(1,972)	16,645	(12,865)	(911)	897
Unrestricted funds					
General funds	1,065	721	(456)	-	1,330
Total funds	(907)	17,366	(13,321)	(911)	2,227

Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

16 Funds (continued)

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy Trust. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

Start up grants include funding received to convert new academies joining the trust and growth funds.

Other DfE/ESFA grants include Pupil Premium, universal free school meals, PE grant and year 7 catch up grant.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to LGPS, and the pension liability has therefore been aligned with these funds.

The transfer from the Local Authority reflects the fixed assets, the pension deficit, the surplus GAG and any surplus school funds acquired on conversion.

DfE/ESFA capital grants represent Devolved Formula Capital receivable during the period.

Capital expenditure has also been funded by GAG. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose at the discretion of the Trustees, within the objects of the academy trust.

16 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2021 were allocated as follows:

	2021 £ 000	2020 £ 000
Ainderby Steeple Church of England Primary School	77	72
All Saints Academy	900	362
Barton Church of England Primary School	45	47
Carnagill Community Primary School	88	84
Croft Church of England Primary School	158	133
Trinity Academy Eppleby Forcett	82	80
East Cowton Church of England Primary School	46	23
Kirkby Fleetham Church of England Primary School	36	26
Trinity Academy Middleton Tyas	257	203
Ravensworth Church of England Primary School	108	97
Trinity Academy Richmond	122	119
St Francis of Assisi Church of England Primary School	140	98
South Otterington Church of England Primary School	(17)	(75)
Thornaby Church of England Primary School	410	289
Central services	273	194
Total before fixed assets and pension reserve	2,725	1,752
Restricted fixed asset fund	4,978	4,502
Pension reserve	(4,316)	(4,027)
Total	3,387	2,227

South Otterington Church of England Primary School is carrying a net deficit of £17,000 on these funds because:

The deficit is the result of significant financial challenges during the year of its conversion, together with the need to repay an LA loan for a boiler.

The trust is taking the following action to return the academy to surplus:

A plan was put in place in 19/20, with this and additional income generation the school has managed to recover a significant amount of the deficit in 20/21. Savings have been built in to the medium term financial plan to recover the remaining deficit over the next 3 years.

16 Funds (continued)

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding raising funds) £ 000	Total 2021 £ 000
Ainderby Steeple Church of England Primary School	387	16	27	91	521
All Saints Academy	2,942	128	89	859	4,018
Barton Church of England Primary School	188	70	15	63	336
Carnagill Community Primary School	710	30	31	150	921
Croft Church of England Primary School	286	132	25	106	549
Central Services	11	263	-	692	966
East Cowton Church of England Primary School Trinity Academy	167	13	12	49	241
Eppleby Forcett	224	29	3	82	338
Kirkby Fleetham Church of England Primary School Trinity Academy	169	17	14	50	250
Middleton Tyas	447	34	52	133	666
Ravensworth Church of England Primary School Trinity Academy	213	16	12	64	305
Richmond St Francis of Assisi Church of England Primary School	731	51	49	211	1,042
South Otterington Church of England Primary School	1,362	108	69	198	1,737
Thornaby Church of England Primary School	406	26	18	118	568
	1,312	87	64	207	1,670
Academy Trust	9,555	1,020	480	3,073	14,128

16 Funds (continued)

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

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2020 £ 000
Ainderby Steeple Church of England Primary School	345	14	7	94	460
All Saints Academy	2,967	117	51	826	3,961
Barton Church of England Primary School	168	80	6	72	326
Carnagill Community Primary School	304	13	6	65	388
Croft Church of England Primary School	378	26	23	141	568
Central Services	2	225	-	226	453
East Cowton Church of England Primary School	158	15	5	62	240
Trinity Academy Eppleby Forcett	186	32	1	98	317
Kirkby Fleetham Church of England Primary School	162	14	5	55	236
Trinity Academy Middleton Tyas	453	44	28	156	681
Ravensworth Church of England Primary School	163	74	8	84	329
Trinity Academy Richmond	666	70	19	222	977
St Francis of Assisi Church of England Primary School	1,249	100	27	245	1,621
South Otterington Church of England Primary School	390	28	23	160	601
Thornaby Church of England Primary School	1,339	77	44	205	1,665
Academy Trust	8,930	929	253	2,711	12,823

17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	4,737	4,737
Current assets	1,456	2,642	264	4,362
Current liabilities	-	(1,373)	-	(1,373)
Creditors over 1 year	-	-	(23)	(23)
Pension scheme liability	-	(4,316)	-	(4,316)
Total net assets	1,456	(3,047)	4,978	3,387

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	4,004	4,004
Current assets	1,330	2,136	498	3,964
Current liabilities	-	(1,714)	-	(1,714)
Pension scheme liability	-	(4,027)	-	(4,027)
Total net assets	1,330	(3,605)	4,502	2,227

18 Capital commitments

	2021 £ 000	2020 £ 000
Contracted for, but not provided in the financial statements	194	365

19 Long-term commitments, including operating leases

Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £ 000	2020 £ 000
Amounts due within one year	16	14
Amounts due between one and five years	24	18
	40	32

19 Long-term commitments, including operating leases (continued)

The Academy Trust occupies premises which are subject to a private finance initiative (PFI) contract. The Academy Trust is itself not party to this service concession contract, however the Academy Trust has entered into a supporting agreement to make contributions towards the costs. The commitment covers the same period as the PFI agreement of 25 years. The current year cost was £556,207 and it is expected that future annual commitments will be at a similar level.

20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

		2021	2020
		£ 000	£ 000
Net income		933	4,045
Depreciation	6	236	134
Capital grants from DfE and other capital income		(538)	(1,089)
Assets transferred on conversion from Local Authority		-	(2,984)
Interest receivable	5	(1)	(3)
Defined benefit pension scheme obligation inherited	26	-	176
Defined benefit pension scheme cost less contributions payable	26	450	312
Defined benefit pension scheme finance cost	26	66	48
Decrease/(increase) in debtors		444	(428)
(Decrease)/increase in creditors		(341)	599
Net cash provided by Operating Activities		1,249	810

21 Cash flows from financing activities

	2021	2020
	£ 000	£ 000
Cash inflows from new borrowing	23	-
Net cash provided by financing activities	23	-

22 Cash flows from investing activities

	2021	2020
	£ 000	£ 000
Dividends, interest and rents from investments	1	3
Purchase of tangible fixed assets	(969)	(733)
Capital funding received from sponsors and others	538	1,089
Net cash (used in)/provided by investing activities	(430)	359

23 Analysis of cash and cash equivalents

	2021	2020
	£ 000	£ 000
Cash at bank and in hand	3,208	2,366
Total cash and cash equivalents	3,208	2,366

24 Analysis of changes in net debt

	At 1 September 2020 £000	Cash flows £000	At 31 August 2021 £000
Cash	2,366	842	3,208
Loans falling due after more than one year	-	(23)	(23)
Total	2,366	819	3,185

25 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.

26 Pension and similar obligations

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 are managed by Middlesbrough Borough Council and North Yorkshire County Council. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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 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 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.

26 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1,300,113 (2020: £1,220,675).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension schemes

North Yorkshire Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £277,000 (2020 - £234,000), of which employer's contributions totalled £217,000 (2020 - £181,000) and employees' contributions totalled £60,000 (2020 - £53,000). The agreed contribution rates for future years are 19.7 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by North Yorkshire County Council.

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

	2021 %	2020 %
Rate of increase in salaries	3.90	3.50
Rate of increase for pensions in payment/inflation	2.60	2.20
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	2.60	2.20

26 Pension and similar obligations (continued)

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

	2021	2020
Retiring today		
Males retiring today	21.90	21.80
Females retiring today	24.00	23.90
Retiring in 20 years		
Males retiring in 20 years	23.60	23.50
Females retiring in 20 years	25.80	25.70

Sensitivity analysis

	At 31 August 2021 £000	At 31 August 2020 £000
Discount rate +0.1%	4,831	3,825
Discount rate -0.1%	5,094	4,033
Mortality assumption – 1 year increase	4,776	3,786
Mortality assumption – 1 year decrease	5,148	4,068
CPI rate +0.1%	5,074	4,017
CPI rate -0.1%	4,846	3,837

The academy trust's share of the assets in the scheme were:

	2021 £ 000	2020 £ 000
Equities	1,673	1,291
Corporate bonds	114	-
Government bonds	397	436
Property	169	144
Cash and other liquid assets	47	79
Other	374	231
Total market value of assets	2,774	2,181

The actual return on scheme assets was £376,000 (2020 - £215,000).

Amounts recognised in the statement of financial activities

	2021 £ 000	2020 £ 000
Current service cost	514	388
Interest income	(39)	(34)
Interest cost	67	54
Total amount recognised in the SOFA	542	408

26 Pension and similar obligations (continued)

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

	2021 £ 000	2020 £ 000
At start of period	3,927	2,680
Conversion of academy trusts	-	360
Current service cost	514	388
Interest cost	67	54
Employee contributions	60	53
Actuarial (gain)/loss	452	434
Benefits paid	(60)	(42)
At 31 August	4,960	3,927

Changes in the fair value of academy trust's share of scheme assets:

	2021 £ 000	2020 £ 000
At start of period	2,181	1,590
Conversion of academy trusts	-	184
Interest income	39	34
Actuarial gain/(loss)	337	181
Employer contributions	217	181
Employee contributions	60	53
Benefits paid	(60)	(42)
At 31 August	2,774	2,181

Teesside Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £125,000 (2020 - £108,000), of which employer's contributions totalled £92,000 (2020 - £80,000) and employees' contributions totalled £33,000 (2020 - £28,000). The agreed contribution rates for future years are 17.5 per cent for employers and 5.5 - 12.5 per cent for employees. The scheme is managed by Middlesbrough Borough Council.

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

	2021 %	2020 %
Rate of increase in salaries	3.60	3.30
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	2.60	2.30

26 Pension and similar obligations (continued)

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

	2021	2020
Retiring today		
Males retiring today	21.90	21.80
Females retiring today	23.60	23.50
Retiring in 20 years		
Males retiring in 20 years	23.30	23.20
Females retiring in 20 years	25.40	25.30

Sensitivity analysis

	At 31 August 2021 £000	At 31 August 2020 £000
Discount rate +0.1%	6,900	6,103
Discount rate -0.1%	7,261	6,422
Mortality assumption – 1 year increase	6,808	6,034
Mortality assumption – 1 year decrease	7,346	6,491
CPI rate +0.1%	7,226	6,390
CPI rate -0.1%	6,935	6,134

The academy trust share of the assets in the scheme were:

	2021 £ 000	2020 £ 000
Equities	3,913	3,024
Property	361	318
Cash and other liquid assets	411	461
Other	262	175
Total market value of assets	4,947	3,978

The actual return on scheme assets was £857,000 (2020 - (£77,000)).

Amounts recognised in the statement of financial activities

	2021 £ 000	2020 £ 000
Current service cost	245	185
Interest income	(69)	(76)
Interest cost	107	104
Total amount recognised in the SOFA	283	213

26 Pension and similar obligations (continued)

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

	2021 £ 000	2020 £ 000
At start of period	6,259	5,450
Current service cost	245	185
Interest cost	107	104
Employee contributions	33	28
Actuarial (gain)/loss	446	505
Benefits paid	(13)	(13)
At 31 August	7,077	6,259

Changes in the fair value of academy trust's share of scheme assets:

	2021 £ 000	2020 £ 000
At start of period	3,978	3,960
Interest income	69	76
Actuarial gain/(loss)	788	(153)
Employer contributions	92	80
Employee contributions	33	28
Benefits paid	(13)	(13)
At 31 August	4,947	3,978

27 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. The following related party transactions took place in the financial period.

Expenditure related party transactions
During the year the academy trust made the following related party transactions:

York Diocesan Board of Finance Limited (The)
A company in which The Right Reverend P Ferguson (a trustee) is a director

During the year, the academy trust purchased goods and services totalling £100 (2020 - £5,378).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to York Diocesan Board of Finance Limited (The) was £Nil (2020 - £Nil).

27 Related party transactions (continued)

Leeds Diocesan Board of Finance Limited
A company in which The Right Reverend N Baines (a member) is a director

During the year, the academy trust purchased goods and services totalling £4,141 (2020 - £4,221).

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2020.

At the balance sheet date the amount due to Leeds Diocesan Board of Finance Limited was £Nil (2020 - £Nil).