

Registration number: 08372064

DALES ACADEMIES TRUST

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2022

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 (Accounting Officer) E Edwards J Hooton, Vice Chair I Juden (resigned 22 July 2022) J Probert G Thompson W Town |
| 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 R Peart, Headteacher Ainderby Steeple Church of England Primary School (appointed 25 April 2022) 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 L Newport, Headteacher Carnagill Community Primary School S Robson, Headteacher Croft Church of England Primary School K Williamson, Executive Headteacher Trinity Academy Eppleby Forcett, Trinity Academy Middleton Tyas, Trinity Academy Richmond D McLean, Headteacher Trinity Academy Eppleby Forcett, Trinity Academy Middleton Tyas (appointed 25 April 2022) C Barnett, Headteacher Trinity Academy Richmond (appointed 13 July 2022) L Probets, Headteacher St Francis of Assisi Church of England Primary School A Gledhill, Headteacher South Otterington Church of England Primary School E Hughes-Narborough, Headteacher Thornaby Church of England 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 |

Dales Academies Trust

Reference and administrative details (continued)

Auditors Azets Audit Services
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 2022

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

As of August 2022, Dales Academies Trust consists of fourteen academies (one secondary and thirteen primary) in North Yorkshire and Stockton LA areas comprising 2,465 pupils and 373 staff with an annual budget of £15,801,118.

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.

Dales Academies Trust

Trustees Report for the Year Ended 31 August 2022 (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 Trust Board meets half termly, and Finance & Resources and Education & Standards committees meet 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 an annual basis. The CEO is the Accounting Officer.

The Board of Trustees are supported by the CEO and CFO, both of whom work full time for Dales.

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.

Dales Academies Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

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.
- 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".

Dales Academies Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

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 continue to support schools as the country emerged from Covid-19 restrictions. To this end the decision was made to delay activities in support of the delivery of the first year of the Trust strategic plan until January 2022.

The Trust Strategic Priorities are:

- a. Priority 1 - 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.
- b. Priority 2 - 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 CPL and effective talent management at all levels of the organisation.
- c. Priority 3 - 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

Progress against these priorities for the period January 2022 - August 2022 were as follows:

During this period the Trust School Improvement Strategy was reviewed, re-drafted, consulted upon and published. This document lays out our strategy but also includes activities and operational aspects of how the Trust will deliver this strategy. The Trust has also devised a new model of School Improvement for Primaries, securing the services of a former HMI and Trust CEO who undertakes her work in partnership with peer Headteachers, providing highly effective CPL as well as developing capacity. The retirement of the Secondary SIA led to the search and subsequent appointment of a new, experienced and well qualified SIA. In further support of cross Trust working for the Primaries, a standardised Self Evaluation (SEF) form and School Improvement Plan (SIP) has been devised and rolled out, and in keeping with our goal, explicit reference is made to the need for activity to be underpinned by sound academic research. The Trust Safeguarding Forum has been established and through this, standardised practice across the Trust has been introduced in respect to CPOMS reporting, SCR formats and clarity in terms of best practice regarding training and reading, for all staff, above that which is mandatory. We have continued to develop the register of expertise and staff are now supporting schools beyond their own setting. A Trust Primary Headteacher has continued to provide effective support for a federation beyond the Trust and the Primary Headteacher Forum has provided highly effective support for two new to the Trust Headteachers. The Trust also made the decision to appoint Berry Education in support of Trust level clerking and support for local governance.

Dales Academies Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

The first Trust wide staff survey was developed towards the latter part of the summer term and will be circulated in the 2022/23 academic year to ensure future development is informed by all stakeholders. We have also now completed work on establishing a robust induction process for local governors and Trustees. The Trust Wellbeing and Mental Health Group continues to play a key role in supporting wellbeing across the Trust and is in the process of drafting a strategy document; a Headteacher has also taken on the lead for raising awareness of, and supporting staff regarding the impact of the menopause. All Headteachers now have access to supervision in direct support of their wellbeing.

We have now secured a single Health & Safety provider over the Trust, as well as investigating and securing a new provider for buildings maintenance. Further to the establishment of the Cornerstone group of schools (Barton, East Cowton, Kirkby Fleetham and Ravensworth) as a going concern, we have now developed a financial model of pooled GAG to more effectively manage the finances of the schools, thus reducing the workload of the SLT. In order to increase central team capacity and ensure all systems are as effective as possible, the decision was made to appoint to the role of Trust Operations Manager with effect from the start of the new academic year. The decision was also made to establish a Trust office at Trinity Richmond, in addition to the one at Thornaby that is currently home to the finance team. We continue to have conversations with a number and range of schools who are interested in academisation and joining our family of schools.

In terms of Secondary phase growth, Ofsted's hiatus on inspection activities during a large part of this period meant that there was limited need for Trusts to sponse Secondary schools; understandably other schools were focusing on getting back to normal functioning rather than seeking Trusts to join. However, the year ended with staff having been identified within All Saints that could deploy and support other schools, which would develop School to School Support (StSS) skills and capacity as well as develop links with other schools. Further to this, the Trust agreed to the part time secondment (of up to 24 days) of the Headteacher to be an Associate School Adviser: Secondary Senior Leadership, with the Diocese of Leeds.

Beyond these specifically Trust focused areas, the CEO has continued to work with maintained sector colleagues on the LA coordinated Hambleton & Richmondshire Locality Board, which identifies common areas of need for schools in the region and develops projects in support of these. He has also been part of a National small rural schools roundtable, chaired by the Regional Director for the South-West, aimed at raising the profile of such schools and awareness of the challenges and opportunities posed by these settings, particularly within multi academy trusts.

Ofsted inspections

Trinity Academy Richmond was the first school to convert into the Trust in November 2017; the Trust were expecting Ofsted by November 2020, when the country was in the first lockdown. The sequence of inspections that started in February 2022 followed approximately, the timeline of conversions, although it is understood that Croft, as an historic Outstanding school, was on a different planned programme of inspections.

Dales Academies Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

The outcomes of these inspections were as follows:

| Date | School | Inspection type | Previous Ofsted grade | Recent Ofsted grade | Comments |
|--------|---------------------------------------|-----------------|-------------------------------|---------------------------------|---|
| Feb 22 | Trinity Academy Richmond | Section 5 | Inadequate – Special Measures | Inadequate – Serious Weaknesses | |
| Feb 22 | Trinity Academy Middleton Tyas (TMT) | Section 8 | Good | Good | Inspected at same time as TEF. |
| Feb 22 | Trinity Academy Eppleby Forcett (TEF) | Section 8 | Good | Good | Inspected at same time as TMT. |
| Feb 22 | Kirkby Fleetham | Section 8 | Good | Good | |
| Mar 22 | East Cowton | Section 8 | Good | Good | |
| Apr 22 | Ravensworth | Section 8 | Good | Good | |
| May 22 | Barton | Section 5 | RI | Good | |
| May 22 | Croft | Section 5 | Outstanding | Good | With Outstanding for Behaviour and Attitudes. |

The very disappointing outcome at Trinity Academy Richmond has been analysed in detail and the plans that have been put in place are ensuring the necessary improvements are being made at pace.

All remaining Trust schools (One Secondary and five Primaries) are effectively in the window for inspection in the forthcoming academic year and three are in the window for SIAMS inspections.

Headteacher recruitment

In December 2021, the Executive Headteacher of Trinity Academies Richmond, Middleton Tyas and Eppleby Forcett left to take up a post as an HMI. In late January 2022 the decision was made to put in place as soon as possible, a new leadership model of a dedicated Headteacher at Richmond and another at Middleton Tyas / Eppleby Forcett, rather than to have an Executive Headteacher model. This has now been recruited to. In February 2022 the Trust also recruited to the Headship of Ainderby Steeple, the previous post holder having left to take up headship of a larger school.

Outcomes

Despite the total commitment of staff in schools to support pupils over the period of the pandemic, including through the delivery of on-line learning, and identifying swiftly and responding to gaps in learning on the return of face-to-face teaching, outcomes had the potential to be highly variable and only understood within the very specific context of each school. DfE note on the IDSRs “Performance data for 2022 should not be directly compared with 2019 and earlier. Nor should comparisons be made between schools. This is because schools may have been affected differently by COVID-19.” However, with that caveat, it is appropriate to record key headline data, if only for the completeness of the record.

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Trustees Report for the Year Ended 31 August 2022 (continued)

Primaries

For those Trust schools (7 in total) with cohorts of sufficient size for data to be published, Attainment in Phonics across the Trust was in line with National but significantly above at St Francis. Attainment at KS1 in 5/7 Trust Primaries was in line with National and where it was not, it was within schools where we were aware that despite the best efforts of staff the pandemic had impacted more severely on pupil engagement with online learning, and getting back into the routine of school based learning when it was possible. At KS2 Attainment in all but one Primary was in line with, or above, National and Progress across Reading, Writing and Maths was, with the exception of two schools, either in line or well above National.

Secondary - All Saints

Prior to the pandemic, the school had a well-established T&L strategy underpinned by the effective use of technology. The school switched seamlessly to online teaching during periods of lockdown and staff and pupil absence due to isolation, however, it should be noted that as with other schools, there was significant work undertaken to support families and pupils during this period, including that aimed at maximising attendance, online or in person at school.

Attainment and Progress data was very strong in 2022, as the following tables indicate:

| Outcome measure | 2022 Final Results |
|--|---------------------------|
| Average Attainment 8 Grade | 6.07 |
| Average Total Progress 8 | 0.42 |
| Grade 5 or above in English and Maths | 81.6% |
| Grade 4 or above in English and Maths | 96.6% |
| Grade 5 or above GCSE in Maths | 84.4% |
| Grade 4 or above GCSE in Maths | 98.0% |
| Progress: Maths | 0.67 |
| Grade 5 or above GCSE in English | 92.5% |
| Grade 4 or above GCSE in English | 98.0% |
| Progress: English | 0.8 |
| Students in COHORT achieving EBacc Standard Pass | 66.7% |
| Progress: EBacc slots | 0.04 |

For comparison, National Progress was -0.02 and for the LA was 0.03.

Key Financial Performance Indicators

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

- Total staff costs 69.42% of income (20/21 – 68.02%)
- Teacher costs 47.40% of income (20/21 – 47.22%)

Dales Academies Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

- Average teacher cost £54,713 (20/21 - £53,195)
- Pupil teacher ratio 16.8 (20/21 - 17.6)
- Surplus / deficit 4.76% of income (20/21 – 7.29%)
- Movement in reserves 5,002,000 (20/21 - £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.

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 2022 total expenditure of £16,291,000 including depreciation which was lower than recurrent DfE grant funding together with other incoming resources. The excess of income over expenditure was £4,376,000 including actuarial gains on the Local Government Pension Scheme and transferred assets on conversion. Ignoring the impact of the restricted fixed asset fund and the LGPS valuation in the period the surplus of the period was £634,000.

Reserves policy

The Academy Trust had reserves in surplus totalling £3,359,000 at 31 August 2022 made up of unrestricted funds of £1,603,000 and restricted income funds of £1,756,000. Restricted funds also included a Fixed Asset Fund with a total value of £5,030,000 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 £626,000 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 2022 have been calculated as:

| Restricted Reserves | | Unrestricted Reserves | | Total Free Reserves | |
|---------------------|---------|-----------------------|---------|---------------------|---------|
| £1,756,000 | (2021 - | £1,603,000 | (2021 - | £3,359,000 | (2021 - |
| £1,269,000) | | £1,456,000) | | £2,725,000) | |

Dales Academies Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

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.

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 new Trust, that has, in its key third and fourth year of establishment had to manage the impact of the pandemic with limited capacity, and been limited in its ability to review 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.

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 continue to be monitored.

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 key priority for the coming year is to support schools in the final transition to normal working after the period of the pandemic. In many cases this will be through the further supporting of effective school improvement, acknowledging that some aspects of this were on hold during the pandemic as a result of limited capacity to do more beyond that of delivering remote learning particularly in our smaller schools. This will include in depth reviews to ensure all areas of need have been identified and are being addressed, and CPL where necessary. The investment in the new model of school improvement will support this work.

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Trustees Report for the Year Ended 31 August 2022 (continued)

We will continue to raise the profile of research led practice, for example, through the ongoing promotion of EEF outputs. The Primary Head Teacher Forum will be further developed in its focus on school improvement, for example, through acting as a forum to share practice on strategies concerning behaviour, attendance and extra-curricular provision. It will further consider those elements that are autonomous, aligned and standardised to ensure that practice that can enhance outcomes in its widest sense for all pupils in all Trust Primary schools is standardised. Auditing of provision will now be extended into the provision of CPL, to develop a bank of quality providers, known to all schools in the Trust. We will develop an ITT strategy and further support cross Trust working through linking staff via Teams in informal subject and year group teams. We will also deploy All Saints staff to other schools as opportunities arise.

A programme of reviews of local governance will also be developed to further support the development of local governance to ensure it is as effective as possible. This will be closely linked with identifying and signposting appropriate training to local governors as necessary, accessing provision offered by the Diocese and other organisations.

During this period we will draft the Trust People Strategy will include the introduction of a more formalised approach to talent management with cross Trust opportunities for individual staff development, as well as a robust, evaluated CPL offer with recognised partners for all staff. The separate Wellbeing strategy will also be drafted. This will pull together all aspects of the work of the Trust Mental Health and Wellbeing group which has been operating since the early days of the Trust, as well as feedback from the first whole Trust staff survey. We will continue to explore standardisation of processes to reduce workload.

This year will see the formation of the Trust Advisory Group (TAG) comprising the Chair and Vice Chair of the PHTF, the Headteacher of All Saints (the Trust's Secondary) and central team members. This will formalise the arrangements in existence over the last 5 years, to ensure key leaders are involved in the further development of the Trust as it seeks to grow in a sustainable manner. The Trust will continue focus on Value For Money, concluding its review of SLAs to ensure they are fit for purpose and competitive. The Estates strategy will be established during the year and the groundwork will be undertaken to develop a Trust IT strategy.

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.

Dales Academies Trust

Trustees Report for the Year Ended 31 August 2022 (continued)

Reappointment of auditor

Azets Audit Services Limited, trading as Azets Audit Services, were appointed auditor to the company following their acquisition of the trade of Tait Walker LLP, trading as MHA Tait Walker, on 1 May 2022.

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Azets Audit Services as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The trustees report, incorporating a Strategic Report, was approved and authorised for issue by order of the members of the Governing Body on 16 December 2022 and signed on its behalf by:



Paul Ferguson 22 Dec 2022 11:40:42 GMT (UTC +0)

.....
The Right Reverend P Ferguson
Trustee



Damian Chubb 22 Dec 2022 16:29:04 GMT (UTC +0)

.....
D Chubb
Trustee

Dales Academies Trust

Governance statement

Governance Report

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 six 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) | 6 | 6 |
| I Juden (Vice Chair) (Leave of absence) | 0 | 6 |
| Rev S Bennett | 5 | 6 |
| C Brooks | 6 | 6 |
| D Chubb (Accounting Officer) | 6 | 6 |
| E Edwards | 6 | 6 |
| J Hooton | 6 | 6 |
| G Thompson | 6 | 6 |
| J Probert | 4 | 6 |
| Will Town | 5 | 6 |

There were no appointments during the year. Ian Juden resigned as a Trustee with effect from 25th July 2022.

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.

Dales Academies Trust

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 (leave of Absence) | 2 | 6 |
| Will Town | 6 | 6 |
| G Thompson (Chair) | 6 | 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 | 5 | 5 |
| C Brooks (Chair) | 5 | 5 |
| J Probert | 4 | 5 |
| J Hooton | 5 | 5 |
| S Bennett | 5 | 5 |

Conflicts of interest

Academy trusts must describe the processes they have in place to manage conflicts of interest, including for example (but not limited to) maintaining an up-to-date and complete register of interests, and how the information on this register is used in the day-to-day management and governance of the academy trust. Where relevant, they must also explain how the academy trust avoids conflicts of interest in its ownership or control of any subsidiaries, joint ventures or associates.

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 ongoing review of services and contracts.
- At Primary level CPL opportunities within individual schools are, wherever possible, open to staff across all Trust schools.
- Coordination, by SIA of bespoke collaborative CPL for schools with similar areas of need, for example further development of curriculum.

Dales Academies Trust

Governance statement (continued)

- Use of staff working across the Trust in support of school improvement and other activities.
The ongoing 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.
- The new School Improvement model now also contributes to the further development of Headteachers in their ability to improve performance within their settings.
- 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 2018 to 31 August 2019 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 Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Azets Audit Services as external auditor with and Azets for additional internal checks.

The 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:

Dales Academies Trust

Governance statement (continued)

- Financial records and procedures
- Risk Register
- Purchasing and tendering
- Monthly Management Reporting and KPIs
- Gifts and Hospitality

Week commencing 31 January 2022 an internal assurance review was undertaken, and the summary identified two low risk and one medium risk recommendations.

Week commencing 4 July 2022 an internal assurance review was undertaken no risks were identified.

Twice a year, the 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 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 16 December 2022 and signed on its behalf by:



Paul Ferguson 22 Dec 2022 11:40:42 GMT (UTC +0)

.....
The Right Reverend P Ferguson
Trustee



Damian Chubb 22 Dec 2022 16:29:04 GMT (UTC +0)

.....
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 Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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

D Chubb

Damian Chubb 22 Dec 2022 16:29:04 GMT (UTC +0)

D Chubb
Accounting officer

16 December 2022

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 2021 to 2022;
- 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 and authorised for issue by order of the members of the Board on 16 December 2022 and signed on its behalf by:



Paul Ferguson 22 Dec 2022 11:40:42 GMT (UTC +0)

The Right Reverend P Ferguson
Trustee



Damian Chubb 22 Dec 2022 16:29:04 GMT (UTC +0)

D Chubb
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 2022, 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 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2021 to 2022.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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.

Dales Academies Trust

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

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.

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 19], 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.

Dales Academies Trust

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

Auditor 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 about 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.

Dales Academies Trust

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.

Azets Audit Services

Brian Laidlaw 22 Dec 2022 16:36:43 GMT (UTC +0)

Brian Laidlaw BA CA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Statutory Auditor

Chartered Accountants

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

Date: 22 December 2022

Azets Audit Services is a trading name of Azets Audit Services Limited

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 30 June 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dales Academies Trust during the period 1 September 2021 to 31 August 2022 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 May 2013 and the Academy Trust Handbook, extant from 1 September 2021, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2021 to 2022. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

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

Dales Academies Trust

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 of cash payments for unusual transactions;
- Review of purchasing card transactions;
- Review of register of interests;
- Review of related party transactions;
- Review of borrowing arrangements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review of gifts and hospitality on a sample basis to ensure in line with policy; and
- 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 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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.

Azets Audit Services

Brian Laidlaw 22 Dec 2022 16:36:43 GMT (UTC +0)

.....
Azets Audit Services
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 22 December 2022
.....

Azets Audit Services is a trading name of Azets Audit Services Limited

Dales Academies Trust

Statement of Financial Activities for the Year Ended 31 August 2022 (including Income and Expenditure Account)

| | Note | Unrestricted Funds £ 000 | Restricted General Funds £ 000 | Restricted Fixed Asset Funds £ 000 | Total 2022 £ 000 |
|---|------|--------------------------------|---|---|------------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 2 | 78 | - | 234 | 312 |
| <i>Charitable activities:</i> | | | | | |
| Funding for the Academy trust's educational operations | 3 | 171 | 14,975 | - | 15,146 |
| Other trading activities | 4 | 619 | - | - | 619 |
| Investments | 5 | 1 | - | - | 1 |
| Total | | <u>869</u> | <u>14,975</u> | <u>234</u> | <u>16,078</u> |
| Expenditure on: | | | | | |
| Raising funds | 6 | 629 | 197 | - | 826 |
| <i>Charitable activities:</i> | | | | | |
| Academy trust educational operations | 7 | <u>93</u> | <u>15,043</u> | <u>329</u> | <u>15,465</u> |
| Total | | <u>722</u> | <u>15,240</u> | <u>329</u> | <u>16,291</u> |
| Net income/(expenditure) | | 147 | (265) | (95) | (213) |
| Transfers between funds | | - | (147) | 147 | - |
| Other recognised gains and losses | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 26 | <u>-</u> | <u>4,589</u> | <u>-</u> | <u>4,589</u> |
| Net movement in funds | | 147 | 4,177 | 52 | 4,376 |
| Reconciliation of funds | | | | | |
| Total funds/(deficit) brought forward at 1 September 2021 | | <u>1,456</u> | <u>(3,047)</u> | <u>4,978</u> | <u>3,387</u> |
| Total funds carried forward at 31 August 2022 | | <u><u>1,603</u></u> | <u><u>1,130</u></u> | <u><u>5,030</u></u> | <u><u>7,763</u></u> |

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: | | | | | |
| Donations and capital grants | 2 | 66 | - | 538 | 604 |
| <i>Charitable activities:</i> | | | | | |
| 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 |
| <i>Charitable activities:</i> | | | | | |
| 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

(Registration number: 08372064) Balance Sheet

| | Note | 2022 £ 000 | 2021 £ 000 |
|---|------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 12 | 4,976 | 4,737 |
| Current assets | | | |
| Debtors | 13 | 865 | 1,154 |
| Cash at bank and in hand | | <u>3,724</u> | <u>3,208</u> |
| | | 4,589 | 4,362 |
| Creditors: Amounts falling due within one year | 14 | <u>(1,158)</u> | <u>(1,373)</u> |
| Net current assets | | <u>3,431</u> | <u>2,989</u> |
| Total assets less current liabilities | | 8,407 | 7,726 |
| Creditors: Amounts falling due after more than one year | 15 | <u>(18)</u> | <u>(23)</u> |
| Net assets excluding pension liability | | 8,389 | 7,703 |
| Pension scheme liability | 26 | <u>(626)</u> | <u>(4,316)</u> |
| Net assets including pension liability | | <u>7,763</u> | <u>3,387</u> |
| Funds of the Academy: | | | |
| Restricted funds | | | |
| Restricted income fund | 16 | 1,756 | 1,269 |
| Restricted fixed asset fund | 16 | 5,030 | 4,978 |
| Pension reserve | 16 | <u>(626)</u> | <u>(4,316)</u> |
| | | 6,160 | 1,931 |
| Unrestricted funds | | | |
| Unrestricted income fund | 16 | <u>1,603</u> | <u>1,456</u> |
| Total funds | | <u>7,763</u> | <u>3,387</u> |

The financial statements on pages 26 to 57 were approved and authorised for issue by the trustees, on 16 December 2022 and signed on their behalf by:



Paul Ferguson 22 Dec 2022 11:40:42 GMT (UTC +0)

The Right Reverend P Ferguson
Trustee



Damian Chubb 22 Dec 2022 16:29:04 GMT (UTC +0)

D Chubb
Trustee

Dales Academies Trust

Statement of Cash Flows

| | Note | 2022 £ 000 | 2021 £ 000 |
|--|------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Net cash provided by (used in) operating activities | 20 | 850 | 1,249 |
| Cash flows from investing activities | | | |
| | 22 | (334) | (430) |
| Cash flows from financing activities | | | |
| | 21 | - | 23 |
| Change in cash and cash equivalents in the year | | 516 | 842 |
| Cash and cash equivalents at 1 September | | <u>3,208</u> | <u>2,366</u> |
| Cash and cash equivalents at 31 August | | <u><u>3,724</u></u> | <u><u>3,208</u></u> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), 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 2021 to 2022 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.

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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), where 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.

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 is 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.

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.

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

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.

| 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.

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

1 Accounting policies (continued)

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.

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.

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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.

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.

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 £330,000 (2021 - £236,000).

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.

2 Donations and capital grants

| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2022 £ 000 | Total 2021 £ 000 |
|-----------------|--------------------------------|------------------------------|---|------------------------|------------------------|
| Capital grants | - | - | 234 | 234 | 538 |
| Other donations | 78 | - | - | 78 | 66 |
| | <u>78</u> | <u>-</u> | <u>234</u> | <u>312</u> | <u>604</u> |
| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2021 £ 000 | |
| Total 2021 | <u>66</u> | <u>-</u> | <u>538</u> | <u>604</u> | |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

3 Funding for the Academy Trust's educational operations

| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2022 £ 000 | Total 2021 £ 000 |
|---|--------------------------------|------------------------------|---|------------------------|------------------------|
| DfE/ESFA revenue grants | | | | | |
| General Annual Grant GAG | - | 12,633 | - | 12,633 | 11,581 |
| Other ESFA Group grants | - | 1,458 | - | 1,458 | 1,852 |
| | <u>-</u> | <u>14,091</u> | <u>-</u> | <u>14,091</u> | <u>13,433</u> |
| Other government grants | | | | | |
| Local authority grants | - | 753 | - | 753 | 870 |
| | <u>-</u> | <u>753</u> | <u>-</u> | <u>753</u> | <u>870</u> |
| COVID-19 additional funding (DfE/ESFA) | | | | | |
| Catch-up Premium | - | 70 | - | 70 | 197 |
| Other DfE/ESFA COVID-19 funding | - | 42 | - | 42 | 63 |
| | <u>-</u> | <u>112</u> | <u>-</u> | <u>112</u> | <u>260</u> |
| COVID-19 additional funding (non-DfE/ESFA) | | | | | |
| Coronavirus Job Retention Scheme grant | - | - | - | - | 5 |
| Other Coronavirus funding | - | 19 | - | 19 | 29 |
| | <u>-</u> | <u>19</u> | <u>-</u> | <u>19</u> | <u>34</u> |
| Non-government grants and other income | | | | | |
| Other income | 171 | - | - | 171 | 148 |
| Total grants | <u>171</u> | <u>14,975</u> | <u>-</u> | <u>15,146</u> | <u>14,745</u> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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

| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2021 £ 000 |
|------------|--------------------------------|------------------------------|---|------------------------|
| Total 2021 | <u>148</u> | <u>14,597</u> | <u>-</u> | <u>14,745</u> |

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 "exceptional government funding."

| | 2022 £ 000 | 2021 £ 000 |
|--|---------------|---------------|
| Other DfE/ESFA Grants | | |
| Rates reclaim | 67 | 66 |
| Pupil Premium and Service Premium | 600 | 539 |
| Universal Infant Free School Meals (UiFSM) | 220 | 231 |
| PE and Sports Grant | 185 | 222 |
| Other | 361 | 188 |
| Teachers' Pay Grant | 25 | 606 |
| | <u>1,458</u> | <u>1,852</u> |

4 Other trading activities

| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2022 £ 000 | Total 2021 £ 000 |
|------------------------------|--------------------------------|------------------------------|---|------------------------|------------------------|
| Catering income | 7 | - | - | 7 | 6 |
| Recharges and reimbursements | 197 | - | - | 197 | 129 |
| School trips | 88 | - | - | 88 | 23 |
| Other income | 327 | - | - | 327 | 304 |
| | <u>619</u> | <u>-</u> | <u>-</u> | <u>619</u> | <u>462</u> |
| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2021 £ 000 | |
| Total 2021 | <u>462</u> | <u>-</u> | <u>-</u> | <u>462</u> | |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

5 Investment income

| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2022 £ 000 | Total 2021 £ 000 |
|---------------------|--------------------------------|------------------------------|---|------------------------|------------------------|
| Short term deposits | 1 | - | - | 1 | 1 |
| | Unrestricted funds £ 000 | Restricted funds £ 000 | Restricted fixed asset funds £ 000 | Total 2021 £ 000 | |
| Total 2021 | 1 | - | - | 1 | |

6 Expenditure

| | Non Pay Expenditure | | | 2022/21 Total £ 000 | 2021/20 Total £ 000 |
|---|----------------------|-------------------|----------------------|---------------------------|---------------------------|
| | Staff costs £ 000 | Premises £ 000 | Other costs £ 000 | | |
| Expenditure on raising funds | | | | | |
| Direct costs | 197 | - | 629 | 826 | 702 |
| Academy's educational operations | | | | | |
| Direct costs | 10,196 | - | 958 | 11,154 | 10,490 |
| Allocated support costs | 1,846 | 1,883 | 582 | 4,311 | 3,687 |
| | <u>12,239</u> | <u>1,883</u> | <u>2,169</u> | <u>16,291</u> | <u>14,879</u> |
| | Non Pay Expenditure | | | Total 2021 £ 000 | |
| | Staff costs £ 000 | Premises £ 000 | Other costs £ 000 | | |
| Total 2021 | <u>11,231</u> | <u>1,702</u> | <u>1,946</u> | <u>14,879</u> | |

Net income/(expenditure) for the year includes:

| | 2022 £ 000 | 2021 £ 000 |
|--|---------------|---------------|
| Operating lease rentals | 56 | 31 |
| Depreciation | 330 | 236 |
| Fees payable to auditor - audit | 8 | 6 |
| Fees payable to auditor - other audit services | <u>2</u> | <u>2</u> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

7 Charitable activities

| | 2022 | 2021 |
|--|-------------------------------|---------------|
| | £ 000 | £ 000 |
| Direct costs - educational operations | 11,154 | 10,490 |
| Support costs - educational operations | 4,311 | 3,687 |
| | <u>15,465</u> | <u>14,177</u> |
| | Educational operations | Total |
| | £ 000 | 2022 |
| | | £ 000 |
| | | Total |
| | | 2021 |
| | | £ 000 |
| Analysis of support costs | | |
| Support staff costs | 1,846 | 1,472 |
| Depreciation | 329 | 234 |
| Technology costs | 8 | 6 |
| Premises costs | 1,554 | 1,468 |
| Legal costs | 207 | 196 |
| Other support costs | 353 | 294 |
| Governance costs | 14 | 17 |
| Total support costs | <u>4,311</u> | <u>3,687</u> |

8 Staff

Staff costs

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ 000 | £ 000 |
| Staff costs during the year were: | | |
| Wages and salaries | 8,550 | 8,178 |
| Social security costs | 777 | 729 |
| Operating costs of defined benefit pension schemes | 2,623 | 2,193 |
| | <u>11,950</u> | <u>11,100</u> |
| Supply staff costs | 289 | 131 |
| | <u>12,239</u> | <u>11,231</u> |

Staff numbers

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

| | 2022 | 2021 |
|------------------------------|-------------|-------------|
| | No. | No. |
| Charitable Activities | | |
| Teachers | 143 | 136 |
| Administration and support | 209 | 207 |
| Management | 22 | 24 |
| | <u>374</u> | <u>367</u> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

8 Staff (continued)

Higher paid staff

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

| | 2022 | 2021 |
|--------------------|-------------|-------------|
| | No. | No. |
| £60,001 - £70,000 | 5 | 4 |
| £70,001 - £80,000 | 2 | 3 |
| £80,001 - £90,000 | 1 | 1 |
| £90,001 - £100,000 | 1 | 1 |
| | <u>1</u> | <u>1</u> |

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 £1,071,204 (2021 - £982,460).

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

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

9 Central services (continued)

The actual amounts charged during the year were as follows:

| | 2022/21 £ 000 | 2021/20 £ 000 |
|---|------------------|------------------|
| Ainderby Steeple Church of England Primary School | 21 | 17 |
| All Saints Academy | 196 | 172 |
| Barton Church of England Primary School | 13 | 12 |
| Carnagill Community Primary School | 33 | 33 |
| Croft Church of England Primary School | 20 | 21 |
| East Cowton Church of England Primary School | 11 | 10 |
| Trinity Academy Eppleby Forcett | 14 | 12 |
| Kirkby Fleetham Church of England Primary School | 10 | 10 |
| Trinity Academy Middleton Tyas | 26 | 26 |
| Ravensworth Church of England Primary School | 13 | 13 |
| Trinity Academy Richmond | 34 | 32 |
| St Francis of Assisi Church of England Primary School | 78 | 65 |
| South Otterington Church of England Primary School | 22 | 22 |
| Thornaby Church of England Primary School | 68 | 63 |
| | 559 | 508 |

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 (2021 (0.8 FTE) - £90,000 - £95,000)

Employer's pension contributions: £20,000 - £25,000 (2021 - £20,000 - £25,000)

During the year ended 31 August 2022, travel and subsistence expenses totalling £227 (2021 - £124) were reimbursed or paid directly to 1 trustees (2021 - 1).

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.

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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 2021 | 2,975 | 986 | 813 | 761 | 5,535 |
| Additions | 381 | 188 | - | - | 569 |
| Disposals | - | (199) | - | - | (199) |
| Transfers | - | - | (801) | 801 | - |
| At 31 August 2022 | <u>3,356</u> | <u>975</u> | <u>12</u> | <u>1,562</u> | <u>5,905</u> |
| Depreciation | | | | | |
| At 1 September 2021 | 84 | 682 | - | 32 | 798 |
| Charge for the year | 59 | 215 | - | 56 | 330 |
| Eliminated on disposals | - | (199) | - | - | (199) |
| At 31 August 2022 | <u>143</u> | <u>698</u> | <u>-</u> | <u>88</u> | <u>929</u> |
| Net book value | | | | | |
| At 31 August 2022 | <u>3,213</u> | <u>277</u> | <u>12</u> | <u>1,474</u> | <u>4,976</u> |
| At 31 August 2021 | <u>2,891</u> | <u>304</u> | <u>813</u> | <u>729</u> | <u>4,737</u> |

13 Debtors

| | 2022 £ 000 | 2021 £ 000 |
|--------------------------------|---------------|---------------|
| Trade debtors | 7 | 17 |
| VAT recoverable | 33 | 36 |
| Other debtors | - | 3 |
| Prepayments | 652 | 505 |
| Accrued grant and other income | 173 | 593 |
| | <u>865</u> | <u>1,154</u> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

14 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|--|--------------|--------------|
| | £ 000 | £ 000 |
| Trade creditors | 569 | 575 |
| Other taxation and social security | 191 | 184 |
| Other creditors | 51 | 5 |
| Accruals | 177 | 416 |
| Deferred income | 170 | 193 |
| | <u>1,158</u> | <u>1,373</u> |
| | 2022 | 2021 |
| | £ 000 | £ 000 |
| Deferred income | | |
| Deferred income at 1 September 2021 | 193 | 199 |
| Resources deferred in the period | 170 | 193 |
| Amounts released from previous periods | <u>(193)</u> | <u>(199)</u> |
| Deferred income at 31 August 2022 | <u>170</u> | <u>193</u> |

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

| | 2022 | 2021 |
|-------|--------------|--------------|
| | £ 000 | £ 000 |
| Other | <u>18</u> | <u>23</u> |

Included within creditors: amounts falling due in more than one year is £6,461 (2021 - £11,695) 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.

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Funds

| | Balance at 1 September 2021 £ 000 | Incoming resources £ 000 | Resources expended £ 000 | Gains, losses and transfers £ 000 | Balance at 31 August 2022 £ 000 |
|-------------------------------------|---|--------------------------------|--------------------------------|---|--|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 1,269 | 12,633 | (11,999) | (147) | 1,756 |
| Other DfE / ESFA grants | - | 1,458 | (1,458) | - | - |
| Other government grants | - | 753 | (753) | - | - |
| COVID-19 Catch-up Premium | - | 112 | (112) | - | - |
| COVID-19 Mass Testing | - | 19 | (19) | - | - |
| | <u>1,269</u> | <u>14,975</u> | <u>(14,341)</u> | <u>(147)</u> | <u>1,756</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 22 | - | - | - | 22 |
| DfE group capital grants | 4,837 | 234 | (329) | 103 | 4,845 |
| Capital expenditure from GAG | 96 | - | - | 44 | 140 |
| Other capital grants | 23 | - | - | - | 23 |
| | <u>4,978</u> | <u>234</u> | <u>(329)</u> | <u>147</u> | <u>5,030</u> |
| Pension Reserve | | | | | |
| Pension reserve | <u>(4,316)</u> | <u>-</u> | <u>(899)</u> | <u>4,589</u> | <u>(626)</u> |
| Total restricted funds | 1,931 | 15,209 | (15,569) | 4,589 | 6,160 |
| Unrestricted funds | | | | | |
| General funds | <u>1,456</u> | <u>869</u> | <u>(722)</u> | <u>-</u> | <u>1,603</u> |
| Total funds | <u><u>3,387</u></u> | <u><u>16,078</u></u> | <u><u>(16,291)</u></u> | <u><u>4,589</u></u> | <u><u>7,763</u></u> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

16 Funds (continued)

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

| | 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) | - | - |
| | <u>422</u> | <u>14,597</u> | <u>(13,578)</u> | <u>(172)</u> | <u>1,269</u> |
| 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 |
| | <u>4,502</u> | <u>538</u> | <u>(234)</u> | <u>172</u> | <u>4,978</u> |
| Pension Reserve | | | | | |
| Pension reserve | <u>(4,027)</u> | - | <u>(516)</u> | <u>227</u> | <u>(4,316)</u> |
| Total restricted funds | 897 | 15,135 | (14,328) | 227 | 1,931 |
| Unrestricted funds | | | | | |
| General funds | <u>1,330</u> | <u>677</u> | <u>(551)</u> | - | <u>1,456</u> |
| Total funds | <u><u>2,227</u></u> | <u><u>15,812</u></u> | <u><u>(14,879)</u></u> | <u><u>227</u></u> | <u><u>3,387</u></u> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (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 Trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at the balance sheet date.

Other DfE/ESFA grants include teachers pay and pension grants, pupil premium, PE and sports grant and other DfE/ESFA grants.

Other government grants comprise funding received from the Local Authority.

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 Local Government Pension Scheme ('LGPS') and the pension liability has therefore been aligned with these funds. The restricted funds are in deficit as a result of the deficit on the LGPS pension scheme alone.

The inherited fixed asset fund reflects the fixed assets acquired from the Local Authority on conversion to academy status. Depreciation on these assets is charged against this fund.

DfE/ESFA capital grants received in year consist of capital grants received in the year which have been received for expenditure on acquisition and maintenance of fixed assets.

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

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

Total funds analysis by academy

Fund balances at 31 August 2022 were allocated as follows:

| | 2022 £ 000 | 2021 £ 000 |
|---|-----------------------------|-----------------------------|
| Central services | 3,359 | 2,725 |
| Total before fixed assets and pension reserve | 3,359 | 2,725 |
| Fixed asset reserve | 5,030 | 4,978 |
| Pension reserve | (626) | (4,316) |
| Total | <u>7,763</u> | <u>3,387</u> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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 | Other Support Staff Costs | Educational Supplies | Other Costs (excluding raising funds) | Total 2022 |
|---|---|--|---------------------------------|--|-----------------------|
| | £ 000 | £ 000 | £ 000 | £ 000 | £ 000 |
| Ainderby Steeple Church of England Primary School | 437 | 19 | 36 | 102 | 594 |
| All Saints Academy | 3,102 | 254 | 80 | 931 | 4,367 |
| Barton Church of England Primary School | 237 | 18 | 38 | 72 | 365 |
| Carnagill Community Primary School | 737 | 36 | 32 | 185 | 990 |
| Croft Church of England Primary School | 406 | 26 | 18 | 126 | 576 |
| Central Services | - | 287 | - | 695 | 982 |
| East Cowton Church of England Primary School | 157 | 15 | 22 | 59 | 253 |
| Trinity Academy Eppleby Forcett | 231 | 30 | 2 | 76 | 339 |
| Kirkby Fleetham Church of England Primary School | 169 | 21 | 14 | 66 | 270 |
| Trinity Academy Middleton Tyas | 488 | 34 | 50 | 133 | 705 |
| Ravensworth Church of England Primary School | 232 | 18 | 22 | 78 | 350 |
| Trinity Academy Richmond | 797 | 45 | 32 | 202 | 1,076 |
| St Francis of Assisi Church of England Primary School | 1,437 | 102 | 71 | 245 | 1,855 |
| South Otterington Church of England Primary School | 426 | 26 | 18 | 140 | 610 |
| Thornaby Church of England Primary School | 1,343 | 89 | 64 | 235 | 1,731 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Academy Trust | 10,199 | 1,020 | 499 | 3,345 | 15,063 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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 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 | 167 | 13 | 12 | 49 | 241 |
| Trinity Academy Eppleby Forcett | 224 | 29 | 3 | 82 | 338 |
| Kirkby Fleetham Church of England Primary School | 169 | 17 | 14 | 50 | 250 |
| Trinity Academy Middleton Tyas | 447 | 34 | 52 | 133 | 666 |
| Ravensworth Church of England Primary School | 213 | 16 | 12 | 64 | 305 |
| Trinity Academy Richmond | 731 | 51 | 49 | 211 | 1,042 |
| St Francis of Assisi Church of England Primary School | 1,362 | 108 | 69 | 198 | 1,737 |
| South Otterington Church of England Primary School | 406 | 26 | 18 | 118 | 568 |
| Thornaby Church of England Primary School | 1,312 | 87 | 64 | 207 | 1,670 |
| | <u>9,555</u> | <u>1,020</u> | <u>480</u> | <u>3,073</u> | <u>14,128</u> |
| Academy Trust | | | | | |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2022 are represented by:

| | Unrestricted Funds £ 000 | Restricted General Funds £ 000 | Restricted Fixed Asset Funds £ 000 | Total Funds £ 000 |
|--------------------------|---|---|---|------------------------------|
| Tangible fixed assets | - | - | 4,976 | 4,976 |
| Current assets | 1,603 | 2,909 | 77 | 4,589 |
| Current liabilities | - | (1,153) | (5) | (1,158) |
| Creditors over 1 year | - | - | (18) | (18) |
| Pension scheme liability | - | (626) | - | (626) |
| | <u>1,603</u> | <u>1,130</u> | <u>5,030</u> | <u>7,763</u> |

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 | - | - | 4,737 | 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) |
| | <u>1,456</u> | <u>(3,047)</u> | <u>4,978</u> | <u>3,387</u> |

18 Capital commitments

| | 2022 £ 000 | 2021 £ 000 |
|--|-----------------------|-----------------------|
| Contracted for, but not provided in the financial statements | - | 194 |

19 Long-term commitments, including operating leases

Operating leases

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2022 £ 000 | 2021 £ 000 |
|--|-----------------------|-----------------------|
| Amounts due within one year | 33 | 16 |
| Amounts due between one and five years | 18 | 24 |
| | <u>51</u> | <u>40</u> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

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

Long-term commitments (other contractual commitments)

At 31 August 2022 the total of the Academy trust's future minimum payments under other contractual commitments was:

| | 2022 | 2021 |
|--|--------------|--------------|
| | £ 000 | £ 000 |
| Amounts due within one year | 240 | 235 |
| Amounts due between one and five years | 2,306 | 2,251 |
| Amounts due after five years | 576 | 1,126 |
| | <u>3,122</u> | <u>3,612</u> |

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 £562,810 and it is expected that future annual commitments will be at a similar level.

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

| | | 2022 | 2021 |
|--|----|--------------|--------------|
| | | £ 000 | £ 000 |
| Net (expenditure)/income | | (213) | 933 |
| Depreciation | 6 | 330 | 236 |
| Capital grants from DfE and other capital income | | (234) | (538) |
| Interest receivable | 5 | (1) | (1) |
| Defined benefit pension scheme cost less contributions payable | 26 | 824 | 450 |
| Defined benefit pension scheme finance cost | 26 | 75 | 66 |
| Decrease in debtors | | 289 | 444 |
| Decrease in creditors | | (220) | (341) |
| Net cash provided by Operating Activities | | <u>850</u> | <u>1,249</u> |

21 Cash flows from financing activities

| | 2022 | 2021 |
|---|--------------|--------------|
| | £ 000 | £ 000 |
| Cash inflows from new borrowing | - | 23 |
| Net cash provided by financing activities | <u>-</u> | <u>23</u> |

22 Cash flows from investing activities

| | 2022 | 2021 |
|---|--------------|--------------|
| | £ 000 | £ 000 |
| Dividends, interest and rents from investments | 1 | 1 |
| Purchase of tangible fixed assets | (569) | (969) |
| Capital funding received from sponsors and others | 234 | 538 |
| Net cash used in investing activities | <u>(334)</u> | <u>(430)</u> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

23 Analysis of cash and cash equivalents

| | 2022 £ 000 | 2021 £ 000 |
|---------------------------------|---------------------|---------------------|
| Cash at bank and in hand | <u>3,724</u> | <u>3,208</u> |
| Total cash and cash equivalents | <u><u>3,724</u></u> | <u><u>3,208</u></u> |

24 Analysis of changes in net debt

| | At 1 September 2021 £000 | Cash flows £000 | Other non-cash changes £000 | At 31 August 2022 £000 |
|--|-----------------------------------|--------------------|--------------------------------------|------------------------------|
| Cash | 3,208 | 516 | - | 3,724 |
| Loans falling due within one year | - | - | (5) | (5) |
| Loans falling due after more than one year | <u>(23)</u> | <u>-</u> | <u>5</u> | <u>(18)</u> |
| Total | <u><u>3,185</u></u> | <u><u>516</u></u> | <u><u>-</u></u> | <u><u>3,701</u></u> |

25 Member 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.

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

26 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1,335,125 (2021: £1,300,113).

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 2022 was £300,000 (2021 - £277,000), of which employer's contributions totalled £237,000 (2021 - £217,000) and employees' contributions totalled £63,000 (2021 - £60,000). 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.

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

26 Pension and similar obligations (continued)

Due to the current level of high inflation we have instructed the actuary to make an allowance in the Defined Benefit Obligation of the expected impact of CPI inflation on the pension increase order for April 2023. This is a change in accounting policy from previous years. It is expected that the April 2023 pension increase order will reflect CPI inflation therefore an allowance has been included in the results presented for CPI between September 2021 and the accounting date. This is recognised in other comprehensive income and reflects the market expectations at the accounting date.

Principal actuarial assumptions

| | 2022 | 2021 |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 4.00 | 3.90 |
| Rate of increase for pensions in payment/inflation | 2.70 | 2.60 |
| Discount rate for scheme liabilities | 4.10 | 1.70 |
| Inflation assumptions (CPI) | <u>2.70</u> | <u>2.60</u> |

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

| | 2022 | 2021 |
|------------------------------|--------------|--------------|
| Retiring today | | |
| Males retiring today | 21.80 | 21.90 |
| Females retiring today | 23.80 | 24.00 |
| Retiring in 20 years | | |
| Males retiring in 20 years | 23.50 | 23.60 |
| Females retiring in 20 years | <u>25.70</u> | <u>25.80</u> |

Sensitivity analysis

| | At 31 August | At 31 August |
|--|--------------|--------------|
| | 2022 | 2021 |
| | £000 | £000 |
| Discount rate +0.1% | 3,199 | 4,831 |
| Discount rate -0.1% | 3,373 | 5,094 |
| Mortality assumption – 1 year increase | 3,192 | 4,776 |
| Mortality assumption – 1 year decrease | 3,376 | 5,148 |
| CPI rate +0.1% | 3,360 | 5,074 |
| CPI rate -0.1% | <u>3,208</u> | <u>4,846</u> |

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

| | 2022 | 2021 |
|------------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Equities | 1,358 | 1,673 |
| Corporate bonds | 202 | 114 |
| Government bonds | 348 | 397 |
| Property | 234 | 169 |
| Cash and other liquid assets | 8 | 47 |
| Multi asset credit | 136 | - |
| Other | <u>372</u> | <u>374</u> |
| Total market value of assets | <u>2,658</u> | <u>2,774</u> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

26 Pension and similar obligations (continued)

The actual return on scheme assets was (£396,000) (2021 - £376,000).

Amounts recognised in the statement of financial activities

| | 2022 | 2021 |
|-------------------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Current service cost | 615 | 514 |
| Interest income | (50) | (39) |
| Interest cost | 85 | 67 |
| | <u>650</u> | <u>542</u> |
| Total amount recognised in the SOFA | <u>650</u> | <u>542</u> |

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

| | 2022 | 2021 |
|------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| At start of period | 4,960 | 3,927 |
| Current service cost | 615 | 514 |
| Interest cost | 85 | 67 |
| Employee contributions | 63 | 60 |
| Actuarial (gain)/loss | (2,419) | 452 |
| Benefits paid | (20) | (60) |
| | <u>3,284</u> | <u>4,960</u> |
| At 31 August | <u>3,284</u> | <u>4,960</u> |

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

| | 2022 | 2021 |
|------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| At start of period | 2,774 | 2,181 |
| Interest income | 50 | 39 |
| Actuarial gain/(loss) | (446) | 337 |
| Employer contributions | 237 | 217 |
| Employee contributions | 63 | 60 |
| Benefits paid | (20) | (60) |
| | <u>2,658</u> | <u>2,774</u> |
| At 31 August | <u>2,658</u> | <u>2,774</u> |

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 2022 was £306,000 (2021 - £125,000), of which employer's contributions totalled £229,000 (2021 - £92,000) and employees' contributions totalled £77,000 (2021 - £33,000). 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.

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

26 Pension and similar obligations (continued)

Due to the current level of high inflation we have instructed the actuary to make an allowance in the Defined Benefit Obligation of the expected impact of CPI inflation on the pension increase order for April 2023. This is a change in accounting policy from previous years. It is expected that the April 2023 pension increase order will reflect CPI inflation therefore an allowance has been included in the results presented for CPI between September 2021 and the accounting date. This is recognised in other comprehensive income and reflects the market expectations at the accounting date.

Principal actuarial assumptions

| | 2022 | 2021 |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 4.10 | 3.60 |
| Rate of increase for pensions in payment/inflation | 3.10 | 2.60 |
| Discount rate for scheme liabilities | 4.30 | 1.70 |
| Inflation assumptions (CPI) | <u>3.10</u> | <u>2.60</u> |

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

| | 2022 | 2021 |
|------------------------------|--------------|--------------|
| Retiring today | | |
| Males retiring today | 21.70 | 21.90 |
| Females retiring today | 23.50 | 23.60 |
| Retiring in 20 years | | |
| Males retiring in 20 years | 22.90 | 23.30 |
| Females retiring in 20 years | <u>25.30</u> | <u>25.40</u> |

Sensitivity analysis

| | At 31 August 2022 | At 31 August 2021 |
|--|----------------------|----------------------|
| | £000 | £000 |
| Discount rate +0.1% | 4,583 | 6,900 |
| Discount rate -0.1% | 4,815 | 7,261 |
| Mortality assumption – 1 year increase | 4,511 | 6,808 |
| Mortality assumption – 1 year decrease | 4,887 | 7,346 |
| CPI rate +0.1% | 4,808 | 7,226 |
| CPI rate -0.1% | <u>4,590</u> | <u>6,935</u> |

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

| | 2022 | 2021 |
|------------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Equities | 3,771 | 3,913 |
| Property | 998 | 361 |
| Cash and other liquid assets | 776 | 411 |
| Other | - | 262 |
| Total market value of assets | <u>5,545</u> | <u>4,947</u> |

The actual return on scheme assets was £312,000 (2021 - £857,000).

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

26 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

| | 2022 | 2021 |
|-------------------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Current service cost | 675 | 245 |
| Interest income | (86) | (69) |
| Interest cost | 126 | 107 |
| | <u>715</u> | <u>283</u> |
| Total amount recognised in the SOFA | <u>715</u> | <u>283</u> |

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

| | 2022 | 2021 |
|------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| At start of period | 7,077 | 6,259 |
| Current service cost | 675 | 245 |
| Interest cost | 126 | 107 |
| Employee contributions | 77 | 33 |
| Actuarial (gain)/loss | (3,236) | 446 |
| Benefits paid | (20) | (13) |
| | <u>4,699</u> | <u>7,077</u> |
| At 31 August | <u>4,699</u> | <u>7,077</u> |

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

| | 2022 | 2021 |
|------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| At start of period | 4,947 | 3,978 |
| Interest income | 86 | 69 |
| Actuarial gain/(loss) | 226 | 788 |
| Employer contributions | 229 | 92 |
| Employee contributions | 77 | 33 |
| Benefits paid | (20) | (13) |
| | <u>5,545</u> | <u>4,947</u> |
| At 31 August | <u>5,545</u> | <u>4,947</u> |

In the year ended 31 August 2022 the actuarial valuation for FRS 102 showed a surplus over liabilities at that date. In accordance with FRS 102 paragraph 28.22, a pension scheme asset is recognised only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. This condition was not met at the balance sheet date and therefore the surplus was not recognised.

The reconciliation of the amounts recognised in the balance sheet is as follows:

| | 2022 | 2021 |
|--|--------------|----------------|
| | £ 000 | £ 000 |
| Fair value of scheme assets | 5,545 | 4,947 |
| Present value of defined benefit obligation | (4,699) | (7,077) |
| Pension asset value not recognised (as per FRS 102 para 28.22) | (846) | - |
| | <u>-</u> | <u>(2,130)</u> |

Dales Academies Trust

Notes to the Financial Statements for the Year Ended 31 August 2022 (continued)

26 Pension and similar obligations (continued)

The actuarial movement in the year is therefore as follows:

| | 2022 | 2021 |
|--|----------------|--------------|
| | £ 000 | £ 000 |
| Actuarial (gain)/loss | (3,462) | (342) |
| Movement in asset value not recognised | 846 | - |
| | <u>(2,616)</u> | <u>(342)</u> |

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 £3,635 (2021 - £100).

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2021.

At the balance sheet date the amount due to York Diocesan Board of Finance Limited (The) was £Nil (2021 - £Nil).

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 £7,511 (2021 - £4,141).

In entering into the transaction the academy trust has complied with the requirements of the Academy Trust Handbook 2021.

At the balance sheet date the amount due to Leeds Diocesan Board of Finance Limited was £Nil (2021 - £Nil).