

DERBY DIOCESAN ACADEMY TRUST 2

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

The Derby Diocesan Board of Education
The Diocesan Secretary Derby Diocesan Board of Finance - Rachel Morris
The Diocesan Bishop of Derby, The Rt Revd Libby Lane
Anne Martin
The Diocesan Director of Education (DDE) for Derby, Dr Alison Brown (appointed 1 October 2019)

Trustees

Mr. Michael John Ford, Chair
Mrs. Lisa Jane Bloor (resigned 14 December 2019)
Mr. Mark Mallender, Chief Executive
Ms. Sheila Mary Lock (appointed 26 March 2020)
Mr. Neil Andrew Beeson (appointed 20 May 2020)
Mr. David John Channon (resigned 31 August 2020)
Mrs. Carol Coslett
Ms. Alison Mary Brown
Dr Sarah Hardman Charles
Mr Declan McCauley, Acting CEO (resigned 20 March 2020)

Company registered number

09442311

Company name

Derby Diocesan Academy Trust 2

Principal and registered office

Derby Diocese Board of Education
Church House
Full Street, Derby
Derbyshire
DE1 3DR

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Company secretary

Mr Jason Nicholas Hampton (resigned 13 December 2019)
Michelmores Secretaries Limited
JN Hampton (appointed 13 December 2019)

Chief executive officer

Mr Mark Mallender

Senior management team

Ms Sarah Ferguson, Chief Operating Officer
Mr Mark Mallender, CEO
Richard Wetherall, Consultant Director of Finance (AMF (UK) Limited)

Independent auditor

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

Bankers

Lloyds Bank Plc
Iron Gate
Derby
DE1 3FT

Solicitors

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

DERBY DIOCESAN ACADEMY TRUST 2
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the Charitable Company for the year 1 September 2019 to 31 August 2020. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Multi Academy Trust operates thirteen primary academies for pupils aged up to 11 years old serving the Derbyshire catchment area. The thirteen academies are, St Giles CE Primary School, St Laurence CE VA Primary School, Turnditch CE Primary School, All Saints Junior School, Matlock All Saints Infant school, Holbrook CE Primary School, William Gilbert Endowed CE Primary School, Scargill CE Primary School, Bolsover Junior School, Arboretum Primary School, Griffie Field Primary School, Loscoe CE Primary School and St Werburgh's CE Primary School. The Multi Academy Trust has a pupil capacity of 3533 and had a roll of 3290 in the school census on October 2020

2019/20 has seen further conservative growth with the successful addition of 1 further academy in to the trust. In conjunction with this growth great progress has continued in partnership with the DfE regarding the future of DDAT and how the trust may best serve the schools in Derby City and Derbyshire. This communication has culminated in an agreed strategy for doubling the size of the trust in the next 2 years, with the strategic plan outlining the phased approach. The growth plan has been included in the plans for future periods section.

The inception of the 'regional hub director' model last year has developed and ensures appropriate levels of responsibility and accountability are maintained as the number of schools grow. This model has benefitted from the addition of St Werburgh's within the city.

Investment in resources has been undertaken with an increase to staffing with an Executive PA being brought in to the trust within the year. In addition finance support and training has been provided to all schools to assist on improving reporting and supporting the transition to a new consistent financial system. The trust has further utilised expertise within the schools to provide greater central trust support, this is evidenced through executive HT support at St Peter's.

The growth within the trust has enabled the appointment of a finance assistant (starting in September 2020) and HR assistant (starting in August 2020). Additional finance support through TcAF has supported the trust to upgrade the website and set up a training booking system. This training has developed through the year and now the trust supports schools from within the Diocese and wider communities including parents.

The trust has also invested in governance, with a move towards assigning directors to the schools to provide additional links between the trust and academies and ensure consistent processes and governance are prevalent.

COVID COMMENTARY

Within this year the trust has had to deal with the Coronavirus pandemic. Although challenging, this has provided added focus and reasoning towards the ethos and vision of the trust.

From the outset, the senior team have taken ownership to provide clear oversight, guidance and management of the position. The regular updates to DfE and Government guidance were reviewed centrally before the Trust provided direction and subsequent guidance to schools. Information was shared through daily briefings to all schools with important information to ensure the safety of staff and pupils, as well as drawing up individual re-opening plans and curriculum delivery plans. The DDAT plans were shared with Local Authorities who then based the wider planning of Derby and Derbyshire schools around some of these templates. Strong communication was evident with discussions with local and national stakeholders. The CEO developed partnerships with national supermarket chains to support FSM provision and also support for families to obtain remote learning packs and resources for their children. As a result, the DfE developed a case study as an example of good practice based on the actions of DDAT. Home learning packs were produced by the DDAT School Improvement team that were available on the DDAT website for any school nationally to download, adapt and use to facilitate effective remote learning. The learning within the packs was sequential and based around

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

key themes of the elements and 'north, south, east and west'.

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

The COVID pandemic resulted in a clearer focus on the DDAT vision and ethos in a number of ways. The positive relationships within DDAT were enhanced even further as the family of schools worked together to overcome challenges. The response of the DDAT central team was greatly appreciated by the schools who felt fully supported to face the uncertain times. Schools have reported a very positive change in the relationships they have with their wider community and in particular parents and carers are extremely supportive of the schools and the work that staff do to provide the highest standard of provision.

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Derby Diocesan Academy Trust 2 are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Derby Diocesan Academy Trust. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

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

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

e. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

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

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

f. ORGANISATIONAL STRUCTURE

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

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

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

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

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

h. ENGAGEMENT WITH EMPLOYEES (INCLUDING DISABLED PERSONS)

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy's equal opportunities policy, the academy has long-established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy's offices.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES

a. OBJECTS AND AIMS

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

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

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Vision and Values

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

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

DDAT aims to:

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

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

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

DDAT follow a number of guiding principles:

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

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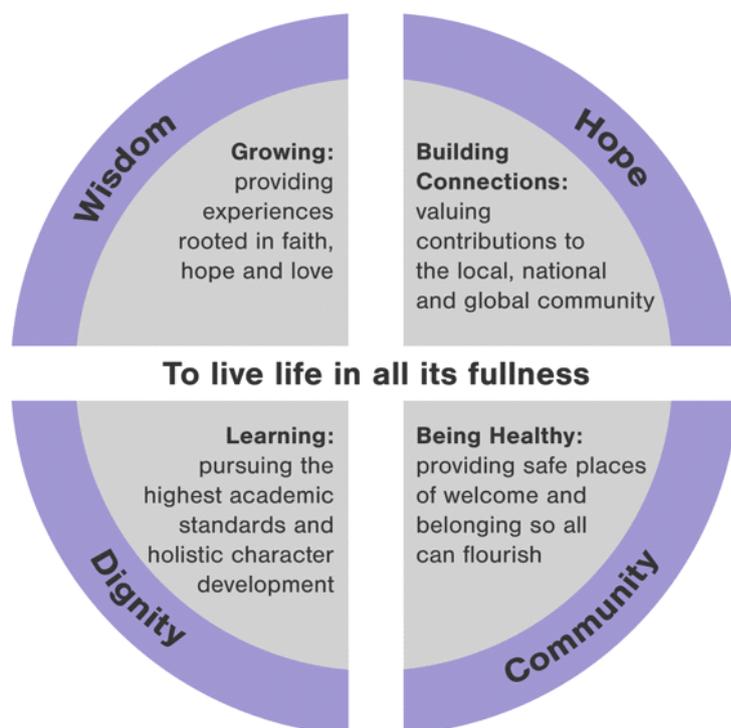
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES (continued)

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

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

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



School Improvement Strategy

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES (continued)

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

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

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

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

Future Challenges

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

c. PUBLIC BENEFIT

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

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

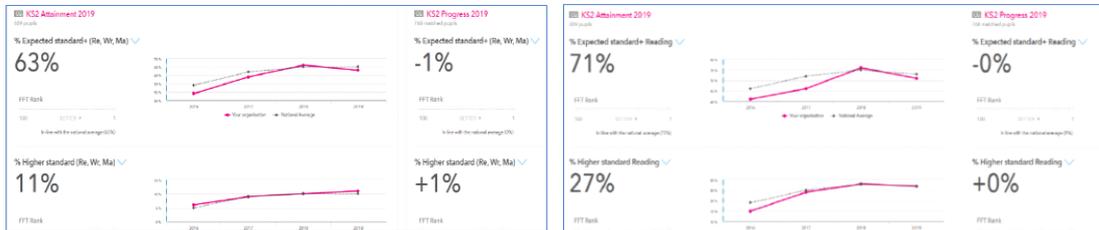
OBJECTIVES AND ACTIVITIES (continued)

STRATEGIC REPORT

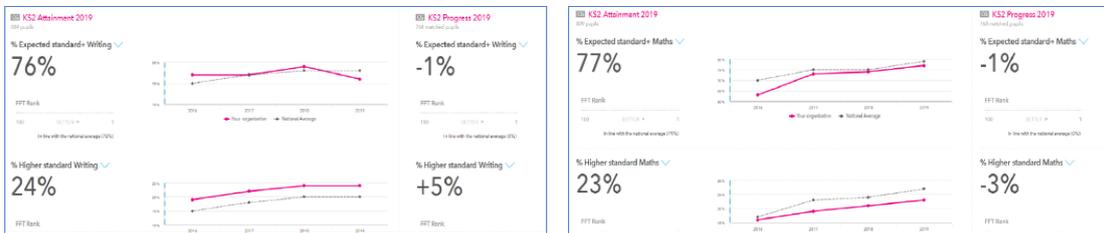
ACHIEVEMENTS AND PERFORMANCE

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

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



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



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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

OBJECTIVES AND ACTIVITIES (continued)

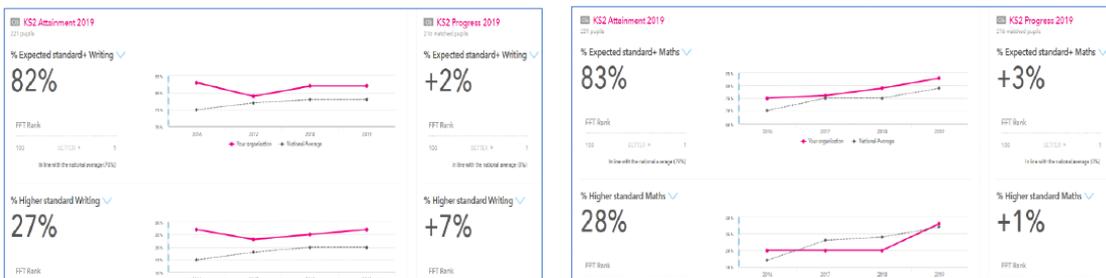


Graphs demonstrate that as a trust our schools are in line with the national average for both scaled score attainment and progress measures in Reading, writing and maths.

2019 outcomes for all schools that have been in DDAT for **at least 3 years** at the time of Summer 2019 Assessments.



Graphs demonstrate that that as a group of schools, the schools that have now been in the trust for at least 3 years are showing positive progress figures in all areas. There are no negative progress figures for this group.



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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES (continued)

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

Summary of outcomes for DDAT.

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

Academy Summary Reports

All Saints Infant School

- Successful Ofsted inspection last academic year where school retained a good judgement.
- Superb practice in the early years.
- Subject leaders supported well in their development by DDAT officers.
- Major advances in curriculum development.

All Saints Junior School

- Huge strides made on curriculum development during the past year.
- School leaders and staff make exceptionally good use of ICT to support learning.
- Changes to personnel resulted in the school now having their own SENCO.
- Improvements in pupils' progress in core subjects like mathematics and English.

Arboretum Primary School

- New headteacher and deputy headteacher in post during last academic year.
- New chair of governors in post this academic year.
- Work in pupils' books is of an exceptionally high standard and shows the curriculum has been well designed for pupils.
- Exceptionally creative and effective displays in school support learning very well.

Bolsover Junior School

- Many new appointments to school to strengthen staff team.
- Pupils' behave well in school.
- Senior leaders are well supported by strong and effective governors in improving the school.
- Nurture provision has been introduced and is impacting positively on learning.

Griffe Field Primary School

- Headteacher has taken on an executive headteacher role across Griffe Field Primary School and St Peter's Junior School.
- Curriculum has been further developed in the past year.
- Strong contribution to training across DDAT for recently qualified teachers.
- Pupils' achievement across school is of a high standard.

Holbrook Primary School

- School has been working well on minor areas identified for improvement at their last inspection.
- Changes to staff managed effectively.
- Much work was being done on developing the curriculum offer for pupils prior to lockdown in March 2020.
- Substantial improvements made to the outdoor learning area for children in the early years.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES (continued)

Loscoe Primary School

- Executive headteacher/head of school model working effectively.
- School library has been transformed into a wonderful area for pupils to visit.
- Executive headteacher providing a wide range of support across DDAT.
- Strong team ethos amongst staff who dig in and provide the best for pupils, particularly during the COVID-19 pandemic.

St Giles Primary School, Matlock

- Executive headteacher has kept the school on an even keel for the past two years.
- Current interim headteacher has astutely identified strengths and weaknesses.
- Standardised assessment package purchased to support teacher assessment for use in FFT tracker this term.
- Clear focus on reading as a key development priority.

St Laurence Primary School

- Executive headteacher and head of school are driving school improvement securely.
- School has successfully introduced Power Maths and is trailing an online personalised catch up programme in mathematics.
- The skilfully designed recovery curriculum is helping pupils to settle back into school well.
- Early Years education is a strength of the school.

St Werburgh's Primary School

- School leaders are rightly proud of the excellent SIAMS judgment they received.
- School has introduced a mastery approach in mathematics.
- School is welcoming and supportive for pupils enabling them to thrive.
- A major area which the school has identified for further development is early years provision for children.

Scargill Primary School

- The executive headteacher and head of school are driving improvements securely.
- Subject leadership and management is strong across school.
- Changes to staffing have been effectively managed.
- Curriculum development has moved forward at a pace during the year.

Turditch Primary School

- The school gained a good judgement from Ofsted in the spring term.
- School leaders are exploring a range of resources to challenge pupils further particularly in mathematics.
- A wide range of curriculum subjects are taught including Latin to support learning of the English language.
- School is really pushing to challenge pupils more, particularly the most able to achieve their full potential.

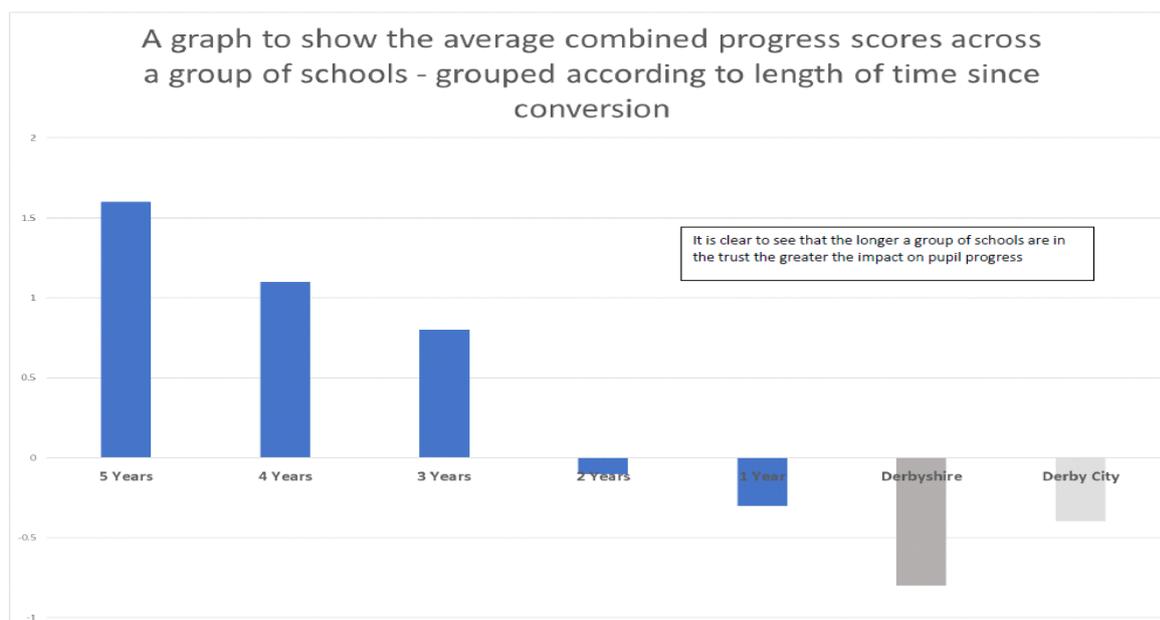
William Gilbert Primary School

- School donated headteacher to take on an executive headteacher role supporting Bolsover Junior School during maternity leave of substantive headteacher.
- School leaders have exceptionally high expectations of staff and pupils.
- The staff team is a highly motivated to achieve the best academic outcomes in a caring, supportive and nurturing learning environment.
- Curriculum refinement has been a particular area of focus during the past year.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES (continued)



a. KEY PERFORMANCE INDICATORS

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

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

b. GOING CONCERN

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

c. PROMOTING THE SUCCESS OF THE COMPANY

- Working with Sarah Charles to promote DDAT as an 'employer of choice' with NQTs at Derby University
- Michael Ford promotion of DDAT through Derby College
- Archdeacon Carol Coslett and Alison Brown promotion of DDAT throughout Diocese as Chair of DBE and DDE respectively
- Alison Brown distribution of DDAT fact sheet to congregations across Derby and Derbyshire
- New appointment of Neil Beeson from Learners' Trust – identify collaboration opportunities between successful MATs within Derbyshire
- New appointment of Sheila Lock with considerable experience as chair of LCSBs nationally – sharing of good practice and assisting in development of trust-wide safeguarding strategy

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

d. FINANCIAL REVIEW

The main sources of income for the Academy Trust are grants from the Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by

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

During the period ended 31 August 2020, total expenditure of £17,552,208 (2019: £13,681,548) was covered by recurrent grant funding from the DfE together with other incoming resources. The deficit of income over expenditure for the year (excluding restricted fixed asset funds) was £840,388 (2019: £1,476,699). These figures exclude the deficit on the Local Government Pension Scheme (see note 26 to the accounts). At 31 August 2019 the net book value of fixed assets was £31,559,738 (2019: £29,246,842) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

a. RESERVES POLICY

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

The Academy is holding reserves at 31 August 2020 of £26,768,957 (2019: £24,822,657).

This comprises:

Restricted Funds deficit of £6,923,799 (2019: £6,387,765)
Unrestricted Funds of £1,924,977 (2019: £1,642,391)
Restricted Fixed Asset Funds of £31,767,779 (2019: £29,568,031)

Restricted Funds comprises:

£949,201 (2019: £326,235) general funds to support the academy's budget in 2020-21 .
£7,873,000 (2019: £6,714,000) is the deficit on the defined benefit pension scheme.

The reserves policy indicates that the central trust fund balance shall be retained between £50,000 and £100,000 at any one time. The trust is aware that across the schools the free reserves have increased in the period. A number of schools have plans for capital expenditure over the next few years, which will be supported by these higher reserve levels. The levels have increased mostly due to impact of the National Funding Formula in the schools. Additionally, the trust is actively monitoring the levels to ensure spending is undertaken to improve outcomes and retain appropriate levels. The free reserves of the Academy Trust are £2,874,178 (2019: £1,968,626) at 31 August 2020.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees have reviewed these reserves and believes they are adequate to provide sufficient working capital for the Academy Trust to continue to operate within its financial resources, and to cover unexpected urgent work. Specific use to which the respective funds can be applied are detailed in note 17.

b. INVESTMENT POLICY

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

c. PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

FUNDRAISING

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

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

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

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

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

STREAMLINED ENERGY AND CARBON REPORTING

UK energy use and associated greenhouse gas emissions

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

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those within the UK only for all assets that come under an operational control boundary. This includes 13 schools controlled during the reporting period along with personal vehicles used for business mileage ("grey fleet"). The Trust does not own any vehicles (e.g. minibuses).

Reporting period

The annual reporting period is 1 September to 31 August each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Briar Consulting Engineers Limited.

The energy consumption was compiled from invoice records with gaps estimated using the pro-rata method. One gas supply (All Saints CE Infant School, Matlock) was estimated using a Trust-specific benchmark (annual kWh per square meter). Mileage records were used to calculate energy use and emissions associated with grey fleet. Generally gross calorific values were used except for transport mileage energy calculations as per Government GHG Conversion Factors.

The associated emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of Trust activities (scope 3).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

STREAMLINED ENERGY AND CARBON REPORTING (continued)

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

	2020
Energy consumption used to calculate emissions (kWh)	2,985,435
Energy consumption breakdown (kWh):	
Gas	2,201,355
Electricity	783,460
Transport fuel	621
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	404.8
Total scope 1	404.8
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	182.7
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	0.2
Total gross emissions (in tonnes of CO2 equivalent):	587.7

Intensity ratio:

Tonnes of CO2 equivalent per pupil - 0.179

Tonnes of CO2e per square meter floor area - 0.031

The academy has followed and used the following quantification and reporting methodologies:

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

Intensity ratio

The primary intensity ratio is total gross emissions in metric tonnes CO2e (mandatory emissions) per pupil (based on the Autumn 2019 Census), which is the recommended ratio for the sector for consistency and comparability. A secondary intensity ratio based on floor area (Gross Internal Area) is also provided to reflect the energy efficiency of the buildings, which are the source of the majority of emissions.

Energy efficiency action during current financial year

Energy consumption is expected to be below typical this year due to the reduced occupancy across all sites following COVID-19 restrictions from 23rd March 2020. From this date, the schools were open to key worker's children only, with a phased and partial reopening for certain year groups occurring in June.

The health restrictions have also resulted in the greater utilisation of digital platforms for staff meetings (such as

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FOR THE YEAR ENDED 31 AUGUST 2020

STREAMLINED ENERGY AND CARBON REPORTING (continued)

video conferencing), which reduces the need for travel to and between sites. The emission saving resulting from these activities has not been quantified, but this practice has resulted in behaviour changes that are expected to continue for the foreseeable future.

Outside of the COVID-19 response, the Trust has implemented the following energy efficiency actions:

- All Saints CE Infant School has had a number of new doors and windows fitted to improve insulation. LED lighting has also been installed in the school office, reception, public toilet block and staff toilet as part of an ongoing and phased lighting replacement programme.
- Arboretum Primary School has replaced old pupil laptops (over 5 years old) with 45 new energy efficient models.
- Holbrook CE Primary has had a new IT server fitted with improved energy efficiency.
- At Scargill CE (Aided) Primary School, good energy management behaviours are in place with heating thermostats, lighting and computer equipment regularly monitored to reduce energy waste. This year, single glazed windows were replaced with double glazing and new fire doors have reduced drafts, keeping the school warmer. Light fittings were also replaced with LEDs in an ongoing programme.
- St. Werburgh's CE (VA) Primary School has established an Eco Council who monitor energy usage and run 'save energy' campaigns, encouraging everyone to switch off power when not in use. A rolling replacement programme for laptops means energy efficient models were procured in a sustainable and cost-effective manner in an ongoing programme.
- William Gilbert Endowed CE Primary School has upgraded to LED lighting around the school in a phased upgrade throughout the year, while 2 new teacher laptops and 2 new office IT machines replaced older, less-efficient models.

PLANS FOR FUTURE PERIODS

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

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

Derby Diocesan Academy Trust (DDAT) Growth Plan.

Context

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

Growth Rationale and Context 1: Small School Solutions

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

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TRUSTEES' REPORT (CONTINUED)
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PLANS FOR FUTURE PERIODS (continued)

have tackled the requirement to embrace alternative models of leadership with adequate vigour, although many are beginning to be challenged by financial realities and changes to the LA offer.

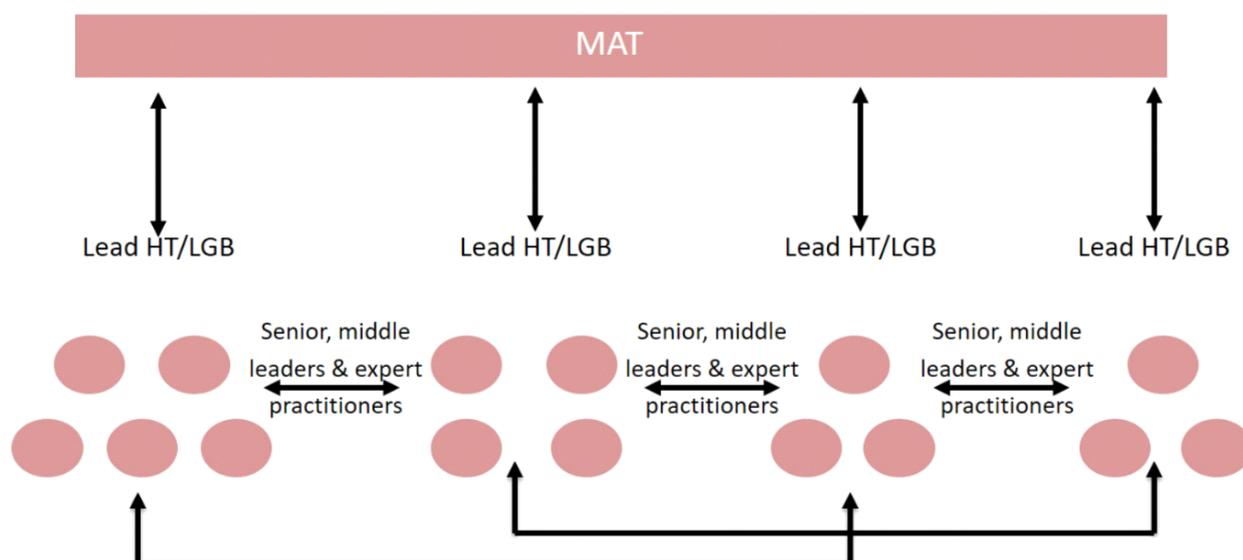
DDAT has a huge pipeline of schools wanting to join the Trust but is unwilling to take on schools that do not have a viable financial future. DDAT is also unwilling to prop up schools in existing organisational structures that are unable to provide 21st Century Education sustainably due to their size.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

DDAT can provide a sustainable solution for many of the smaller schools, providing that they are brought into the MAT with other schools within the same geographical location. In this way DDAT can create sustainable “units of school” within a regional hub of 6-8 schools. The geographic importance is critical to ensure that staffing can be restructured across the group of schools to provide shared expertise from staff with the requisite skills.

Our experience is that a federation of two schools of 100 pupils might save £10k from each budget (including second tier leadership) using an Executive Headteacher model, but this does not go far enough to improve provision or meet fiscal responsibilities beyond two years. A federation might however, be a stepping stone to a larger collaborative model. DDAT estimate that approximately 400 pupils are needed to sustain an effective Executive Headteacher role. However, the model for urban and rural communities will need to be context sensitive and second tier leadership is critical. In a small school rural context, leadership may be a teacher on a TLR with responsibilities as DSO. Effective leadership, previously provided by the headteacher, can be provided within units of school and overseen by a regional hub lead headteacher effectively held to account by the wider DDAT team.

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

Scale and spans of control in a growing MAT



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TRUSTEES' REPORT (CONTINUED)
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PLANS FOR FUTURE PERIODS (continued)

Growth Rationale and Context 2: Delivering in Derby

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

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

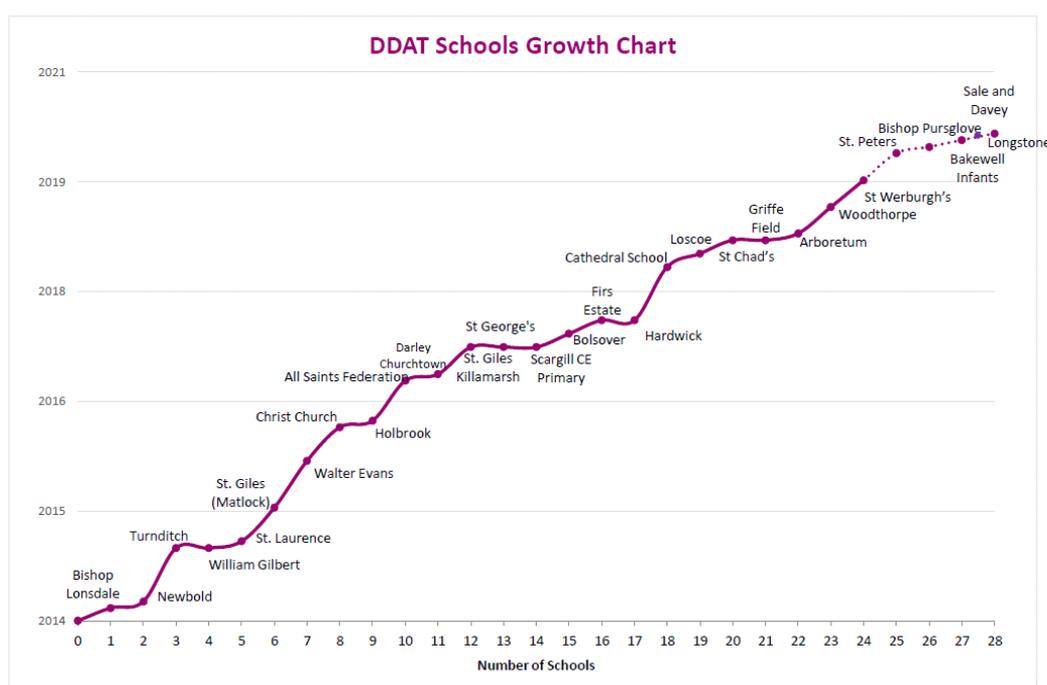
DDAT also received a grant from the DfE for MAT development which has been used throughout this period to support the school improvement and develop training for the schools. This has helped the Derby City hub director role to be fully established and enabled significant investment in training events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

Growth priorities

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

Priority order:

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



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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

PLANS FOR FUTURE PERIODS (continued)

Developing capacity for the next phase

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

1. School improvement within the central team, our schools and our partners.
2. Financial security over time, whilst providing an increased level of core service efficiently from the centre,
3. Strengthened Governance at all levels,
4. Increased alignment of Trust wide systems and accountability from CEO and core team through the new regional lead headteachers, to school leaders and staff.

Growing Cautiously

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

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

FUNDS HELD AS CUSTODIAN ON BEHALF OF OTHERS

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

TRADE UNION FACILITY TIME

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Disabilities

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

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

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

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

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

Disability discrimination

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

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

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

Employee consultation

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

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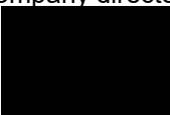
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

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

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


Mr. Michael John Ford
Trustee

DERBY DIOCESAN ACADEMY TRUST 2
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GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Derby Diocesan Academy Trust 2 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Derby Diocesan Academy Trust 2 and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

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

Trustee	Meetings attended	Out of a possible
Mr. Michael John Ford, Chair	6	6
Mrs. Lisa Jane Bloor	1	2
Mr. Mark Mallender, Chief Executive	6	6
Ms. Sheila Mary Lock	2	6
Mr. Neil Andrew Beeson	2	2
Mr. David John Channon	0	6
Mrs. Carol Coslett	5	6
Ms. Alison Mary Brown	5	6
Dr Sarah Hardman Charles	6	6
Mr Declan McCauley, Acting CEO	3	3

Governance reviews

Following the full Governance Health Check carried out by the company's appointed solicitors (Michelmores) to review the governance structures and highlight any areas of weakness or risk. A full report was issued to the Board of Trustees. The following is a list of the actions implemented in this current period further to the previous year activities.

- Appointment of specialist governor support manager.
- New director appointment with specialism in MAT finance
- New director appointment with specialism in safeguarding.
- CEO appointed to employed status with effect from October 2019.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Ms. Alison Mary Brown	2	2
Mrs. Lisa Jane Bloor	2	2
Mr. Michael John Ford	4	4
Mr. Mark Mallender	3	4

Review of value for money

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

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Derby Diocesan Academy Trust 2 for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

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

Internal scrutiny for the period of 2019/20 has been undertaken by using independent professional external reviews across key areas highlighted and formally agreed by the Finance and Audit Committee.

Summary of work undertaken and standards 2019/20

- **H&S risk audits** have been completed with RAG ratings supplied for each school within the trust in distinct areas namely: Management of health and safety, in-house compliance and contractor compliance. YMD Boon Ltd have acted as specialist Independent scrutineers.
- **Procurement-** ERA (Expense Reduction Analysts) conducted full review of purchasing in schools. Best practice identified for suppliers without wholesale need identified to change of systems currently employed.
- **Utilities-** Report raised that Water suppliers across the schools provided varying levels of service and cost. Recommendation to have consistent provider has been implemented.
- **Attendance and Pupil family Support-** Review undertaken across all schools by specialist company One Education Ltd
- **Budget/Finance monitoring and Payroll-** Ongoing financial scrutiny for all schools within the trust. Actioned by DDAT Finance team and reported/monitored by Finance and Audit committee.

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

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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


Mr. Michael Ford
Trustee

and signed on

Mark Mallender
Accounting Officer

DERBY DIOCESAN ACADEMY TRUST 2
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Derby Diocesan Academy Trust 2 I have considered my responsibility to notify the academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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

Mark Mallender
Accounting Officer
Date:

DERBY DIOCESAN ACADEMY TRUST 2
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

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

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

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

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

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



Mr. Michael John Ford
Trustee
Date:

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DERBY DIOCESAN ACADEMY TRUST 2

Opinion

We have audited the financial statements of Derby Diocesan Academy Trust 2 (the 'academy') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DERBY DIOCESAN ACADEMY TRUST 2 (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF DERBY
DIOCESAN ACADEMY TRUST 2 (CONTINUED)**

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the academy'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.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Dave Darlaston (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House

Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date:

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DERBY
DIOCESAN ACADEMY TRUST 2 AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 12 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Derby Diocesan Academy Trust 2 during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Derby Diocesan Academy Trust 2 and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Derby Diocesan Academy Trust 2 and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Derby Diocesan Academy Trust 2 and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Derby Diocesan Academy Trust 2's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Derby Diocesan Academy Trust 2's funding agreement with the Secretary of State for Education dated 26 February 2015 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DERBY
DIOCESAN ACADEMY TRUST 2 AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe U.K. LLP

Reporting Accountant

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

Date:

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants:	3					
Transfer from local authority on conversion		212,893	(386,000)	2,700,000	2,526,893	9,011,124
Other donations and capital grants		4,300	31,503	401,327	437,130	790,783
Charitable activities	4	404,297	15,619,965	-	16,024,262	12,161,397
Other trading activities	5	281,169	-	-	281,169	271,334
Investments	6	2,054	-	-	2,054	1,065
Total income		904,713	15,265,468	3,101,327	19,271,508	22,235,703
Expenditure on:						
	7					
Other trading activities		479,019	-	-	479,019	455,176
Charitable activities		9,337	16,522,213	541,639	17,073,189	13,226,372
Total expenditure		488,356	16,522,213	541,639	17,552,208	13,681,548
Net income/(expenditure)		416,357	(1,256,745)	2,559,688	1,719,300	8,554,155
Transfers between funds	17	(133,771)	493,711	(359,940)	-	-
Net movement in funds before other recognised gains/(losses)		282,586	(763,034)	2,199,748	1,719,300	8,554,155
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	26	-	227,000	-	227,000	(2,611,000)
Net movement in funds		282,586	(536,034)	2,199,748	1,946,300	5,943,155

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Reconciliation of funds:					
Total funds brought forward	1,642,391	(6,387,765)	29,568,031	24,822,657	18,879,502
Net movement in funds	282,586	(536,034)	2,199,748	1,946,300	5,943,155
Total funds carried forward	<u><u>1,924,977</u></u>	<u><u>(6,923,799)</u></u>	<u><u>31,767,779</u></u>	<u><u>26,768,957</u></u>	<u><u>24,822,657</u></u>

The notes on pages 41 to 76 form part of these financial statements.

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)
REGISTERED NUMBER: 09442311

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	31,559,738	29,246,842
Current assets			
Debtors	15	1,016,235	892,339
Cash at bank and in hand		3,655,547	2,621,938
		<u>4,671,782</u>	<u>3,514,277</u>
Creditors: amounts falling due within one year	16	<u>(1,589,563)</u>	<u>(1,224,462)</u>
Net current assets		3,082,219	2,289,815
Net assets excluding pension liability			
Defined benefit pension scheme liability	26	<u>(7,873,000)</u>	<u>(6,714,000)</u>
Total net assets		<u>26,768,957</u>	<u>24,822,657</u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	31,767,779	29,568,031
Restricted income funds	17	949,201	326,235
Restricted funds excluding pension asset	17	<u>32,716,980</u>	<u>29,894,266</u>
Pension reserve	17	<u>(7,873,000)</u>	<u>(6,714,000)</u>
Total restricted funds	17	24,843,980	23,180,266
Unrestricted income funds	17	1,924,977	1,642,391
Total funds		<u>26,768,957</u>	<u>24,822,657</u>

The financial statements on pages 37 to 76 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



Mr. Michael John Ford
Trustee

The notes on pages 41 to 76 form part of these financial statements.

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	571,869	<i>(227,503)</i>
Cash flows from investing activities	21	248,847	<i>546,454</i>
Cash flows from financing activities	20	212,893	<i>943,877</i>
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		1,033,609	<i>1,262,828</i>
Cash and cash equivalents at the beginning of the year		2,621,938	<i>1,359,110</i>
Cash and cash equivalents at the end of the year	22, 23	3,655,547	<i>2,621,938</i>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 41 to 76 form part of these financial statements

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Derby Diocesan Academy Trust 2 meets the definition of a public benefit entity under FRS 102.

1.2 Company Status

The Academy Trust is a company limited by guarantee. The Academy Trust is incorporated in England & Wales, registered number 09442311. The registered office is Church House, Full Street, Derby, Derbyshire, DE1 3DR. The members of the company are named on page 1. In the event of The Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per member of The Academy Trust.

1.3 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 INCOME

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

• **Grants**

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

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

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

• **Sponsorship income**

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

• **Donations**

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

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

• **Other income**

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

• **Transfer on conversion**

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

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.4 INCOME (continued)

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

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

1.5 EXPENDITURE

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

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 INTEREST RECEIVABLE

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

1.7 TAXATION

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

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 TANGIBLE FIXED ASSETS

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

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

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

Depreciation is provided on the following bases:

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

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

The long leasehold land and buildings at Turnditch CofE Primary School, St Laurence CofE VA Primary School, St Giles CE Primary Matlock, Holbrook Church of England Primary School, Matlock All Saints CofE Junior School, Matlock All Saints CofE Infant School, Scargill CofE (Aided) Primary School, Bolsover Church of England Junior School, Loscoe CofE Primary School and Nursery, Griffie Field Primary School, Arboretum Primary School and St Werburgh's CofE Primary School are owned by The Derby Diocesan Board of Education. The Trustees of The Derby Diocesan Board of Education have granted the Academy, via a supplemental agreement, the right to use the land and buildings for educational purposes indefinitely. The buildings have therefore been treated as long leasehold property. The land has not been depreciated as there is no cessation date for occupancy.

The long leasehold land and buildings at William Gilbert Endowed CofE Primary School are owned by The Duffield Endowed School Foundation. There is a 125 year lease agreement and the land is being depreciated over this period.

Land adjoining the site at St Laurence CofE VA Primary School, Holbrook Church of England Primary School, Matlock All Saints CofE Junior School and Matlock All Saints CofE Infant School is owned by Derbyshire County Council. There is a 125 year lease agreement and the land is being depreciated over this period.

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 TANGIBLE FIXED ASSETS (continued)

Land to the rear of Turnditch CofE Primary School is owned by Mr. D R Fearn and is being leased to the school via Derbyshire County Council. There is a 5 year lease and the land has therefore not been capitalised. This is included in the operating lease commitment shown in note 27.

1.9 DEBTORS

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

1.10 CASH AT BANK AND IN HAND

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

1.11 Liabilities and provisions

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

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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

1.13 OPERATING LEASES

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

DERBY DIOCESAN ACADEMY TRUST 2
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.14 PENSIONS

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

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

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

1.15 CONVERSION TO AN ACADEMY TRUST

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

The assets and liabilities transferred on conversion from St Werburgh's CofE Primary School to the academy have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.16 FUND ACCOUNTING

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

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

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

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

Critical areas of judgment:

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

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NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations				
Donated fixed assets	-	-	2,700,000	2,700,000
Defined benefit pension scheme deficit	-	(386,000)	-	(386,000)
Budget surplus on LA and School Funds	212,893	-	-	212,893
Transfer from local authority on conversion	<u>212,893</u>	<u>(386,000)</u>	<u>2,700,000</u>	<u>2,526,893</u>
Capital Grants	-	-	401,327	401,327
Other donations	4,300	31,503	-	35,803
Subtotal	<u>4,300</u>	<u>31,503</u>	<u>401,327</u>	<u>437,130</u>
Total 2020	<u><u>217,193</u></u>	<u><u>(354,497)</u></u>	<u><u>3,101,327</u></u>	<u><u>2,964,023</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations				
Donated fixed assets	-	-	9,800,000	9,800,000
Defined benefit pension scheme deficit	-	(1,744,000)	-	(1,744,000)
Budget surplus on LA and School Funds	943,877	-	-	943,877
Capital Balance on conversion	-	-	11,247	11,247
Transfer from local authority on conversion	943,877	(1,744,000)	9,811,247	9,011,124
Donations	-	-	-	-
Capital Grants	-	-	653,246	653,246
Other donations	-	137,537	-	137,537
Subtotal	-	137,537	653,246	790,783
<i>Total 2019</i>	<i>943,877</i>	<i>(1,606,463)</i>	<i>10,464,493</i>	<i>9,801,907</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the academy's funding for educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants			
General Annual Grant	-	12,252,609	12,252,609
Start up Grant	-	15,023	15,023
Other Dfe/ESFA Grant	-	2,153,695	2,153,695
	-	14,421,327	14,421,327
Other government grants			
Local authority grants	-	1,196,360	1,196,360
	-	1,196,360	1,196,360
Other funding			
Catering income	219,403	-	219,403
School fund income	100,674	-	100,674
Parental contribution for educational visits	8,429	-	8,429
Insurance income	75,791	-	75,791
	404,297	-	404,297
Exceptional government funding			
Coronavirus Exceptional Support	-	1,132	1,132
Coronavirus Job Retention Support	-	1,146	1,146
	-	2,278	2,278
Total 2020	404,297	15,619,965	16,024,262

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the academy's funding for educational operations (continued)

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".

The funding received for coronavirus exceptional support covers £1,132 of costs the Academy Trust bore up to July 2020 as a result of the virus. This predominantly related to the provision of online learning and enhanced hygiene solutions costs in line with government guidance for the opening and operation of schools during the pandemic.

The funding received for coronavirus job retention scheme covers £1,146 of costs related to staff employed in respect of extended hours support.

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
DfE/ESFA grants			
General Annual Grant	-	9,502,420	9,502,420
Start up Grant	-	34,977	34,977
Other Dfe/ESFA Grant	-	1,278,797	1,278,797
	-	10,816,194	10,816,194
Other government grants			
Local authority grants	-	797,558	797,558
	-	797,558	797,558
Other funding			
Catering income	277,969	-	277,969
School fund income	175,757	-	175,757
Parental contribution for educational visits	6,102	-	6,102
Insurance income	87,817	-	87,817
	547,645	-	547,645
Total 2019	547,645	11,613,752	12,161,397

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
School improvement service income	1,069	1,069
Other income	189,893	189,893
Out of school club	65,736	65,736
Hire of facilities	24,471	24,471
Total 2020	281,169	281,169

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
School improvement service income	15,509	15,509
Other income	179,212	179,212
Out of school club	52,339	52,339
Hire of facilities	24,274	24,274
<i>Total 2019</i>	<i>271,334</i>	<i>271,334</i>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Interest receivable	2,054	2,054

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

6. Investment income (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Interest receivable	1,065	1,065

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Funding for educational operations:				
Direct costs	10,414,971	541,638	738,206	11,694,815
Support costs	2,803,211	1,129,926	1,445,237	5,378,374
Other incoming resources:				
Support costs	-	-	479,019	479,019
	13,218,182	1,671,564	2,662,462	17,552,208

	<i>Staff Costs 2019 £</i>	<i>Premises 2019 £</i>	<i>Other 2019 £</i>	<i>Total 2019 £</i>
Funding for educational operations:				
Direct costs	8,055,933	433,639	667,493	9,157,065
Support costs	1,978,946	1,023,659	1,066,702	4,069,307
Other incoming resources:				
Support costs	-	-	455,176	455,176
	10,034,879	1,457,298	2,189,371	13,681,548

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Funding for educational operations	11,694,815	5,378,374	17,073,189
Other incoming resources	-	479,019	479,019
	<u>11,694,815</u>	<u>5,857,393</u>	<u>17,552,208</u>

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Funding for educational operations	9,157,065	4,069,307	13,226,372
Other incoming resources	-	455,176	455,176
	<u>9,157,065</u>	<u>4,524,483</u>	<u>13,681,548</u>

Analysis of support costs

	Funding for educational operations 2020 £	Other incoming resources 2020 £	Total funds 2020 £
Staff costs	2,803,211	-	2,803,211
Technology costs	175,384	-	175,384
Maintenance of premises and equipment	1,129,926	-	1,129,926
Other support costs	1,204,952	479,019	1,683,971
Governance costs	50,884	-	50,884
Legal costs	14,017	-	14,017
	<u>5,378,374</u>	<u>479,019</u>	<u>5,857,393</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

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

	<i>Funding for educational operations</i> 2019 £	<i>Other incoming resources</i> 2019 £	<i>Total funds</i> 2019 £
Staff costs	1,978,946	-	1,978,946
Technology costs	109,682	-	109,682
Maintenance of premises and equipment	1,023,659	-	1,023,659
Other support costs	940,113	455,176	1,395,289
Governance costs	8,026	-	8,026
Legal costs	8,881	-	8,881
	<u>4,069,307</u>	<u>455,176</u>	<u>4,524,483</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	541,038	433,639
Fees paid to auditor for:		
- audit	17,650	16,450
- other services	4,750	4,400
Operating lease rentals	17,176	20,116

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	9,144,330	7,208,786
Social security costs	795,534	620,615
Pension costs	2,997,846	1,804,147
	<u>12,937,710</u>	<u>9,633,548</u>
Agency staff costs	270,927	391,046
Staff restructuring costs	9,545	10,285
	<u>13,218,182</u>	<u>10,034,879</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	-	7,001
Severance payments	9,545	3,284
	<u>9,545</u>	<u>10,285</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £9,545 (2019: £10,285). Individually, the payments were: £5,995 and £3,550.

c. Staff numbers

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

	2020 No.	2019 No.
Teachers	310	308
Administration and support	174	186
Management	28	29
	<u>512</u>	<u>523</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Staff (continued)

d. Higher paid staff

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

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	2	-
In the band £70,001 - £80,000	3	4
In the band £80,001 - £90,000	1	-
	<u><u> </u></u>	<u><u> </u></u>

The employees included above have participated in the teachers pension scheme, employer contributions in the year totalled £94,164 (2019: £41,348).

e. Key management personnel

The key management personnel of the academy 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 was £NIL (2019 £81,451).

Within the year the central trust management team also included consultancy operational management by Richard Wetherall (Finance Director). The cost for these services totalled £42,240 (2019: £42,240).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Central services

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

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

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

Flat percentage of GAG income (2 to 6%)

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

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Turnditch Church of England Primary School	15,339	13,603
William Gilbert Endowed Church of England Primary School	34,580	32,721
St Laurence CofE VA Primary School	43,950	53,726
St Giles Church of England Primary School	19,764	18,439
Holbrook Church of England Primary School	25,667	26,340
All Saints CofE Junior School	41,568	40,728
All Saints CofE Infant School	32,065	31,296
Scargill CofE (Aided) Primary School	72,625	65,835
Bolsover Church of England Junior School	64,702	62,766
Loscoe CofE Primary School and Nursery	34,413	27,218
Griffe Field Primary School	55,822	35,931
Arboretum Primary School	109,252	63,876
St Werburgh's CofE Primary School	47,610	-
Total	597,357	472,479

12. Trustees' remuneration and expenses

Declan McCauley and Mark Mallender are paid on a single contract through Derby Diocesan Academy Trust. The cost is split equally between Derby Diocesan Academy Trust and Derby Diocesan Academy Trust 2 via a recharge for work undertaken on behalf of both Trusts.

During the year ended 31 August 2020, no Trustee expenses have been incurred (2019 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Trustees' and Officers' insurance

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

14. Tangible fixed assets

	Long-term leasehold property £	Short-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	29,393,786	808,060	90,500	125,780	30,418,126
Additions	-	89,661	12,624	52,249	154,534
Assets on conversion	2,700,000	-	-	-	2,700,000
At 31 August 2020	<u>32,093,786</u>	<u>897,721</u>	<u>103,124</u>	<u>178,029</u>	<u>33,272,660</u>
Depreciation					
At 1 September 2019	1,073,726	26,439	28,511	42,608	1,171,284
Charge for the year	493,117	3,386	8,444	36,691	541,638
At 31 August 2020	<u>1,566,843</u>	<u>29,825</u>	<u>36,955</u>	<u>79,299</u>	<u>1,712,922</u>
Net book value					
At 31 August 2020	<u><u>30,526,943</u></u>	<u><u>867,896</u></u>	<u><u>66,169</u></u>	<u><u>98,730</u></u>	<u><u>31,559,738</u></u>
At 31 August 2019	<u><u>28,320,060</u></u>	<u><u>781,621</u></u>	<u><u>61,989</u></u>	<u><u>83,172</u></u>	<u><u>29,246,842</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	55,834	6,727
Amounts owed by group undertakings	29,400	-
Other debtors	136,933	1,485
Prepayments and accrued income	416,571	659,031
VAT recoverable	377,497	225,096
	1,016,235	892,339

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	412,329	213,571
Amounts owed to group undertakings	29,400	-
Other taxation and social security	177,187	145,511
Other creditors	218,342	202,007
Accruals and deferred income	752,305	663,373
	1,589,563	1,224,462

	2020 £	2019 £
Deferred income at 1 September 2019	394,068	193,493
Resources deferred during the year	445,871	394,068
Amounts released from previous periods	(394,068)	(193,493)
	445,871	394,068

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	1,642,391	904,713	(488,356)	(133,771)	-	1,924,977
Restricted general funds						
General Annual Grant (GAG)	326,235	12,252,609	(12,123,354)	493,711	-	949,201
Other DfE/ESFA grants	-	2,153,695	(2,153,695)	-	-	-
Local authority grants	-	1,196,360	(1,196,360)	-	-	-
Start up grants	-	15,023	(15,023)	-	-	-
Donations	-	31,503	(31,503)	-	-	-
Exceptional government funding	-	2,278	(2,278)	-	-	-
Pension reserve	(6,714,000)	(386,000)	(1,000,000)	-	227,000	(7,873,000)
	<u>(6,387,765)</u>	<u>15,265,468</u>	<u>(16,522,213)</u>	<u>493,711</u>	<u>227,000</u>	<u>(6,923,799)</u>
Restricted fixed asset funds						
Fixed assets	29,246,842	2,700,000	(541,639)	154,535	-	31,559,738
DfE/ESFA capital grants	-	90,593	-	(90,593)	-	-
Conditional improvement Fund	321,189	4,456	-	(287,866)	-	37,779
School Capital Allocation	-	306,278	-	(136,016)	-	170,262
	<u>29,568,031</u>	<u>3,101,327</u>	<u>(541,639)</u>	<u>(359,940)</u>	<u>-</u>	<u>31,767,779</u>
Total Restricted funds	<u>23,180,266</u>	<u>18,366,795</u>	<u>(17,063,852)</u>	<u>133,771</u>	<u>227,000</u>	<u>24,843,980</u>
Total funds	<u>24,822,657</u>	<u>19,271,508</u>	<u>(17,552,208)</u>	<u>-</u>	<u>227,000</u>	<u>26,768,957</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds (continued)

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Turnditch Church of England Primary School	146,700	128,336
William Gilbert Endowed Church of England Primary School	256,678	240,061
St Laurence CofE VA Primary School	239,827	165,190
St Giles Church of England Primary School	96,516	66,533
Holbrook Church of England Primary School	81,802	51,776
All Saints CofE Junior School	106,669	44,670
All Saints CofE Infant School	70,040	44,446
Bolsover Church of England Junior School	345,821	234,408
Scargill CofE (Aided) Primary School	202,331	112,676
Loscoe CofE Primary School and Nursery	170,095	148,534
Griffe Field Primary School	168,701	92,607
Arboretum Primary School	729,392	572,760
St Werburgh's CofE Primary School	131,428	-
Trust	128,178	66,629
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,874,178	1,968,626
Restricted fixed asset fund	31,767,779	29,568,031
Pension reserve	(7,873,000)	(6,714,000)
	<hr/>	<hr/>
Total	26,768,957	24,822,657
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
Turnditch Church of England Primary School	301,764	35,607	6,543	97,317	441,231
William Gilbert Endowed Church of England Primary School	769,479	178,900	21,022	156,193	1,125,594
St Laurence CofE VA Primary School	643,179	138,407	15,836	204,617	1,002,039
St Giles Church of England Primary School	332,769	51,718	4,494	104,550	493,531
Holbrook Church of England Primary School	422,686	79,510	10,000	126,063	638,259
All Saints CofE Junior School	575,487	103,473	27,652	219,263	925,875
All Saints CofE Infant School	456,139	74,230	13,167	208,498	752,034
Bolsover Church of England Junior School	800,856	77,488	26,988	294,667	1,199,999
Scargill CofE (Aided) Primary School	1,171,940	156,807	20,717	308,120	1,657,584
Loscoe CofE Primary School and Nursery	674,927	94,562	10,312	221,849	1,001,650
Griffe Field Primary School	1,342,678	121,209	20,105	309,897	1,793,889
Arboretum Primary School	2,016,213	443,323	29,630	330,057	2,819,223
St Werburgh's CofE Primary School	834,571	149,057	18,008	195,258	1,196,894
Trust	72,283	1,098,920	-	791,564	1,962,767
Academy	10,414,971	2,803,211	224,474	3,567,913	17,010,569

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17. Statement of funds (continued)

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

	<i>Teaching and educational support staff costs</i> £	<i>Other support staff costs</i> £	<i>Educational supplies</i> £	<i>Other costs excluding depreciation</i> £	<i>Total 2019</i> £
Turnditch Church of England Primary School	315,530	34,897	9,579	127,487	487,493
William Gilbert Endowed Church of England Primary School	728,821	168,933	23,589	203,229	1,124,572
St Laurence CofE VA Primary School	689,953	131,997	18,224	277,590	1,117,764
St Giles Church of England Primary School	256,754	49,494	3,453	136,719	446,420
Holbrook Church of England Primary School	398,288	80,895	14,974	189,149	683,306
All Saints CofE Junior School	636,893	103,626	21,833	232,934	995,286
All Saints CofE Infant School	460,883	82,785	8,489	236,868	789,025
Bolsover Church of England Junior School	849,058	66,522	16,310	343,492	1,275,382
Scargill CofE (Aided) Primary School	1,067,089	143,874	16,910	435,119	1,662,992
Loscoe CofE Primary School and Nursery	519,402	79,137	7,743	201,448	807,730
Griffe Field Primary School	853,617	96,177	5,581	252,169	1,207,544
Arboretum Primary School	1,279,645	254,726	17,653	229,197	1,781,221
Trust	-	685,883	-	183,291	869,174
Academy	8,055,933	1,978,946	164,338	3,048,692	13,247,909

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17. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds						
General Funds	865,790	1,763,921	(466,426)	(520,894)	-	1,642,391
Restricted general funds						
General Annual Grant (GAG)	-	9,502,420	(9,943,614)	767,429	-	326,235
Other DfE/ESFA grants	50,000	1,278,797	(1,328,797)	-	-	-
Local authority grants	-	797,558	(797,558)	-	-	-
Start up grants	-	34,977	(34,977)	-	-	-
Donations	-	137,537	(137,537)	-	-	-
Pension reserve	(1,820,000)	(1,744,000)	(539,000)	-	(2,611,000)	(6,714,000)
	<u>(1,770,000)</u>	<u>10,007,289</u>	<u>(12,781,483)</u>	<u>767,429</u>	<u>(2,611,000)</u>	<u>(6,387,765)</u>
Restricted fixed asset funds						
Fixed assets	19,761,553	9,800,000	(433,639)	118,928	-	29,246,842
DfE/ESFA capital grants	-	234,868	-	(234,868)	-	-
Conditional improvement Fund	22,159	429,625	-	(130,595)	-	321,189
	<u>19,783,712</u>	<u>10,464,493</u>	<u>(433,639)</u>	<u>(246,535)</u>	<u>-</u>	<u>29,568,031</u>
Total Restricted funds	<u>18,013,712</u>	<u>20,471,782</u>	<u>(13,215,122)</u>	<u>520,894</u>	<u>(2,611,000)</u>	<u>23,180,266</u>
Total funds	<u><u>18,879,502</u></u>	<u><u>22,235,703</u></u>	<u><u>(13,681,548)</u></u>	<u><u>-</u></u>	<u><u>(2,611,000)</u></u>	<u><u>24,822,657</u></u>

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18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	31,559,738	31,559,738
Current assets	3,514,540	949,201	208,041	4,671,782
Creditors due within one year	(1,589,563)	-	-	(1,589,563)
Provisions for liabilities and charges	-	(7,873,000)	-	(7,873,000)
Total	<u>1,924,977</u>	<u>(6,923,799)</u>	<u>31,767,779</u>	<u>26,768,957</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Restricted fixed asset funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	-	-	29,246,842	29,246,842
Current assets	2,866,853	326,235	321,189	3,514,277
Creditors due within one year	(1,224,462)	-	-	(1,224,462)
Provisions for liabilities and charges	-	(6,714,000)	-	(6,714,000)
Total	<u>1,642,391</u>	<u>(6,387,765)</u>	<u>29,568,031</u>	<u>24,822,657</u>

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

	2020	2019
	£	£
Net income for the period (as per Statement of Financial Activities)	1,719,300	8,554,155
Adjustments for:		
Depreciation charges	541,638	433,639
Loss on the sale of fixed assets	-	176
(Increase)/decrease in debtors	(94,496)	(472,615)
Increase in creditors	335,701	383,577
Capital grants from DfE and other capital income	(401,327)	(664,493)
Defined benefit pension scheme obligation inherited on conversion	386,000	1,744,000
Defined benefit pension scheme cost less contributions payable	857,000	453,000
Defined benefit pension scheme finance cost	143,000	86,000
Donations of fixed asset on conversion	(2,700,000)	(9,800,000)
Donations of budget surpluses on local authority and school funds on conversion	(212,893)	(943,877)
Interest receivable	(2,054)	(1,065)
Net cash provided by/(used in) operating activities	571,869	(227,503)

20. Cash flows from financing activities

	2020	2019
	£	£
Donations of budget surpluses on local authority and school funds on conversion	212,893	943,877
Net cash provided by financing activities	212,893	943,877

21. Cash flows from investing activities

	2020	2019
	£	£
Purchase of tangible fixed assets	(154,534)	(119,104)
Capital grants from DfE Group	401,327	664,493
Interest receivable	2,054	1,065
Net cash provided by investing activities	248,847	546,454

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NOTES TO THE FINANCIAL STATEMENTS
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22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	3,655,547	2,621,938
Total cash and cash equivalents	3,655,547	2,621,938

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	2,621,938	1,033,609	3,655,547
	2,621,938	1,033,609	3,655,547

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

On 1 October 2019 St Werburgh's CofE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Derby Diocesan Academy Trust 2 from Derby County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	2,700,000	2,700,000
Cash - representing budget surplus on LA funds	212,893	-	-	212,893
LGPS pension deficit	-	(386,000)	-	(386,000)
Net assets/(liabilities)	212,893	(386,000)	2,700,000	2,526,893

25. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements	-	321,189

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NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments

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

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

Contributions amounting to £217,165 were payable to the schemes at 31 August 2020 (2019 - £157,851) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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

The employer's pension costs paid to TPS in the year amounted to £1,270,825 (2019 - £700,314).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £890,805 (2019 - £696,381), of which employer's contributions totalled £696,941 (2019 - £547,987) and employees' contributions totalled £ 193,864 (2019 - £148,394). The agreed contribution rates for future years are 21 per cent for employers and 5.50 per cent for employees.

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

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

Principal actuarial assumptions

	2020	<i>2019</i>
	%	%
Rate of increase in salaries	2.90	<i>2.80</i>
Rate of increase for pensions in payment/inflation	2.20	<i>2.30</i>
Discount rate for scheme liabilities	1.70	<i>1.90</i>

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

	2020	<i>2019</i>
	Years	Years
<i>Retiring today</i>		
Males	21.6	<i>21.9</i>
Females	23.7	<i>24.4</i>
<i>Retiring in 20 years</i>		
Males	22.6	<i>23.9</i>
Females	25.1	<i>26.5</i>

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

Sensitivity analysis on scheme obligations

	2020	<i>2019</i>
	£000	<i>£000</i>
Discount rate +0.5%	14,370	<i>12,425</i>
Discount rate -0.5%	18,732	<i>16,363</i>
Salary increase rate +0.5%	16,803	<i>14,752</i>
Mortality assumption - 1 year decrease	16,299	<i>14,036</i>
Pension increase rate +0.5%	18,439	<i>15,959</i>
Pension increase rate -0.5%	14,663	<i>12,829</i>

Share of scheme assets

The academy's share of the assets in the scheme was:

	2020	<i>2019</i>
	£	<i>£</i>
Equities	5,381,000	<i>4,685,000</i>
Bonds	1,996,000	<i>1,843,000</i>
Property	694,000	<i>614,000</i>
Cash	607,000	<i>538,000</i>
Total market value of assets	8,678,000	<i>7,680,000</i>

The actual return on scheme assets was (£174,000) (*2019 - £500,000*).

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

	2020	<i>2019</i>
	£	<i>£</i>
Current service cost	1,558,000	<i>899,000</i>
Past service cost	-	<i>100,000</i>
Interest cost	143,000	<i>86,000</i>
Total amount recognised in the Statement of Financial Activities	1,701,000	<i>1,085,000</i>

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26. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	14,394,000	6,286,000
Transferred in on existing academies joining the trust	744,000	3,780,000
Current service cost	1,558,000	899,000
Interest cost	303,000	258,000
Employee contributions	195,000	149,000
Actuarial (gains)/losses	(561,000)	2,939,000
Benefits paid	(82,000)	(17,000)
Past service costs	-	100,000
At 31 August	16,551,000	14,394,000

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

	2020 £	2019 £
At 1 September	7,680,000	4,466,000
Transferred in on existing academies joining the trust	358,000	2,036,000
Interest income	160,000	172,000
Actuarial (losses)/gains	(334,000)	328,000
Employer contributions	701,000	546,000
Employee contributions	195,000	149,000
Benefits paid	(82,000)	(17,000)
At 31 August	8,678,000	7,680,000

27. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	21,813	17,176
Later than 1 year and not later than 5 years	36,130	24,237
	57,943	41,413

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28. Members' liability

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

29. Related party transactions

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

Part of the long leasehold land is held by the Derby Diocesan Trustees registered as custodians for the beneficial users of the land - Turnditch CofE Primary School, St Laurence CofE VA Primary School, St Giles CE Primary Matlock, Holbrook Church of England Primary School, Matlock All Saints CofE Junior School, Matlock All Saints CofE Infant School, Scargill CofE (Aided) Primary School, Bolsover Church of England Junior School, Arboretum Primary School, Griffie Field CE Primary School, Loscoe CE Primary School and St Werburgh's CofE Primary School, constituent Academies in the Derby Diocesan Academy Trust 2. The Derby Diocesan Trustees have granted the Academies, via a supplemental agreement, the right to use the land for educational purposes indefinitely. However, The Derby Diocesan Trustees may give not less than two years written notice to the Company and the Secretary of State to terminate this supplemental agreement.

The Academy Trust received donated services in the year amounting to £NIL (2019: £81,451) relating to the time spent by Mr David John Channon (CEO), Mr Mark Mallender (Director of School Improvement) and Shakher Khaliq (Deputy Director of Business) managing the Academy Trust. All three were employees of Derby Diocesan Board of Education.

Derby Diocese Academy Trust 2 and Derby Diocese Academy Trust are related parties due to them having the same Members and Trustees. Amounts due from the Derby Diocese Academy Trust at 31 August 2020 were £126,278 (2019: amounts owed to £33,544).

30. Controlling party

The Derby Diocese Academy Trust 2 is an autonomous body, financed mainly by public funding and files separate entity accounts.

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