

DUDLEY ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

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DUDLEY ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Hodge
V Little
C Harvey
Dudley College of Technology

Trustees

A Comyn
M Dudley
N Ford
S Johnson
M Price
T Westley
D Whatton
L Williams, Chair of Trustees
H Georgiou
P Hazelhurst (appointed 1 March 2020)
P Davies

Company registered number

10897797

Company name

Dudley Academies Trust

Principal and registered office

C/O Dudley College of Technology
The Broadway
Dudley
West Midlands
DY1 4AS

Chief executive officer

J Higgins

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

Senior management team

J Higgins	CEO
C Christoforou	CFO
A Robin-Jones	Executive Principal - Secondary
E Edwards-Morgan	Principal
I Moore	Principal
A Landers	Principal
S Dhami	Principal
S Sehmbi	Head teacher

Independent auditor

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

Bankers

Santander UK Plc
Customer Service Centre
Bootle
Merseyside
L30 4GB

Solicitors

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

Internal Auditor

Haines Watts Control & Assurance
Sterling House
97 Lichfield Street
Tamworth
B79 7QF

DUDLEY ACADEMIES TRUST
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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 Academy Trust operates 4 secondary academies and one primary academy in Dudley in the West Midlands St James Academy, Pegasus Academy, The Link Academy, Beacon Hill Academy and Blowers Green Primary which joined the Trust on 1st February 2020. Its academies have a combined pupil capacity of 3,890 and had a roll of 3,491 in the school census on October 2020.

Structure, governance and management

Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing document of the Academy Trust.

The Trustees of Dudley Academies Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Dudley Academies Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

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.

Trustees' indemnities

In accordance with the normal commercial practice the academy trust provides indemnity insurance to protect its members, directors, academy representatives and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. This insurance does not extend to any claim arising from any act or omission which Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard of whether it was a breach of trust or breach of duty or to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as trustees. The insurance provider provides up to £10 million in aggregate claims.

Method of recruitment and appointment or election of Trustees

The process for appointment of Trustees is specified in the Articles of Association. Members may appoint up to 7 Trustees. Trustees may appoint additional co opted Trustees.

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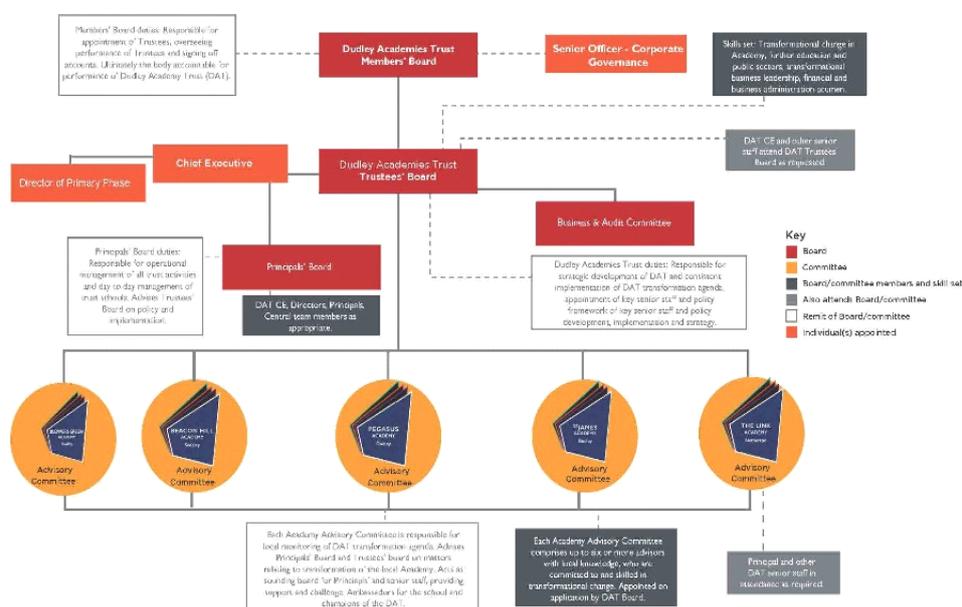
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Policies adopted for the induction and training of Trustees

Trustees bring a variety of experience from a number of different backgrounds in both education, industry and the public sector. Where necessary training is provided on charity, educational, legal and financial matters. All trustees are routinely involved with meetings, accounts, reports, budgets, plans and other information necessary to enable them to carry out their roles. Assistance and advice is always available from trust staff or professional advisors.

Organisational structure

The Academy Trust was formed in August 2017 and the structure of the trust was established with the approval of the Department for Education. The structure consists of four levels: Members, Trustees, Headteachers' Board and a local advisory committee within each academy. Trustees have a scheme of delegation which clearly sets out where decision making responsibility lies within the structure. Members and Trustees have delegated certain responsibilities to the Chief Executive or committees. Where this is the case, there are clear terms of reference and financial regulations in place to govern decisions. The Trustees established a Business and Audit Committee which met 4 times during the year, a Pay, Personnel and Performance Management Committee which met for the first time in October 2019 and an Educational Performance and Standards Committee which met for the first time in June 2020.



Members

- Appoint other members.
- Appoint trustees to Trust Board.
- Amend the Articles of Association.
- Change the name of the Trust.
- Remove Trustees.

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

Trustees

- Strategic oversight, setting vision and policies for the Trust.
- Ensuring appropriate governance and decision making.
- Dealing with contractual relationships with third parties.
- Ensuring compliance with all regulatory requirements including statutory duties under charity and company law.
- Oversight of standards & outcomes of academies.
- Oversight of finances & effective use of funds.
- Setting appropriate targets and holding CEO and local leadership to account.
- Agreeing and monitoring budgets.
- Reviewing performance across the academies & the Trust.

Business and Audit Committee

Audit and Risk

- Selection, appointment and performance of external auditors.
- Review of the annual management letter and other reports.
- Set and review the internal audit programme and review reports and recommendations of the internal audit and management response.
- Monitor the implementation of actions agreed from actions raised by external and internal audits.
- Review the Trust's financial management and reporting arrangements, in relation to management and financial accounts, statements and reports and the annual accounts and financial statements.
- Review the Trust's policies and procedures relating to financial regulation, fraud, data protection, health and safety, freedom of information and whistleblowing.
- Receive reports on the outcome of investigations of suspected or alleged impropriety.
- Review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
- Review the adequacy and robustness of risk registers.
- Review the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements, as well as its arrangements for securing value for money.

Business

- Consider the indicative funding for each Academy and assess its implications for the relevant Academy.
- Consider and recommend the Academies' budgets for each financial year.
- Contribute to the formulation of the strategic plan.
- Receive and make recommendations relating to the annual budget.
- Consider and make recommendations relating to requests for supplementary expenditure.
- Monitor and review expenditure and ensure compliance with the overall financial plan and financial regulations of the Trust.
- Monitor and review procedures for ensuring effective financial controls.
- Prepare the financial statement to form part of the annual report of the Board.
- Receive a termly Health & Safety report and monitor compliance with the Trust's Health and Safety Policy and statutory obligations.
- Receive reports on management of assets and ensure that appropriate asset recording is in place.
- Determine the use of Academies' premises and grounds.
- Ensure premises are inspected and an annual statement of priorities is prepared and reviewed.
- Ensure compliance with the Environmental Protection Act and that Academies are fulfilling their duty in respect of environmental issues.

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

Pay, Personnel and Performance Committee

- Prepare and submit recommendations for adoption by the Trust Board in relation to human resources related policies and review feedback on the implementation of the policies.
- Monitor the performance of the executive leadership and make recommendations to the Board in relation to their remuneration.
- Ensure a fair and consistent approach across the Trust and its academies in relation to pay and performance management.
- Consider staff grievances under the Trust's grievance procedure and complaints under the Trust's Dignity at Work Policy.
- Oversee the effective implementation of processes in relation to staff discipline and dismissal.
- Advise the Board on the appointment of executive post holders and Academy Principals.
- Advise on strategic planning of human resources.

Educational Performance and Standards Committee

- Oversee the educational outcomes for pupils in the Trust's academies and evaluation of academies' attainment, pupil progress, attendance and behaviour.
- Ensure academy targets are appropriately set to maximise attainment and pupil progress.
- Evaluate the academies' performance through a range of measures including their own self-evaluation report, school improvement plan and post inspection action plans and referring to national benchmark figures where available.
- Ensure that all reasonable measures are taken to ensure that pupils' SEND requirements are being met
- Ensure the effective deployment of Pupil Premium Grant.
- Support and encourage curriculum development engaging with national guidance as appropriate.
- Monitor the impact of any external partnerships commissioned by the Trust to support its academies.
- Advise the Board on instances where the need for direct intervention in an academy has been identified in order to secure rapid and significant improvements in pupils' outcomes.
- Encourage and promote collaboration between academies within the Trust and externally, to ensure that best practice is identified and promoted.

Local Advisory Committees

- Oversight of running of the academies in terms of learning, standards, safety & wellbeing.
- Carrying out the Academy Trust's vision, policies & priorities.
- Holding local academy leadership to account for academic performance, quality of care & provision.
- Overseeing & monitoring the effectiveness of learning strategies.
- Supporting the Board and its committees in relation to proper use of funds & delivering high quality educational provision.

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

Arrangements for setting pay and remuneration of key management personnel

The Trust Board has established a Pay, Personnel and Performance Management (PPP) committee to monitor the consistent application of pay and performance management policies across the Trust. The PPP Committee also monitors the performance management of the executive leadership team and makes recommendations to the Trust Board in respect of their performance targets and remuneration. The Trust Board has approved an Executive Pay Policy which ensures compliance with the requirements of the Academies Financial Handbook in relation to setting executive pay.

The Trust employs its teachers under the School Teachers Pay and Conditions Document, which sets parameters and criteria in respect of setting teachers' pay. In respect of support staff pay, the Trust follows the recommendations determined through the National Joint Council.

The Trustees do not receive any remuneration for their services to the Trust.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	5
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	5
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£000**

Total cost of facility time (Apr-19 to Mar-20 charge)	21,593	
Total pay bill (Total pay costs 2018/08 to 2019/07)	18,447,960	
Percentage of total pay bill spent on facility time	0.12	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	7.50	%
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

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.

Engagement with suppliers, customers and others in a business relationship with the trust

A core value of the trust is an adherence to paying all suppliers within agreed terms.

The directors commit to maximising the resources used in servicing the needs of its pupils to the highest possible standard. In addition to this full engagement with parents, guardians and the local communities is a key aim of the Trust with the view to building successful, long term relationships.

Both the directors and the Key Management Personnel work closely and collaboratively with the Local Authorities to ensure that there is a shared strategy that is mutually beneficial to all parties. Similarly, directors and Key Management work hard to establish and maintain good relationships with the Regional Schools Commissioner, the DfE and the ESFA.

S172(1) statement

The directors act in good faith in making decisions from which the expected outcomes are considered to be most likely to promote the success of the Trust for the benefit of its pupils. In performing their duties, the directors make good faith assessments of the potential consequence on various stakeholders of any decisions that are made. In this, the directors have a regard to the following:

- the likely consequences of any decision in the long term
- the interests of the trust's employees
- the need to foster the trust's business relationships with suppliers, customers and others
- the impact of the trust's operations on the community and the environment
- the desirability of the trust maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the trust.

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

Objectives and activities

Objects and aims

The Academy Trust's objects are generally 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 schools offering a broad and balanced curriculum.

The Trust's mission statement is:

"Working together we will develop inspirational schools which instill ambition and desire in young learners, open their minds, widen their horizons and equip them to succeed in a challenging world."

The Academy Trust's vision is:

By 2021, our family of schools will be the first choice for young people and parents in north and central Dudley. More young people than ever before will have enrolled into our schools. Parents will feel proud of their children as they progress and develop in our schools.

Our innovative teaching and learning will have ensured a marked improvement in learner attainment. A team of expert practitioners will work across our Trust schools, supporting all of our teachers. Teaching will be active, exciting and inspiring, focusing on the needs of individual learners. Our teachers will make best use of the latest available learning technologies. Our relentless focus on aspiration will ensure more of our learners achieve high grades and both learner attainment and achievement will be at or above national rates in all of our schools.

Our curriculum will be rich, broad and varied meeting the needs of learners of all abilities. Exciting new programmes, designed and developed in partnership with our sponsor Dudley College of Technology, will complement our existing offer. We will have developed alternative pathways to meet the needs of our most challenging learners.

Our well developed and innovative links with employers will ensure our learners are well prepared to take the next steps into successful careers. From the many opportunities provided to them to experience and prepare for the world of work, they will become highly employable. Effective information, advice and guidance will ensure our learners are challenged to identify appropriate career pathways and set aspirational targets for themselves. Our learners will secure positive futures, with greater numbers progressing directly into apprenticeships, technical education programmes and A levels.

Partnership working will be evident across our family of schools, with our partner primary schools and with all key stakeholders in the region. Through highly focused collaboration we will have created the conditions for rigorous school improvement.

The aspirations of our local communities will have noticeably heightened. We will have developed enhanced support services for all our learners including services to support their mental health and wellbeing. Our learners will be strong and resilient and will flourish in a culture where they want to learn.

Our estates development programme will be well underway towards our aim of developing new modern, inspirational facilities which support their learning.

Learners will report high levels of satisfaction in all of our schools. Our learners will comment that our provision is welcoming and inclusive. As socially aware young people they will understand how to best conduct themselves, professionally and socially, and to keep themselves safe. Our learners will enjoy school and will feel happy in a safe environment.

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Our staff will also feel happy, positive and motivated and will enjoy working across the Academy Trust. We will have further developed our middle and senior leadership capacity: challenging, accessible and inspirational leadership will be evident across our schools. Highly effective and inclusive communication will ensure that staff have a clear understanding of their role. All our staff will have the opportunity to develop their career to whatever level they aspire. Potential new employees will actively seek out opportunities to join our school teams.

Our stakeholders will recognise the Dudley Academies Trust as a valued partner which supports the economic, social and personal development of young people. Stakeholders will feel assured that our schools provide the highest quality learning opportunities.

Objectives, strategies and activities

During the year the Trust Board oversaw the development of the Trust's strategic plan from 2018 to 2021. The Trust's mission and vision are set out below, but the full strategic plan is available on the Trust's website at the following address <https://dudleyacademiestrust.org.uk/About Us/Strategic Plan>.

Objectives

The Trust Board oversees the development and implementation of operational plans to set out actions to be completed during the year in pursuit of the Trust's strategic objectives. The main objectives of the Trust during the year are summarised below:

Strategic Priority 1	Creating an Aspirant Culture
Strategic Priority 2	Developing Exemplary Behaviours
Strategic Priority 3	Outstanding Teaching and Learning
Strategic Priority 4	A Relevant and Responsive Curriculum
Strategic Priority 5	Developing our People
Strategic Priority 6	Developing Highly Effective Support Services
Strategic Priority 7	Developing our Facilities, Resources and Marketing
Strategic Priority 8	Developing Highly Effective Governance

Public benefit

In setting the objectives and planning activities the trustees have given careful consideration to ensuring compliance with the Charity Commissions general guidance on public benefit. The Trust fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role. The Trustees consider that The Trust's strategic plan and objectives are demonstrably to the public benefit.

Strategic report

Achievements and performance

Key performance indicators

There are no performance tables for outcomes in 2020. Progress 8 has been calculated using the 2019 formula – this is important for our internal benchmarking process. Awarding our Centre Assessed Grades was a rigorous process entailing Trust wide moderation that was validated by Delta Academies Trust. A significant number of grades was uplifted by the examination boards indicating that 'grade inflation' was not a feature of our 2020 results.

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

Outcomes:

<u>Beacon Hill Academy</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Variance</u>
Progress 8	-0.38	-0.37	-0.23	0.15
Attainment 8	39.7	41.6	41.6	1.9
7+ in English and Mathematics	6.20%	6.40%	7.10%	0.90%
5+ in English and Mathematics	30.60%	33.30%	37.90%	7.30%
4+ in English and Mathematics	49.20%	55.60%	55.40%	6.20%

<u>Pegasus Academy</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Variance</u>
Progress 8	-0.43	-0.41	-0.07	0.36
Attainment 8	38.8	40.4	40.6	1.8
7+ in English and Mathematics	9.00%	5.60%	2.70%	-6.30%
5+ in English and Mathematics	22.10%	31.00%	29.70%	7.60%
4+ in English and Mathematics	47.60%	46.80%	49.50%	1.90%

<u>St James Academy</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Variance</u>
Progress 8	-0.52	-0.37	-0.1	0.42
Attainment 8	32.2	34.1	37.8	5.6
7+ in English and Mathematics	1.80%	5.70%	9.80%	8.00%
5+ in English and Mathematics	17.00%	19.00%	25.50%	8.50%
4+ in English and Mathematics	33.90%	35.20%	41.20%	7.30%

<u>The Link Academy</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Variance</u>
Progress 8	-0.64	-0.48	-0.15	0.49
Attainment 8	37.1	37.9	41.3	4.2
7+ in English and Mathematics	2.10%	3.10%	4.90%	2.80%
5+ in English and Mathematics	22.70%	22.00%	28.30%	5.60%
4+ in English and Mathematics	42.80%	41.40%	49.30%	6.50%

<u>Blowers Green Primary</u>	<u>2019</u>	<u>2020</u>
Reading	N/a	86.21%
Writing	N/a	79.31%
GPS	N/a	79.31%
Mathematics	N/a	89.66%
Combined	N/a	75.86%

Ofsted inspections

Only Pegasus Academy (formerly Holly Hall) has been inspected since the Academy Trust was formed. In June 2019, the academy was judged to 'require improvement'. The inspection process was very positive and the fact that the academy was moved out of category in only eighteen months demonstrates the effectiveness of the Trust's capacity to improve its schools at pace.

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

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy 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 Accounting Policies.

Financial Review

The Trust received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during the year.

Restricted General Fund

The majority of the Trust's income was received through Education and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Trust's charitable activities, its educational operations. These revenue grants and the associated expenditure made against them are detailed in the SOFA. General Restricted Fund income for the year was £21,739,000 excluding transfers on conversion of £638,000 (2019: £20,830,000); expenditure against the fund was £22,784,000 (2019: £22,678,000) excluding £2,507,000 (2019: £1,804,000) in relation to Actuarial movements in the LGPS pension deficit. Before transfers there is an in year deficit of £1,045,000 (2019: deficit of £1,848,000) in the restricted general fund which includes £909,000 (2019: £821,000) of LGPS FRS102 adjustments.

Unrestricted Funds

Income received into the Unrestricted Fund was £361,000 (2019: £856,000) excluding £185,000 of transfers on conversion. Expenditure against the fund was £504,000 (2019: £725,000) for the year, giving an Unrestricted Fund, in year deficit of £143,000 excluding transfers into the academy trust (2019: surplus of £131,000). After transfers there is a carried forward surplus of £1,100,000 (2019: £1,478,000) on the unrestricted fund.

Restricted Fixed Asset (Capital) Fund

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Trust's Depreciation Policy.

Income received into the fund included £4,282,000 (2019: £1,257,000) Capital Improvement Funding (CIF) and £85,000 (2019: £257,000) of Devolved Capital Grant Funding. Expenditure from the fund equates to £1,431,000 of depreciation (2019: £1,300,000).

Summary of Financial Position

Total fund balance as at 31st August 2020 was £40,455,000 (2019: £40,058,000) comprised of a surplus of £1,100,000 (2019: £1,478,000), deficit of £147,000 (2019: deficit of £334,000) and surplus of £53,442,000 (2019: £48,800,000) in Unrestricted, Restricted and Restricted Fixed Asset Funds respectively excluding the pension fund deficit of £13,940,000 (2019: £9,886,000).

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TRUSTEES' REPORT (CONTINUED)
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Balance Sheet

The Trust's assets were predominantly used for providing education to school students within the Trust.

Some assets were used by the local community, predominantly for sports but also working with local charities to raise funds and support for the elderly and disadvantaged.

The net book value of the Trust's tangible fixed assets was £48,966,000 (2019: £47,234,000) as at 31st August 2020. Cash at bank at 31st August 2020 was £2,372,000 (2019: £3,177,000), which includes capital grants received, but not yet spent at the year end.

Reserves policy

The Academy Trust will review its reserve levels annually and will always ensure it stays within the Education and Skills Funding Agency guidelines on levels and appropriate use of reserves. Total available reserves at 31 August 2020 are £953,000, of which unrestricted reserves are a surplus of £1,100,000 and general restricted funds are a deficit of £147,000. This represents approximately 4 weeks worth of recurrent payroll costs.

The Trustees are satisfied that the reserves position as at 31 August 2020 is in line with the policy.

It was agreed at the Board of Trustees meeting on the 12th July 2019 that the cash position should be held at a minimum level of £1m for Trust. This is protect against:

- Income reduction due to government funding changes
- Unexpected falls in student numbers
- Cash flow issues due to delay in receipt of funding
- Emergencies

Investment policy

The Trust Board is committed to ensuring that all funds under its control are managed in such a way as to maximise return whilst minimising risks in line with the Trust's Financial Regulations.

Principal risks and uncertainties

A detailed risk register exists at Trust level and is regularly reviewed by the Board of Trustees. A process is in place to also produce a risk register for each academy. Both elements have been approved by the Business and Audit Committee. The high level risks are outlined on the following page.

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TRUSTEES' REPORT (CONTINUED)
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Risk	Mitigating controls
Regulatory procedures, including GDPR, safeguarding, HR, equality and H&S are not effective enough	Policies and procedures in place and under constant review in conjunction with JCC where appropriate. New (GDPR) legislation considered and action plan drawn up. Training programme for all staff in GDPR and continuous CPD. Suitable qualified staff or external support engaged Safeguarding and H&S reviews and audits carried out Access to legal advice. Live oversight of H&S information by central team's Compliance Officer.
That one or more academies fail to make suitable progress over an acceptable period of time	A rigorous raising achievement process is in place and led by the Trust's Head of Data and Performance who is also developing a high level Trust wide data dashboard. Support and monitoring process proportionate to need and provided by a central team of subject Directors.
Finance is not managed to ensure stability and reserves are not being managed adequately	Trust wide budget setting. The establishment of a Senior Resource Group reports to the Business & Audit Committee to ensure a heightened level of financial scrutiny and accountability. Integrated Curriculum and Financial Planning (IFCP) undertaken and revisited annually. Consistent approach to managing finance and a Finance manager appointed. Financial regulations in place. Clear, timely communication regarding scheme of delegation.
Clear, timely communication regarding scheme of delegation.	Recruitment of additional trustees as required. Quality training and induction and programme in place and well attended. Skills audit to be completed Develop accountability measures.
That succession planning senior management does not ensure consistency of operation within the Trust	Finalise HR strategy and implement from January 2021 to include: Recruitment of a Chief Operating Officer to be in post by April 2021. Further develop CPD strategy. Identify future leaders.

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FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The Academy Trust raises money for nationally recognised charities including Children in Need, Sport Relief and Comic Relief as and when they arise in the calendar, in addition to supporting local communities.

Streamlined energy and carbon reporting

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

	2020
Energy consumption used to calculate emissions (kWh)	4,705,818
Energy consumption breakdown (kWh):	
Gas	3,126,940
Electricity	1,553,600
Transport fuel	25,278
Scope 1 emissions (in tonnes of CO2 equivalent):	
Gas consumption	575
Owned transport	2
Total scope 1	577
Scope 2 emissions (in tonnes of CO2 equivalent):	
Purchased electricity	362
Scope 3 emissions (in tonnes of CO2 equivalent):	
Business travel in employee-owned or rental vehicles	7
Total gross emissions (in tonnes of CO2 equivalent):	946
Intensity ratio:	
Tonnes of CO2 equivalent per pupil	0.271

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.

The chosen intensity ratio is total gross emissions in tonnes of CO2 equivalent per pupil, the recommended ratio for the sector.

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

Plans for future periods

The future plans for the Academy Trust include:

- Working towards meeting all the Trust's objectives set out above and in the 2018 - 2021 Trust Strategic Plan;
- The Trust's ambition is, over time, to create a family of local primary and secondary schools working together in a coherent manner to meet the needs of learners in the area. We therefore have the ambition to increase the number of schools in the Trust, but in growing we will act in a timely and considered manner. Our growth plan has support from the Regional Schools Commissioner and Blowers Green Primary School converted into the Trust on 1st February 2020.
- For the Trust to achieve the strategic objectives set out in the plan it will make significant investment in people, curriculum, facilities and resources, particularly in the early years. A good proportion of this investment will be funded through savings made from centrally locating back office services and enhanced procurement opportunities afforded through the increased buying power of the Trust. The Trust will however, require a level of investment above that generated from just the efficiency and procurement savings. Therefore, the Trust will operate an in year deficit for two years in 2018 19 and 2019 20 assisted by, and staying well within, the Trust's total reserves. Thereafter from 2020 21 the Trust will move back to an in year surplus powered by modest growth in learner numbers and the positive impact of the National Funding Formula on Trust schools.

Funds held as custodian on behalf of others

The Academy Trust does not hold such funds and does not act as the custodian trustees of any other charity.

Covid 19 pandemic 2020

The national Government lockdown and the school closures in late March 2020 were unprecedented. However, the Trust, along with their teaching and non-teaching staff, put in place 'business as usual' measures. Using the guidance issued by the ESFA on reporting the impact of COVID-19, consideration from the Board is shown on the following page.

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

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

Reference from ESFA Covid bulletin	Trust comment
The main achievements of the academy trust and how the virus control measures affected the Trust activities	Outcomes in 2020 marked a significant improvement in all secondary academies and Blowers Green Primary maintained its excellent SATs results. As far as possible, the Trust is supporting all academies to continue with their school improvement plans in order to achieve the targets set out in the Trust's strategic plan for 2021. A wide range of measures are now in place and the enhanced capacity from the central team is a clear benefit to all of our schools.
Financial uncertainties regarding the academy trust's financial sustainability and consideration of going concern and the steps taken to address any uncertainties	Additional costs associated with reopening the schools and cleaning however this was absorbed within the school's existing budget.
The contribution made by volunteers in managing in the changed circumstances	There have not been any specific examples of volunteers' contributions. However, the significant capacity of the central team has had a major impact providing extensive support to our academies to enable them to manage the changed circumstances.
The impact on the academy trust's ability to fundraise and how the trustees managed this situation	Fundraising is not a significant income stream for the Trust.
How the outbreak of the virus affected staff, volunteers and beneficiaries (such as the academy trust's pupils) and the implications for the academy trust's operations and activities for the future	Many learners have, of course, been affected. There has been excellent support from the Trust's safeguarding and inclusion officer to coordinate support for learners and their families across the Trust. Staff have remained positive in very difficult times showing that our wellbeing agenda and our communications strategy has been positive. The Trust's operations continue with amendments to performance management and the staff training programme – these have been deferred to the Spring term.
How the financial and operational effects of the virus and the control measures relating to the virus affected the principal risks and uncertainties facing the academy trust during the reporting period	The Trust's senior resource group ensures highly effective financial management. The current financial position is healthy despite the challenges we currently face. Risk management is also managed centrally to support the principals with any uncertainties they need to address.
Consideration regarding whether there are any implications for any existing or potential defined benefit pension liability and investments the academy trust holds	No implications.
Consideration regarding any impact on the academy trust's reserves policy, level of reserves and any change to funds set aside for future commitments	No impact on the planned reserves. £1m bank level maintained throughout.
The likely impact of the virus control measures and potential duration of the control measures on the future aims and activities of the academy trust	There is still a strong focus on the implementation of the Trust's strategic priorities that are set out in the strategic plan.
The impact of the virus-related control measures on any wider network of which the academy trust is a part and how this affects the academy trust's operations	All key networks are still operating. Meetings take place effectively through digital solutions such as Teams.

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

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 11th December 2020 and signed on its behalf by:



L Williams
Chair of Trustees

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of trustees has delegated the day to day responsibility to the 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 Dudley Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns/ in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 8 times during the year including two special meetings convened to deal with the effects of the Covid-19 pandemic.

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

Trustee	Meetings attended	Out of a possible
A Comyn	8	8
M Dudley	7	8
N Ford	7	8
S Johnson	7	8
M Price	3	6
T Westley	8	8
D Whatton	8	8
L Williams, Chair of Trustees	8	8
H Georgiou	7	8
P Davies	7	8
P Hazelhurst	4	5

The Board of Trustees was formed at the date of incorporation of the Trust and was constituted to bring a mix of skills and expertise from the education sector and experienced leaders from both local businesses and the public sector. During the year 2019/20 the skills of the board were further enhanced with the appointment of Mrs Patricia Hazlehurst, a former primary head teacher and National Leader of Education who brought expertise relating to the primary phase.

The Business and Audit committee met 4 times during the year 2019/20

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Comyn	4	4
N Ford	3	4
S Johnson	3	4
P Davies (Committee Chair)	4	4

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The Pay, Personnel and Performance Committee was established in October 2019 and met twice during the year 2019/20

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Comyn	2	2
M Dudley	1	2
M Price	2	2
L Williams (Committee Chair)	2	2

The Educational Performance and Standards Committee was established in March 2020 and met once during the year 2019/20.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
H Georgiou (Committee Chair)	1	1
P Hazlehurst	1	1
L Williams	1	1

Review of value for money

As Accounting Officer, the chief executive officer has responsibility for ensuring that the academy 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 Curriculum Led Financial Planning tool (CLFP) is used extensively in our secondary academies to ensure the efficient and effective deployment of staff. In the last academic year a Senior Resource Group (SRG) was established to share best practice regarding the financial management of our schools and this is proving highly effective. The SRG comprises the chief executive, the chief finance officer, other key members of the central team and all four secondary principals. The SRG reports into the Business and Audit Committee.

The Accounting Officer considers how the 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 available.

The Trust made payments in the year under the PPN scheme. The decision on payments made were approved by the Chief Executive Officer and payments were made in the following sectors in order to ensure continuance of critical services to the Trust:

- Exams
- Alternative provision
- Caterers
- Pupil support (music tuition, counselling, learning support etc)
- Agencies up until the end date had schools been open
- Sports coaches

DUDLEY ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Dudley Academies Trust 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 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'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.

The risk and control framework

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

The Board of Trustees has considered the need for a specific internal audit function and appointed Haines Watts as internal auditor for the 1 September 2019 to 31 August 2020 .

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

- Core Financial Controls
- IT Health Check
- Information Governance Health Check

In the auditor's opinion, the Trustees can take Adequate Assurance that the controls upon which the Trust relies to manage risks material to the achievement of its objectives are suitably designed and effective.

DUDLEY ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

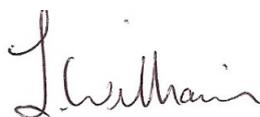
Review of effectiveness

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

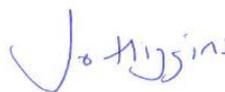
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Business and Audit 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 11th December 2020 and signed on their behalf by:



L Williams
Chair of Trustees



J Higgins
Accounting Officer

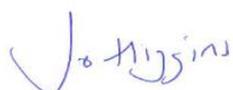
DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Dudley Academies Trust 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.



J Higgins
Accounting Officer
Date: 11 December 2020

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

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 . 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 on 11 December 2020 and signed on its behalf by:



L Williams
Chair of Trustees

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DUDLEY ACADEMIES TRUST**

Opinion

We have audited the financial statements of Dudley Academies Trust (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.

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DUDLEY ACADEMIES TRUST (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.

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
DUDLEY ACADEMIES TRUST (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

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

Date: 18 December 2020

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DUDLEY
ACADEMIES TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 June 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 Dudley Academies Trust 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 Dudley Academies Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Dudley Academies Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Dudley Academies Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Dudley Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Dudley Academies Trust's funding agreement with the Secretary of State for Education dated 30 August 2017 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 to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 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: 18 December 2020

DUDLEY ACADEMIES TRUST
(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 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Income from:						
Donations & capital grants:	3					
Transfer on conversion		185	(638)	1,609	1,156	161
Other donations & capital grants		-	-	4,367	4,367	1,664
Charitable activities	4	231	21,739	-	21,970	21,206
Other trading activities	5	114	-	-	114	147
Investments		16	-	-	16	22
Total income		546	21,101	5,976	27,623	23,200
Expenditure on:						
Raising funds		93	-	-	93	135
Charitable activities	6	411	22,784	1,431	24,626	24,568
Total expenditure		504	22,784	1,431	24,719	24,703
Net income/(expenditure)		42	(1,683)	4,545	2,904	(1,503)
Transfers between funds	17	(420)	323	97	-	-
Net movement in funds before other recognised gains/(losses)		(378)	(1,360)	4,642	2,904	(1,503)
Actuarial losses on defined benefit pension schemes	26	-	(2,507)	-	(2,507)	(1,804)
Net movement in funds		(378)	(3,867)	4,642	397	(3,307)
Reconciliation of funds:						
Total funds brought forward		1,478	(10,220)	48,800	40,058	43,365
Total funds carried forward		1,100	(14,087)	53,442	40,455	40,058

The notes on pages 34 to 65 form part of these financial statements.

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10897797

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	13	48,966	47,234
		<u>48,966</u>	<u>47,234</u>
Current assets			
Debtors	14	5,534	1,806
Cash at bank and in hand		2,372	3,177
		<u>7,906</u>	<u>4,983</u>
Creditors: amounts falling due within one year	15	(2,349)	(2,149)
Net current assets		5,557	2,834
Total assets less current liabilities		54,523	50,068
Creditors: amounts falling due after more than one year	16	(128)	(124)
Net assets excluding pension liability		54,395	49,944
Defined benefit pension scheme liability	26	(13,940)	(9,886)
Total net assets		40,455	40,058

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10897797

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £000	2019 £000
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	53,442	48,800
Restricted income funds	17	(147)	(334)
		<u>53,295</u>	<u>48,466</u>
Restricted funds excluding pension reserve	17	53,295	48,466
Pension reserve	17	(13,940)	(9,886)
Total restricted funds	17	39,355	38,580
Unrestricted income funds	17	1,100	1,478
Total funds		<u>40,455</u>	<u>40,058</u>

The financial statements on pages 30 to 65 were approved by the Trustees, and authorised for issue on 11 December 2020 and are signed on their behalf, by:



L Williams
Chair of Trustees

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £000	<i>2019</i> <i>£000</i>
Cash flows from operating activities			
Net cash used in operating activities	19	(151)	<i>(1,299)</i>
Cash flows from investing activities	21	(1,467)	<i>(330)</i>
Cash flows from financing activities	20	813	<i>295</i>
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(805)	<i>(1,334)</i>
Cash and cash equivalents at the beginning of the year		3,177	<i>4,511</i>
Cash and cash equivalents at the end of the year	22, 23	2,372	<i>3,177</i>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 34 to 65 form part of these financial statements

DUDLEY ACADEMIES TRUST
(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.

The financial statements represent the financial results and financial position of The Dudley Academies Trust, which comprised of the following member academies at 31 August 2020:

Beacon Hill Academy
The Link Academy
Pegasus Academy
St James' Academy
Blowers Green Primary (joined 1st February 2020)

1.2 Company Status

The Academy Trust is a company limited by guarantee and was incorporated in England and Wales (registration number 10897797). The registered office is The Broadway, Dudley, West Midlands, DY1 4AS. The members of the company are the Trustees 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.

DUDLEY ACADEMIES TRUST
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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.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the 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.

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Expenditure

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

Expenditure on raising funds

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

Charitable activities

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

1.6 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.

1.7 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.

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.8 Tangible fixed assets

Assets costing £1,000 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:

Freehold property	- 2% (50 years)
Long Leasehold buildings	- 2%/4% (25/50 years)
Long Leasehold land	- 4%/0.8% (25/125 years)
Furniture and equipment	- 10% (10 years)
Computer equipment	- 33% (3 years)
Motor vehicles	-

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.9 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 Liabilities and provisions

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

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 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 14. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 Operating leases

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

1.13 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.

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.

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

Critical areas of judgment:

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

3. Income from donations and capital grants

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Donations				
Fixed assets/reserves transferred on conversion	185	-	1,609	1,794
Pension liability transferred on conversion	-	(638)	-	(638)
Total transfers	185	(638)	1,609	1,156
Donations	-	-	-	-
Grants	-	-	4,367	4,367
Total other donated income	-	-	4,367	4,367
Total 2020	185	(638)	5,976	5,523

DUDLEY ACADEMIES TRUST
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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 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Donations				
Fixed assets/reserves transferred on conversion	161	-	-	161
Total transfers	<u>161</u>	<u>-</u>	<u>-</u>	<u>161</u>
Donations	-	150	-	150
Grants	-	-	1,514	1,514
Total other donated income	<u>-</u>	<u>150</u>	<u>1,514</u>	<u>1,664</u>
<i>Total 2019</i>	<u><u>161</u></u>	<u><u>150</u></u>	<u><u>1,514</u></u>	<u><u>1,825</u></u>

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the academy's educational operations

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000
DfE/ESFA grants			
General Annual Grant (GAG)	-	18,589	18,589
Start Up Grants	-	25	25
Other DfE/ESFA Grants	-	2,626	2,626
	-	21,240	21,240
Other government grants			
Local Authority Grants	-	444	444
	-	444	444
Other funding			
Other grants	-	37	37
Catering	123	-	123
School fund income	108	-	108
	231	37	268
Exceptional government funding			
Coronavirus exceptional support	-	18	18
	-	18	18
Total 2020	231	21,739	21,970

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 £18,000 of reclaimed costs. These costs are included in notes 6 and 7 below as appropriate.

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	18,309	18,309
Other Dfe/EFA Grants	-	1,710	1,710
	-	20,019	20,019
Other government grants			
Local Authority Grants	-	594	594
	-	594	594
Other funding			
Other grants	-	67	67
Catering	182	-	182
School fund income	344	-	344
	526	67	593
<i>Total 2019</i>	<i>526</i>	<i>20,680</i>	<i>21,206</i>

5. Income from other trading activities

	Unrestricted funds 2020 £000	Total funds 2020 £000
Hire of facilities	32	32
Other income	82	82
Total 2020	114	114

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from other trading activities (continued)

	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Hire of facilities	54	54
Other income	93	93
<i>Total 2019</i>	<u>147</u>	<u>147</u>

6. Expenditure

	Staff Costs 2020 £000	Premises 2020 £000	Other 2020 £000	Total 2020 £000
Expenditure on fundraising trading activities:				
Direct costs	53	-	40	93
Activities:				
Direct costs	15,037	-	933	15,970
Support costs	4,259	2,229	2,168	8,656
Total 2020	<u>19,349</u>	<u>2,229</u>	<u>3,141</u>	<u>24,719</u>

	<i>Staff Costs 2019 £000</i>	<i>Premises 2019 £000</i>	<i>Other 2019 £000</i>	<i>Total 2019 £000</i>
Expenditure on fundraising trading activities:				
Direct costs	89	-	46	135
Activities:				
Direct costs	14,388	-	1,307	15,695
Support costs	4,285	2,155	2,433	8,873
<i>Total 2019</i>	<u>18,762</u>	<u>2,155</u>	<u>3,786</u>	<u>24,703</u>

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Support costs

	2020	<i>2019</i>
	£000	<i>£000</i>
Staff costs	4,259	<i>4,285</i>
Depreciation	1,431	<i>1,300</i>
Energy costs	303	<i>312</i>
Premises costs	357	<i>392</i>
Cleaning	30	<i>28</i>
Rent & Rates	156	<i>123</i>
Insurance	84	<i>80</i>
Technology costs	332	<i>286</i>
Catering costs	372	<i>307</i>
Other support costs	1,072	<i>1,147</i>
Governance costs	107	<i>195</i>
School fund expenditure	136	<i>415</i>
Legal fees	17	<i>3</i>
	8,656	<i>8,873</i>

During the year the trust incurred governance costs in relation to statutory audit fees and professional fees.

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020	<i>2019</i>
	£000	<i>£000</i>
Depreciation of tangible fixed assets	1,431	<i>1,300</i>
Operating lease rentals	53	<i>71</i>
Fees paid to auditor for:		
- audit	21	<i>20</i>

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Wages and salaries	13,469	<i>13,227</i>
Social security costs	1,346	<i>1,348</i>
Pension costs	3,904	<i>3,139</i>
	<hr/> 18,719	<hr/> <i>17,714</i>
Agency staff costs	477	<i>923</i>
Staff restructuring costs	153	<i>125</i>
	<hr/> 19,349 <hr/>	<hr/> <i>18,762</i> <hr/>

Staff restructuring costs comprise:

	2020	<i>2019</i>
	£000	<i>£000</i>
Redundancy payments	34	<i>-</i>
Severance payments	119	<i>125</i>
	<hr/> 153 <hr/>	<hr/> <i>125</i> <hr/>

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

There were eight non-statutory/non-contractual severance payments during the year amounting to £119,180. Individually the payments were £27,241, £18,000, £17,826, £26,935, £4,303, £5,000, £16,500, and £3,375.

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

9. Staff (continued)

c. Staff numbers

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

	2020	<i>2019</i>
	No.	<i>No.</i>
Teachers	205	<i>213</i>
Administration and support	248	<i>247</i>
Management	28	<i>28</i>
	481	<i>488</i>

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	8	<i>8</i>
In the band £70,001 - £80,000	1	<i>3</i>
In the band £80,001 - £90,000	5	<i>2</i>
In the band £90,001 - £100,000	-	<i>-</i>
In the band £100,001 - £110,000	-	<i>1</i>
In the band £130,001 - £140,000	1	<i>-</i>

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 £878,035 (2019 £669,419), of which £nil (2019: £170,707) related to key management personnel employed by the College but recharged to the Trust.

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

10. Central services

The topslice recharge includes costs for senior leadership and central staff payroll costs, management services and other central over-heads on behalf of the constituent academies.

The charitable company charges for these services based on a percentage of GAG income received for each constituent academy.

The actual amounts charged during the year were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Pegasus Academy	166	<i>180</i>
St James Academy	181	<i>175</i>
The Link Academy	253	<i>260</i>
Beacon Hill Academy	298	<i>310</i>
Blowers Green Primary	18	<i>-</i>
Total	916	<i>925</i>

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (*2019 - £NIL*).

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

12. Trustees' and Officers' insurance

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

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Tangible fixed assets

	Freehold property £000	Leasehold property £000	Furniture and fixtures £000	Plant and equipment £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 September 2019	24,288	23,816	272	788	352	49,516
Additions	-	7	71	179	1,297	1,554
Transferred in on conversion	-	1,609	-	-	-	1,609
At 31 August 2020	<u>24,288</u>	<u>25,432</u>	<u>343</u>	<u>967</u>	<u>1,649</u>	<u>52,679</u>
Depreciation						
At 1 September 2019	787	1,187	73	235	-	2,282
Charge for the year	453	650	44	284	-	1,431
At 31 August 2020	<u>1,240</u>	<u>1,837</u>	<u>117</u>	<u>519</u>	<u>-</u>	<u>3,713</u>
Net book value						
At 31 August 2020	<u><u>23,048</u></u>	<u><u>23,595</u></u>	<u><u>226</u></u>	<u><u>448</u></u>	<u><u>1,649</u></u>	<u><u>48,966</u></u>
At 31 August 2019	<u><u>23,501</u></u>	<u><u>22,629</u></u>	<u><u>199</u></u>	<u><u>553</u></u>	<u><u>352</u></u>	<u><u>47,234</u></u>

The land and buildings of Beacon Hill Academy and Pegasus Academy transferred to the academy trust have been recognised at fair value based on an independent value undertaken as at 1 September 2017.

The land and buildings of The Link Academy and St James' Academy donated on conversion to the academy trust have been recognised at fair value on an independent value undertaken as at 1 September 2017.

The land and buildings for Blowers Green Primary transferred to the academy trust have been recognised at fair value based on an independent value undertaken as at 1 February 2020.

The leasehold land and buildings are owned by Dudley Metropolitan Borough Council and Castle High School Foundation.

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Debtors

	2020	<i>2019</i>
	£000	<i>£000</i>
Trade debtors	11	454
Other debtors	197	135
Prepayments and accrued income	783	893
Capital grants receivable	4,543	324
	<u>5,534</u>	<u>1,806</u>

15. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£000	<i>£000</i>
Other loans	19	10
Trade creditors	230	161
Other taxation and social security	314	322
Capital accruals	163	314
CIF funding repayable to ESFA	295	295
Other creditors	328	272
Accruals and deferred income	1,000	775
	<u>2,349</u>	<u>2,149</u>
	2020	<i>2019</i>
	£000	<i>£000</i>
Deferred income at 1 September 2019	78	78
Resources deferred during the year	42	78
Amounts released from previous periods	(78)	(78)
	<u>42</u>	<u>78</u>

Included in deferred income are grants and other income received in advance of entitlement for the 20/21 academic year.

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Other loans	128	<i>124</i>

The loans amounting to totalling £147,000 are interest free Salix loans which were agreed as part of the CIF applications. The loans are due for repayment by instalments. £49,000 was due for repayment after more than 5 years.

DUDLEY ACADEMIES TRUST
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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 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
General Funds	1,478	546	(504)	(420)	-	1,100
Restricted general funds						
General Annual Grant (GAG)	(350)	18,589	(18,725)	486	-	-
Other DFE/ESFA grants	-	2,644	(2,644)	-	-	-
Start-up grant	-	25	(25)	-	-	-
Local Authority grants	-	444	(444)	-	-	-
Other grants	-	37	(37)	-	-	-
Salix loans	(134)	-	-	(13)	-	(147)
Other grants	150	-	-	(150)	-	-
Pension reserve	(9,886)	(638)	(909)	-	(2,507)	(13,940)
	<u>(10,220)</u>	<u>21,101</u>	<u>(22,784)</u>	<u>323</u>	<u>(2,507)</u>	<u>(14,087)</u>
Restricted fixed asset funds						
Fixed asset funds	47,235	-	(1,431)	3,162	-	48,966
DFE/ESFA capital grants	-	85	-	(85)	-	-
CIF capital grants	1,565	4,282	-	(1,371)	-	4,476
Transferred in on conversion	-	1,609	-	(1,609)	-	-
	<u>48,800</u>	<u>5,976</u>	<u>(1,431)</u>	<u>97</u>	<u>-</u>	<u>53,442</u>
Total Restricted funds	<u>38,580</u>	<u>27,077</u>	<u>(24,215)</u>	<u>420</u>	<u>(2,507)</u>	<u>39,355</u>
Total funds	<u><u>40,058</u></u>	<u><u>27,623</u></u>	<u><u>(24,719)</u></u>	<u><u>-</u></u>	<u><u>(2,507)</u></u>	<u><u>40,455</u></u>

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17. Statement of funds (continued)

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and the Local Authority(ies). The pension reserve of £13.940 million (overdrawn) represents the academy trust's share of the deficit in the West Midlands Pension Fund.

The restricted fixed asset funds relates mainly to the assets acquired on the schools conversion to academy status.

The unrestricted funds balance represents the surplus generated by the academy trust on activities for generating funds.

Transfers between funds represent capital items purchased from GAG offset by capital grants spent by revenue expenditure along with other expenditure transfers.

There is no restriction of GAG funding carried forward in relation to funds transferred to the academies on conversion.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Trust	(1,852)	<i>(1,072)</i>
Pegasus Academy	(763)	<i>(623)</i>
Beacon Hill Academy	2,539	<i>1,842</i>
The Link Academy	179	<i>171</i>
St James Academy	703	<i>826</i>
Blowers Green Primary	147	<i>-</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	953	<i>1,144</i>
Restricted fixed asset fund	53,442	<i>48,800</i>
Pension reserve	(13,940)	<i>(9,886)</i>
	<hr/>	<hr/>
Total	40,455	<i>40,058</i>
	<hr/> <hr/>	<hr/> <hr/>

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

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £000
Pegasus Academy	763
Trust	<u>1,852</u>

The trust is working on achieving future balanced budgets for each school.

As detailed in note 10 the Trust operates a number of central services in order to support its academies. A Trust policy for pooling of funds is currently being considered by the Board with a decision expected to be made in the 20/21 academic year.

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2020 £000
Trust	842	480	62	509	1,893
Pegasus Academy	2,620	801	141	497	4,059
Beacon Hill Academy	4,201	1,048	294	708	6,251
The Link Academy	3,990	1,119	220	632	5,961
St James Academy	2,884	679	194	522	4,279
Blowers Green Primary	553	132	22	138	845
Academy	<u>15,090</u>	<u>4,259</u>	<u>933</u>	<u>3,006</u>	<u>23,288</u>

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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 £000</i>	<i>Other support staff costs £000</i>	<i>Educational supplies £000</i>	<i>Other costs excluding depreciation £000</i>	<i>Total 2019 £000</i>
Trust	756	380	89	635	1,860
Pegasus Academy	2,763	830	266	608	4,467
Beacon Hill Academy	4,406	1,265	383	872	6,926
The Link Academy	3,799	769	300	825	5,693
St James Academy	2,664	1,041	185	567	4,457
Academy	14,388	4,285	1,223	3,507	23,403

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NOTES TO THE FINANCIAL STATEMENTS
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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 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds						
General Funds	1,814	856	(725)	(467)	-	1,478
Restricted general funds						
General Annual Grant (GAG)	693	18,309	(19,486)	134	-	(350)
Other DFE/ESFA grants	-	1,710	(1,710)	-	-	-
Start-up grant	-	67	(67)	-	-	-
Local Authority grants	-	594	(594)	-	-	-
Other grants	-	150	-	-	-	150
Salix loans	-	-	-	(134)	-	(134)
Pension reserve	(7,261)	-	(821)	-	(1,804)	(9,886)
	(6,568)	20,830	(22,678)	-	(1,804)	(10,220)
Restricted fixed asset funds						
Fixed asset funds	43,366	-	(1,300)	5,169	-	47,235
DFE/ESFA capital grants	508	257	-	(765)	-	-
CIF capital grants	4,245	1,257	-	(3,937)	-	1,565
	48,119	1,514	(1,300)	467	-	48,800
Total Restricted funds	41,551	22,344	(23,978)	467	(1,804)	38,580
Total funds	43,365	23,200	(24,703)	-	(1,804)	40,058

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	48,966	48,966
Current assets	3,430	-	4,476	7,906
Creditors due within one year	(2,330)	(19)	-	(2,349)
Creditors due in more than one year	-	(128)	-	(128)
Provisions for liabilities and charges	-	(13,940)	-	(13,940)
Total	1,100	(14,087)	53,442	40,455

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	-	47,234	47,234
Current assets	3,267	150	1,566	4,983
Creditors due within one year	(1,789)	(360)	-	(2,149)
Creditors due in more than one year	-	(124)	-	(124)
Provisions for liabilities and charges	-	(9,886)	-	(9,886)
Total	1,478	(10,220)	48,800	40,058

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

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Net income/(expenditure) for the period (as per Statement of financial activities)	2,904	<i>(1,503)</i>
Adjustments for:		
Depreciation	1,431	<i>1,300</i>
Capital grants from DfE and other capital income	(4,367)	<i>(1,514)</i>
Interest receivable	(16)	<i>(22)</i>
Defined benefit pension scheme cost less contributions payable	718	<i>632</i>
Defined benefit pension scheme finance cost	191	<i>189</i>
Decrease in debtors	514	<i>111</i>
Increase/(decrease) in creditors	268	<i>(331)</i>
Cash transferred on conversion/from existing academies	(185)	<i>(161)</i>
Fixed assets transferred on conversion	(1,609)	<i>-</i>
Net cash used in operating activities	(151)	<i>(1,299)</i>

20. Cash flows from financing activities

	2020	<i>2019</i>
	£000	<i>0</i>
Pension scheme liabilities assumed on conversion	638	<i>-</i>
Cash transferred on conversion/from existing academies	185	<i>161</i>
Receipt of SALIX loans	-	<i>134</i>
Repayments of SALIX loans	(10)	<i>-</i>
Net cash provided by financing activities	813	<i>295</i>

21. Cash flows from investing activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Purchase of tangible fixed assets	(1,554)	<i>(3,561)</i>
Capital grants from DfE Group	71	<i>3,209</i>
Interest paid	16	<i>22</i>
Net cash used in investing activities	(1,467)	<i>(330)</i>

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

22. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£000	<i>£000</i>
Cash in hand	2,372	<i>3,177</i>
Total cash and cash equivalents	2,372	<i>3,177</i>

23. Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000		At 31 August 2020 £000
Cash at bank and in hand	3,177	(805)		2,372
SALIX loans due within 1 year	(10)	(9)		(19)
SALIX loans due after 1 year	(124)	(4)		(128)
	3,043	(818)		2,225

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

24. Conversion to an academy trust

On 1st February 2020 Blowers Green Primary converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Dudley Academies Trust from Dudley Borough 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 £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
Leasehold land and buildings	-	-	1,609	1,609
Current assets				
Cash - representing budget surplus on LA funds	179	-	-	179
Cash - representing budget surplus on other school funds	6	-	-	6
Current liabilities				
LGPS pension deficit	-	(638)	-	(638)
Net assets/(liabilities)	185	(638)	1,609	1,156

25. Capital commitments

	2020 £000	2019 £000
Contracted for but not provided in these financial statements	288	1,416

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 Barnett Waddingham LLP. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

The employer's pension costs paid to TPS in the year amounted to £2,059,833 (2019 - £1,484,240).

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 £1,085,000 (2019 - £921,000), of which employer's contributions totalled £877,000 (2019 - £742,000) and employees' contributions totalled £ 208,000 (2019 - £179,000). The agreed contribution rates for future years are 17.4-24 per cent for employers and 5.5-12.5 per cent for employees.

As described in note 24 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.

The trust has entered into an agreement to make contributions in addition to normal funding levels due to the scheme being in deficit. It is anticipated that the additional contributions will be paid over the following year as follows:

2020/21: £208,160

2021/22: £215,726

2022/21: £223,672

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.24	3.69
Rate of increase for pensions in payment/inflation	2.24	2.19
Discount rate for scheme liabilities	1.63	1.88

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

26. Pension commitments (continued)

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.9	20.9
Females	24.1	23.2
<i>Retiring in 20 years</i>		
Males	23.8	22.6
Females	26.0	24.6

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	24,922	19,089
Discount rate -0.1%	26,303	20,088
Mortality assumption - 1 year increase	26,626	20,313
Mortality assumption - 1 year decrease	24,621	18,876
CPI rate +0.1%	26,203	19,994
CPI rate -0.1%	25,019	19,180

Share of scheme assets

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

	2020 £000	2019 £000
Equities	6,553	5,829
Gilts	1,264	918
Corporate bonds	453	367
Property	878	791
Cash and other liquid assets	774	351
Other	1,741	1,439
Total market value of assets	11,663	9,695

The actual return on scheme assets was £965,000 (2019 - £574,000).

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

26. Pension commitments (continued)

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Current service cost	1,526	<i>1,115</i>
Past service cost	29	<i>259</i>
Administrative expenses	6	<i>5</i>
Net interest on defined liability	185	<i>184</i>
Total amount recognised in the Statement of Financial Activities	1,746	<i>1,563</i>

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

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	19,581	<i>15,642</i>
Transferred in on conversion into the trust	901	<i>-</i>
Interest cost	378	<i>417</i>
Actuarial losses	3,075	<i>2,145</i>
Benefits paid	(165)	<i>(176)</i>
Past service costs	29	<i>259</i>
Employee contributions	208	<i>179</i>
Current service cost	1,566	<i>1,115</i>
At 31 August	25,573	<i>19,581</i>

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

	2020	<i>2019</i>
	£000	<i>£000</i>
At 1 September	9,695	<i>8,381</i>
Transferred in on conversion into the trust	263	<i>-</i>
Interest income	193	<i>233</i>
Actuarial gains	568	<i>341</i>
Employer Contributions	877	<i>742</i>
Employee contributions	208	<i>179</i>
Administration costs	(6)	<i>(5)</i>
Benefits paid	(165)	<i>(176)</i>
At 31 August	11,633	<i>9,695</i>

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

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	<i>2019</i>
	£000	<i>£000</i>
AMOUNTS PAYABLE:		
Not later than 1 year	53	49
Later than 1 year and not later than 5 years	127	65
Later than 5 years	-	74
Total	180	<i>188</i>

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.

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NOTES TO THE FINANCIAL STATEMENTS
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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.

The following related party transaction took place in the period of account:

Dudley Academies Trust has a close relationship with its sponsor, Dudley College of Technology. Certain costs incurred by the academy trust were recharged from the college, as the purchasing power and economies of scale achievable by the college provided the academy trust with best value. Where such costs were recharged to the academy trust, this was done at cost, as part of an agreed service level agreement.

During the period, the academy trust procured, at cost, a total value of £336,763 (2019: £521,749) worth of goods and services from the College. A donation of £Nil (2019: £150,000) was received in the year.

The costs can be summarised as follows:

- Staff salary recharges amounted to £282,642 (2019: £335,568), of which, £nil (2019: £131,819) related to the salary and associated employer costs of the Trust's Chief Executive Officer.
- Goods/services recharges amounted to £54,121 (2019: £186,181)