

DUDLEY ACADEMIES TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

A Hodge
V Little
C Harvey
Dudley College of Technology
L Williams (appointed 23 March 2021)

Trustees

A Comyn (resigned 31 May 2021)
M Dudley
N Ford
S Johnson
M Price
T Westley
D Whatton (resigned 2 August 2021)
L Williams, Chair of Trustees
H Georgiou
P Hazelhurst
P Davies
B Dickenson (appointed 9 July 2021)
H Sikabofori (appointed 9 July 2021)

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 2021

Senior management team

J Higgins, CEO
C Christoforou, CFO (resigned 31 July 2021)
A Robin-Jones, Executive Principal - Secondary (resigned 31 December 2020)
E Edwards-Morgan, Principal
I Moore, Principal
A Landers, Principal
S Dhami, Principal
S Sembhi, Head teacher
L Grinham, CFO (appointed 13 September 2021)
K Tranter, COO

Independent auditor

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

Bankers

Santander UK Plc
Customer Service Centre
Bootle
Merseyside
L30 4GB

Solicitors

Veale Wasbrough Vizards LLP
Second Floor
3 Brindley Place
Birmingham
B1 2JB

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 2021

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

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 4100 and had a roll of 3529 in the school census on October 2021.

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 2021

Structure, governance and management (continued)

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 have established a Business and Audit Committee which met 4 times during the year, a Pay, Personnel and Performance Management Committee which met 3 times during the year, an Educational Performance and Standards Committee which met 5 times during the year, and a Search Committee, which met for the first time in May 2021.

Members

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

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

- 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.

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

- 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.

Search Committee

- Advise the Board of Trustees on the appointment of members (other than staff or parent members).
- Advise the Board of Trustees on such other matters relating to membership and appointments as the Board may decide.
- Keep under review the membership of the Board of Trustees, its skills needs and succession requirements.
- Monitor the diversity profile of Trustees and, having due regard for the benefits of a diversity in membership, make recommendations regarding appointments to remedy any under-representation when appropriate.
- Consider and make recommendations to the Board of Trustees regarding the membership of its committees.

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.

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 Academy Trust 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

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	14,588	
Total pay bill	18,239,319	
Percentage of total pay bill spent on facility time	0.08	%

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 2021

Structure, governance and management (continued)

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 Trust 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 Trust 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 Trust's Equal opportunities policy, the Academy Trust 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 Trust'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 2021

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 instil 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:

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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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

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 Commission's 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 national performance tables for outcomes in 2020 or 2021. 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 Windsor Academy Trust.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Outcomes:

	2019	2020	2021	Variance
Beacon Hill Academy				
Progress 8	-0.37	-0.23	-0.10	0.27
Attainment 8	41.6	41.6	40.9	-0.7
7+ in English and Mathematics	6.4%	7.1%	7.0%	0.6%
5+ in English and Mathematics	33.3%	37.9%	40.0%	6.7%
4+ in English and Mathematics	55.6%	55.4%	57.4%	1.8%
Pegasus Academy				
Progress 8	-0.41	-0.07	+0.08	0.49
Attainment 8	40.4	40.6	42.4	2.0
7+ in English and Mathematics	5.6%	2.7%	9.5%	3.9%
5+ in English and Mathematics	31.0%	29.7%	36.2%	5.2%
4+ in English and Mathematics	46.8%	49.5%	55.2%	8.4%
St James Academy				
Progress 8	-0.37	-0.10	-0.01	0.36
Attainment 8	34.1	37.8	38.9	4.8
7+ in English and Mathematics	5.7%	9.8%	7.6%	1.9%
5+ in English and Mathematics	19.0%	25.5%	36.8%	17.8%
4+ in English and Mathematics	35.2%	41.2%	46.5%	11.3%
The Link Academy				
Progress 8	-0.48	-0.15	-0.06	0.42
Attainment 8	37.9	41.3	41.1	3.2
7+ in English and Mathematics	3.1%	4.9%	5.5%	2.4%
5+ in English and Mathematics	22.0%	28.3%	34.3%	12.3%
4+ in English and Mathematics	41.4%	49.3%	55.2%	13.8%
Blowers Green Academy				
Reading	N/A	86.0%	76.0%	N/A
Writing	N/A	79.0%	70.0%	N/A
Mathematics	N/A	89.0%	77.0%	N/A
Combined	N/A	76.0%	66.0%	N/A

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 2021

Strategic report (continued)

Achievements and performance (continued)

Going concern

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

Fundraising activities and income generation

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.

Principal funding and financial performance

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 £24,789,000 excluding transfers on conversion of £NIL (2020: £21,739,000 excluding transfers on conversion of £630,000); expenditure against the fund was £24,245,000 (2020: £22,784,000) excluding £1,816,000 (2020: £2,507,000) in relation to Actuarial movements in the LGPS pension deficit. Before transfers there is an in year surplus of £544,000 (2020: deficit of £1,045,000) in the restricted general fund which includes £1,247,000 (2020: £909,000) of LGPS FRS102 adjustments.

Unrestricted Funds

Income received into the Unrestricted Fund was £251,000 (2020: £361,000 excluding £185,000 of transfers on conversion). Expenditure against the fund was £431,000 (2020: £504,000) for the year, giving an Unrestricted Fund, in year deficit of £180,000 excluding transfers into the academy trust (2020: deficit of £143,000). After transfers there is a carried forward surplus of £920,000 (2020: £1,100,000) 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 £868,000 (2020: £NIL) School Capital Allocation (SCA) funding and £78,000 (2020: £85,000) of Devolved Capital Grant Funding. Expenditure from the fund equates to £1,594,000 of depreciation (2020: £1,431,000).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Strategic report (continued)

Achievements and performance (continued)

Summary of Financial Position

Total fund balance as at 31st August 2021 was £38,648,000 (2020: £40,455,000) comprised of a surplus of £920,000 (2020: £1,100,000), deficit of £15,829,000 (2020: deficit of £14,087,000) and surplus of £53,557,000 (2020: £53,442,000) in Unrestricted, Restricted and Restricted Fixed Asset Funds respectively including the pension fund deficit of £17,003,000 (2020: £13,940,000).

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 £50,917,000 (2020: £48,966,000) as at 31st August 2021. Cash at bank at 31st August 2021 was £4,519,000 (2020: £2,372,000), 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 2021 are £2,094,000, of which unrestricted reserves are a surplus of £920,000 and general restricted funds are a surplus of £1,174,000. This represents approximately 4 weeks worth of recurrent payroll costs.

The Trustees are satisfied that the reserves position as at 31 August 2021 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 to 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Principal risks and uncertainties

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

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 (ICFP) undertaken and revisited regularly throughout the year as staffing changes. Consistent approach to managing finance across all Academies. Robust Financial regulations in place. Clear, timely communication regarding scheme of delegation.
That the Members and Trustees are not sufficient in number, do not have a diverse skill set and fail to hold the trust to account	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 for senior management does not ensure consistency of operation within the Trust	Developing HR to ensure robust succession planning along with Review of central staffing structure and centralised services. Recent recruitment of Chief Operating Officer to develop the wider central team Further develop CPD strategy. Identify future leaders.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

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

	2021	<i>2020</i>
Energy consumption used to calculate emissions (kWh)	5,567,485	<i>4,705,818</i>
Energy consumption breakdown (kWh):		
Gas	3,925,645	<i>3,126,940</i>
Electricity	1,638,394	<i>1,553,600</i>
Transport fuel	3,446	<i>25,278</i>
Scope 1 emissions (in tonnes of CO2 equivalent):		
Gas consumption	722	<i>575</i>
Owned transport	-	<i>2</i>
Total scope 1	722	<i>577</i>
Scope 2 emissions (in tonnes of CO2 equivalent):		
Purchased electricity	382	<i>362</i>
Scope 3 emissions (in tonnes of CO2 equivalent):		
Business travel in employee-owned or rental vehicles	1	<i>7</i>
Total gross emissions (in tonnes of CO2 equivalent):	1,105	<i>946</i>
Intensity ratio:		
Tonnes of CO2 equivalent per pupil	0.315	<i>0.271</i>

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

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

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

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The future plans for the Academy Trust include:

- Further developing the strong foundations created by the Trust in delivering redefined objectives as set out in the 2022- 2024 Trust Strategic Plan;
- To continue the Trust's ambition 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. Our growth plan has support from the Regional Schools Commissioner and Kates Hill Primary School is expected to join the Trust in early 2022.
- For the Trust to achieve the strategic objectives set out in the plan, it will continue to make significant investment in people, curriculum, facilities and resources. 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, in addition to planned growth in learner numbers.

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 2020-2021

The national Government lockdown and the school closures in 2020 and 2021 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.

Reference from ESFA Covid bulletin	Trust comment
<p>The impact of COVID-19 on the financial performance of the Trust, including any impact on the academy trust's reserves policy, level of reserves and any change to funds set aside for future commitments. An explanation of how any extra COVID-19 funding received has been deployed.</p>	<p>COVID-19 has had a negative impact on minor income streams such as catering and lettings income, where activity has been unable to commence. However, the level of reserves has remained strong and was boosted by underspends, particularly on staffing vacancies and agency costs that were not incurred during national lockdown and school closure periods. The donation of laptop devices to the Trust was useful in ensuring that other funding streams did not need to be utilised to provide access to remote learning.</p> <p>Additional income received for covid testing was well used to ensure a prompt return following the re-opening of schools to all learners, and covid catch up funding continues to be deployed to address the gaps in learning that learners experienced during the closure period. A small amount of catch up funding was retained at year end and is being deployed to offer wider opportunities to catch up in the new academic year.</p>
<p>Financial uncertainties regarding the academy trust's financial sustainability and consideration of going concern and the steps taken to address any uncertainties</p>	<p>As the Trust has been able to build reserves this year, its financial sustainability remains strong. The Trust continues to closely monitor spend against budgets and the future year forecasts, taking into consideration potential future risks relating to the pandemic.</p>

DUDLEY ACADEMIES TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Disclosure of information to auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's 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 15th December 2021 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 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
A Comyn (resigned on 31/5/21)	4	4
M Dudley	5	5
B Dickenson	1	1
N Ford	4	5
S Johnson	5	3
M Price	2	5
H Sikabofori	1	1
T Westley	2	5
D Whatton	5	5
L Williams	5	5
H Georgiou	2	5
P Davies	5	5
P Hazlehurst	5	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 2020/21 the skills of the board were further enhanced with the appointment of Ms Halina Sikabofori and Mr Bernard Dickenson, who brought expertise relating to the secondary education sector and multi academy trust leadership.

The Board of Trustees has formally met 5 times during the year. The strategic development meeting of the board was cancelled in April 2021 due to the inability to conduct a face to face developmental session at that time as a result of the Covid-19 pandemic. The board were provided with regular briefings throughout the pandemic, with the committees of the board meeting virtually throughout this period to ensure sufficient oversight of the business of the Trust. Monthly management accounts were provided to the Chair who was in regular communication with the Chief Executive and Director of Governance on any key issues.

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Pay, Personnel and Performance Committee met 3 times during the year 2020/21 and attendance was as follows:

Trustee	Meetings attended	Out of a possible
A Comyn	2	2
M Dudley	3	3
M Price	3	3
L Williams (Committee Chair)	3	3

The Educational Performance and Standards Committee met 5 times during the year 2020/21 and attendance was as follows:

Trustee	Meetings attended	Out of a possible
H Georgiou (Committee Chair)	5	5
P Hazlehurst	4	5
L Williams	4	5

The Search Committee as established in 2021 and met once during the year. Attendance was as follows:

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

DUDLEY ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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. The 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, chief operating officer, chief finance officer, other key members of the central team and academy 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

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 2020 to 31 August 2021 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 2020 to 31 August 2021 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;

DUDLEY ACADEMIES TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

- 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 2020 to 31 August 2021.

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:

- Due Diligence
- Core Financial controls
- Safeguarding (supporting controls)
- Quality & Improvement
- Academy Visits
- Benchmarking
- Follow up of outstanding actions

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.

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:

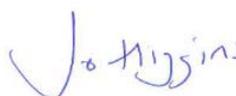
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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 15th December 2021 and signed on their behalf by:



L Williams
Chair of Trustees



J Higgins
Accounting Officer

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

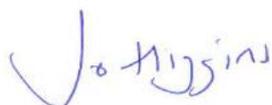
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 2020.

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 2020.

I confirm that, except for the matter below, 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.

On 16 October 2020 the at cost service level agreement between the sponsor and the Trust was renewed for a further 3 years following consideration by the board of delivery and value for money. Due to the nature of the contract the Board had concluded that a formal tender wouldn't be effective as the services provided are imbedded in the systems and procedures of the Trust. In accordance with the Academies Financial Handbook this was notified to the ESFA who, despite agreeing there was no breach of propriety or value for money, denied approval as there wasn't a formal tender in accordance with the Trusts procurement policy and this amounted to a breach of regularity. However, the ESFA agreed that it was the right course of action to allow the service level agreement to run to its conclusion in 3 years time and then be reassessed in accordance with the Trusts procurement policies.



J Higgins
Accounting Officer
Date: 15th December 2021

DUDLEY ACADEMIES TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 and of Trustees on
15th December 2021 and signed on its behalf by:



L Williams
Chair of Trustees

DUDLEY ACADEMIES TRUST
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**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 2021 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 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy 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
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**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.

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102), Companies Act 2006, Academies Accounts Direction and the Academy Trust Handbook. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The key laws and regulations we considered in this context were General Data Protection Regulation, health and safety legislation, Ofsted and employee legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and completeness of income recognition and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and

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

regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

Use of our report

This report is made solely to the academy'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: 15 December 2021

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 6 October 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Dudley Academies Trust during the year 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy'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, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

As stated in the Accounting Officers Regularity Report and Note 28 to the Financial Statements the renewal of the at cost service level agreement with Dudley College of Technology (Trust sponsor) was not undertaken in accordance with the Trusts procurement procedures.



Crowe U.K. LLP

Reporting Accountant

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

Date: 15 December 2021

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Income from:						
Donations & capital grants:	3					
Transfer on conversion		-	-	-	-	1,156
Other donations & capital grants		-	-	1,239	1,239	4,367
Charitable activities	4	117	24,789	-	24,906	21,970
Other trading activities	5	130	-	-	130	114
Investments		4	-	-	4	16
Total income		251	24,789	1,239	26,279	27,623
Expenditure on:						
Raising funds		99	-	-	99	93
Charitable activities	6	332	24,245	1,594	26,171	24,626
Total expenditure		431	24,245	1,594	26,270	24,719
Net (expenditure)/income		(180)	544	(355)	9	2,904
Transfers between funds	17	-	(470)	470	-	-
Net movement in funds before other recognised gains/(losses)		(180)	74	115	9	2,904
Actuarial losses on defined benefit pension schemes	25	-	(1,816)	-	(1,816)	(2,507)
Net movement in funds		(180)	(1,742)	115	(1,807)	397
Reconciliation of funds:						
Total funds brought forward		1,100	(14,087)	53,442	40,455	40,058
Total funds carried forward		920	(15,829)	53,557	38,648	40,455

The notes on pages 34 to 66 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	13	50,917	48,966
Current assets			
Debtors	14	3,024	5,534
Cash at bank and in hand		4,519	2,372
		<u>7,543</u>	<u>7,906</u>
Creditors: amounts falling due within one year	15	(2,606)	(2,349)
Net current assets		<u>4,937</u>	<u>5,557</u>
Total assets less current liabilities		<u>55,854</u>	<u>54,523</u>
Creditors: amounts falling due after more than one year	16	(203)	(128)
Net assets excluding pension liability		<u>55,651</u>	<u>54,395</u>
Defined benefit pension scheme liability	25	(17,003)	(13,940)
Total net assets		<u><u>38,648</u></u>	<u><u>40,455</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £000	2020 £000
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	53,557	53,442
Restricted income funds	17	1,174	(147)
Restricted funds excluding pension reserve	17	<u>54,731</u>	<u>53,295</u>
Pension reserve	17	(17,003)	(13,940)
Total restricted funds	17	37,728	39,355
Unrestricted income funds	17	920	1,100
Total funds		<u>38,648</u>	<u>40,455</u>

The financial statements on pages 30 to 66 were approved by the Trustees, and authorised for issue on 15th December 2021 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 2021

	Note	2021 £000	<i>2020</i> <i>£000</i>
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	1,390	<i>(151)</i>
Cash flows from investing activities	21	674	<i>(1,467)</i>
Cash flows from financing activities	20	83	<i>813</i>
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		2,147	<i>(805)</i>
Cash and cash equivalents at the beginning of the year		2,372	<i>3,177</i>
Cash and cash equivalents at the end of the year	22, 23	4,519	<i>2,372</i>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 34 to 66 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 2021

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 2020 to 2021 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 2021:

Beacon Hill Academy
The Link Academy
Pegasus Academy
St James' Academy
Blowers Green Primary

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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.

• **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the academy, can be reliably measured.

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.

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

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

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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	- 25% (4 years)
Freehold and leasehold improvements	- 5% (20 years)

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.

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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.

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.

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Donations				
Fixed assets/reserves transferred on conversion	-	-	-	-
Total transfers	-	-	-	-
Donations	-	-	318	318
CIF funding repayable to ESFA	-	-	(236)	(236)
Grants	-	-	1,157	1,157
Total other donated income	-	-	1,239	1,239
Total 2021	-	-	1,239	1,239

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Income from donations and capital grants (continued)

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

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Funding for the academy's educational operations

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Total funds 2021 £000
DfE/ESFA grants			
General Annual Grant (GAG)	-	20,797	20,797
Other DfE/ESFA grants			
Pupil Premium	-	1,533	1,533
Teachers Pension Grant	-	715	715
Others	-	474	474
	-	23,519	23,519
Other Government grants			
Local Authority Grants	-	731	731
	-	731	731
Other income from the academy trust's educational operations	117	-	117
COVID-19 additional funding (DfE/ESFA)			
Catch-up premium	-	278	278
Other DfE/ESFA COVID-19 funding	-	261	261
	-	539	539
	117	24,789	24,906

The academy trust received Catch-up premium funding of £278,240 (2020: £NIL). Costs incurred in respect of this funding totalled £186,953 (2020: £Nil), with the remaining £91,287 to be spent in 2021/22.

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'COVID-19 additional funding (DfE/ESFA)' and includes:

- The funding received for Summer school funding was £129,630 (2020: £NIL)
- The funding received for Mass testing grants was £130,130 (2020: £NIL)
- The funding received for Coronavirus exceptional support was £NIL (2020: £18,000)

DUDLEY ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
DfE/ESFA grants			
General Annual Grant (GAG)	-	18,589	18,589
Other DfE/ESFA grants			
Start Up Grants	-	25	25
Pupil Premium	-	1,449	1,449
Teachers Pension Grant	-	698	698
Others	-	516	516
	<hr/>	<hr/>	<hr/>
	-	21,277	21,277
Other Government grants			
Local Authority Grant	-	444	444
	<hr/>	<hr/>	<hr/>
	-	444	444
Other income from the academy trust's educational operations	231	-	231
COVID-19 additional funding (DfE/ESFA)			
Other DfE/ESFA COVID-19 funding	-	18	18
	<hr/>	<hr/>	<hr/>
	-	18	18
	<hr/>	<hr/>	<hr/>
	231	21,739	21,970
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and ESFA, the academy's funding for Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Income from other trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000
Hire of facilities	15	15
Other income	115	115
Total 2021	130	130
	<i>Unrestricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Hire of facilities	32	32
Other income	82	82
<i>Total 2020</i>	<i>114</i>	<i>114</i>

6. Expenditure

	Staff Costs 2021 £000	Premises 2021 £000	Other 2021 £000	Total 2021 £000
Expenditure on fundraising trading activities:				
Direct costs	32	-	67	99
Activities:				
Direct costs	15,878	-	1,113	16,991
Support costs	4,644	2,461	2,075	9,180
Total 2021	20,554	2,461	3,255	26,270

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Expenditure (continued)

	<i>Staff Costs</i>	<i>Premises</i>	<i>Other</i>	<i>Total</i>
	<i>2020</i>	<i>2020</i>	<i>2020</i>	<i>2020</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
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
<i>Total 2020</i>	<u>19,349</u>	<u>2,229</u>	<u>3,141</u>	<u>24,719</u>

7. Support costs

	2021	2020
	£000	£000
Staff costs	4,644	4,259
Depreciation	1,594	1,431
Energy costs	323	303
Premises costs	370	357
Cleaning	50	30
Rent & Rates	124	156
Insurance	92	84
Technology costs	342	332
Catering costs	238	372
Other support costs	1,245	1,072
Governance costs	60	107
School fund expenditure	88	136
Legal fees	10	17
	<u>9,180</u>	<u>8,656</u>

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

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2021	<i>2020</i>
	£000	<i>£000</i>
Operating lease rentals	53	<i>53</i>
Depreciation of tangible fixed assets	1,594	<i>1,431</i>
Fees paid to auditor for:		
- audit	21	<i>21</i>
	=====	<i>=====</i>

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£000	£000
Wages and salaries	14,054	13,469
Social security costs	1,434	1,346
Pension costs	4,486	3,904
	<hr/> 19,974	<hr/> 18,719
Agency staff costs	521	477
Staff restructuring costs	59	153
	<hr/> 20,554 <hr/>	<hr/> 19,349 <hr/>

Staff restructuring costs comprise:

	2021	2020
	£000	£000
Redundancy payments	-	34
Severance payments	59	119
	<hr/> 59 <hr/>	<hr/> 153 <hr/>

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

There were 5 non-statutory/non-contractual severance payments during the year amounting to £58,968 (2020: £119,180). Individually the payments were £6,970, £1,527, £15,400, £10,748, £28,500 (2020: £27,241, £18,000, £17,826, £26,935, £4,303, £5,000, £16,500, and £3,375).

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Staff (continued)

c. Staff numbers

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

	2021	2020
	No.	No.
Teachers	215	205
Administration and support	259	248
Management	6	28
	<u>480</u>	<u>481</u>

d. Higher paid staff

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	11	8
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	3	5
In the band £90,001 - £100,000	2	-
In the band £130,001 - £140,000	-	1
In the band £140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

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 £926,755 (2020 £878,035), of which £206,587 (2020: £190,325) 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 2021

10. Central services

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

The academy charges for these services on the following basis:

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:

	2021	<i>2020</i>
	£000	<i>£000</i>
Pegasus Academy	180	<i>166</i>
St James Academy	217	<i>181</i>
The Link Academy	273	<i>253</i>
Beacon Hill Academy	316	<i>298</i>
Blowers Green Primary	32	<i>18</i>
Total	1,018	<i>916</i>

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (*2020 - £NIL*).

During the year ended 31 August 2021, no Trustee expenses have been incurred (*2020 - £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 2021

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 2020	24,288	25,432	343	967	1,649	52,679
Additions	423	729	41	341	2,011	3,545
Transfers between classes	720	-	-	-	(720)	-
At 31 August 2021	<u>25,431</u>	<u>26,161</u>	<u>384</u>	<u>1,308</u>	<u>2,940</u>	<u>56,224</u>
Depreciation						
At 1 September 2020	1,240	1,837	117	519	-	3,713
Charge for the year	500	709	54	331	-	1,594
At 31 August 2021	<u>1,740</u>	<u>2,546</u>	<u>171</u>	<u>850</u>	<u>-</u>	<u>5,307</u>
Net book value						
At 31 August 2021	<u><u>23,691</u></u>	<u><u>23,615</u></u>	<u><u>213</u></u>	<u><u>458</u></u>	<u><u>2,940</u></u>	<u><u>50,917</u></u>
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>

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Debtors

	2021	<i>2020</i>
	£000	<i>£000</i>
Trade debtors	21	11
Other debtors	258	197
Prepayments and accrued income	1,178	783
Capital grants receivable	1,567	4,543
	3,024	<i>5,534</i>
	3,024	<i>5,534</i>

15. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£000	<i>£000</i>
Other loans	27	19
Trade creditors	301	230
Other taxation and social security	348	314
Capital accruals	625	163
Other creditors	370	328
CIF funding repayable to ESFA	97	295
Accruals and deferred income	838	1,000
	2,606	<i>2,349</i>
	2,606	<i>2,349</i>

	2021	<i>2020</i>
	£000	<i>£000</i>
Deferred income at 1 September 2020	42	78
Resources deferred during the year	113	42
Amounts released from previous periods	(42)	(78)
	113	<i>42</i>
	113	<i>42</i>

Included in deferred income are grants and other income received in advance of entitlement for the 21/22 academic year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Other loans	203	<i>128</i>

The loans amounting to totalling £230,000 are interest free Salix loans which were agreed as part of the CIF applications. The loans are due for repayment by instalments over 10 years. £69,000 was due for repayment after more than 5 years.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
Unrestricted funds						
General Funds	1,100	251	(431)	-	-	920
Restricted general funds						
General Annual Grant (GAG)	-	20,797	(19,097)	(387)	-	1,313
Other DFE/ESFA grants	-	474	(474)	-	-	-
Teachers' pension grant	-	715	(715)	-	-	-
Local Authority grants	-	731	(731)	-	-	-
Pupil premium	-	1,533	(1,533)	-	-	-
Salix loans	(147)	-	-	(83)	-	(230)
Covid-19 catch up premium	-	278	(187)	-	-	91
Other Covid-19 funding	-	261	(261)	-	-	-
Pension reserve	(13,940)	-	(1,247)	-	(1,816)	(17,003)
	<u>(14,087)</u>	<u>24,789</u>	<u>(24,245)</u>	<u>(470)</u>	<u>(1,816)</u>	<u>(15,829)</u>
Restricted fixed asset funds						
Fixed asset funds	48,966	-	(1,594)	3,545	-	50,917
DFE/ESFA capital grants	-	1,239	-	(139)	-	1,100
CIF capital grants	4,476	-	-	(2,936)	-	1,540
	<u>53,442</u>	<u>1,239</u>	<u>(1,594)</u>	<u>470</u>	<u>-</u>	<u>53,557</u>
Total Restricted funds	<u>39,355</u>	<u>26,028</u>	<u>(25,839)</u>	<u>-</u>	<u>(1,816)</u>	<u>37,728</u>
Total funds	<u><u>40,455</u></u>	<u><u>26,279</u></u>	<u><u>(26,270)</u></u>	<u><u>-</u></u>	<u><u>(1,816)</u></u>	<u><u>38,648</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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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 £17.003 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

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

	<i>Balance at 1 September 2019 £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 2020 £000</i>
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	-	516	(516)	-	-	-
Start up grants	-	25	(25)	-	-	-
Local Authority grants	-	444	(444)	-	-	-
Pupil premium	-	1,449	(1,449)	-	-	-
Salix loans	(134)	-	-	(13)	-	(147)
Covid-19 catch up premium	150	-	-	(150)	-	-
Teachers' pension grant	-	698	(698)	-	-	-
Other Covid-19 funding	-	18	(18)	-	-	-
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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2021 were allocated as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Trust	(2,512)	<i>(1,852)</i>
Pegasus Academy	(796)	<i>(763)</i>
Beacon Hill Academy	3,490	<i>2,539</i>
The Link Academy	456	<i>179</i>
St James Academy	1,241	<i>703</i>
Blowers Green Primary	215	<i>147</i>
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	2,094	<i>953</i>
Restricted fixed asset fund	53,557	<i>53,442</i>
Pension reserve	(17,003)	<i>(13,940)</i>
	<hr/>	<hr/>
Total	38,648	<i>40,455</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	Deficit
	£000
Pegasus Academy	(796)
Trust	(2,512)
	<hr/> <hr/>

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

A review is currently underway to address the deficit balances and to put plans in place to return them to surplus balances.

Analysis of past spend and the coding of this, as well as an internal review of performance against KPI's, the Trust's CLFP tool and benchmarking data, will inform the plans drawn up. The Trust's topslice policy will also be re-considered as part of these plans which will be put in place during 2021/22.

DUDLEY ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2021 £000
Trust	470	434	65	376	1,345
Pegasus Academy	2,685	1,013	255	476	4,429
Beacon Hill Academy	4,576	1,082	262	736	6,656
The Link Academy	4,172	1,173	262	623	6,230
St James Academy	2,987	777	303	546	4,613
Blowers Green Primary	988	197	33	185	1,403
Academy	15,878	4,676	1,180	2,942	24,676

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 2020 £000</i>
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	15,090	4,259	933	3,006	23,288

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Restricted funds 2021 £000	Restricted fixed asset funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	-	-	50,917	50,917
Current assets	920	3,983	2,640	7,543
Creditors due within one year	-	(2,606)	-	(2,606)
Creditors due in more than one year	-	(203)	-	(203)
Provisions for liabilities and charges	-	(17,003)	-	(17,003)
Total	920	(15,829)	53,557	38,648

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £000</i>	<i>Restricted funds 2020 £000</i>	<i>Restricted fixed asset funds 2020 £000</i>	<i>Total funds 2020 £000</i>
Tangible fixed assets	-	-	48,966	48,966
Current assets	1,100	2,330	4,476	7,906
Creditors due within one year	-	(2,349)	-	(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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Net income for the year (as per Statement of financial activities)	9	<i>2,904</i>
Adjustments for:		
Depreciation	1,594	<i>1,431</i>
Capital grants from DfE and other capital income	(1,239)	<i>(4,367)</i>
Interest receivable	(4)	<i>(16)</i>
Defined benefit pension scheme cost less contributions payable	1,027	<i>718</i>
Defined benefit pension scheme finance cost	220	<i>191</i>
(Increase)/decrease in debtors	(466)	<i>514</i>
Increase in creditors	249	<i>268</i>
Cash transferred on conversion/from existing academies	-	<i>(185)</i>
Fixed assets transferred on conversion	-	<i>(1,609)</i>
Net cash provided by/(used in) operating activities	1,390	<i>(151)</i>

20. Cash flows from financing activities

	2021	<i>2020</i>
	£000	<i>0</i>
Pension scheme liabilities assumed on conversion	-	<i>638</i>
Cash transferred on conversion/from existing academies	-	<i>185</i>
Receipt of SALIX loans	100	<i>-</i>
Repayments of SALIX loans	(17)	<i>(10)</i>
Net cash provided by financing activities	83	<i>813</i>

21. Cash flows from investing activities

	2021	<i>2020</i>
	£000	<i>£000</i>
Purchase of tangible fixed assets	(3,545)	<i>(1,554)</i>
Capital grants from DfE Group	4,215	<i>71</i>
Interest paid	4	<i>16</i>
Net cash provided by/(used in) investing activities	674	<i>(1,467)</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. Analysis of cash and cash equivalents

	2021	<i>2020</i>
	£000	<i>£000</i>
Cash in hand and at bank	4,519	<i>2,372</i>

23. Analysis of changes in net debt

	At 1		At 31
	September	Cash flows	August 2021
	2020	£000	£000
	£000		£000
Cash at bank and in hand	2,372	2,147	4,519
SALIX loans due within 1 year	(642)	148	(494)
SALIX loans due after 1 year	(128)	(75)	(203)
	1,602	2,220	3,822

24. Capital commitments

	2021	<i>2020</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements	1,588	<i>288</i>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. 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.

The employer's pension costs paid to TPS in the year amounted to £2,120,737 (2020 - £2,059,833).

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.

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

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 2021 was £1,265,000 (2020 - £1,085,000), of which employer's contributions totalled £1,029,000 (2020 - £877,000) and employees' contributions totalled £ 236,000 (2020 - £208,000). 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 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:

2021/22: £215,726
2022/21: £223,672

Principal actuarial assumptions

	2021	2020
	%	%
Rate of increase in salaries	3.87	3.24
Rate of increase for pensions in payment/inflation	2.87	2.24
Discount rate for scheme liabilities	1.67	1.63

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NOTES TO THE FINANCIAL STATEMENTS
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25. 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:

	2021 Years	2020 Years
<i>Retiring today</i>		
Males	21.6	21.9
Females	24.0	24.1
<i>Retiring in 20 years</i>		
Males	23.4	23.8
Females	25.8	26.0

Sensitivity analysis

	2021 £000	2020 £000
Discount rate +0.1%	31,067	24,922
Discount rate -0.1%	32,797	26,303
Mortality assumption - 1 year increase	33,304	26,626
Mortality assumption - 1 year decrease	30,596	24,621
CPI rate +0.1%	32,674	26,203
CPI rate -0.1%	31,186	25,019

Share of scheme assets

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

	2021 £000	2020 £000
Equities	9,085	6,553
Gilts	1,232	1,264
Corporate bonds	914	453
Property	1,048	878
Cash and other liquid assets	550	774
Other	2,088	1,741
Total market value of assets	14,917	11,663

The actual return on scheme assets was £2,069,000 (2020 - £965,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

25. Pension commitments (continued)

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

	2021	<i>2020</i>
	£000	<i>£000</i>
Current service cost	2,051	1,526
Past service cost	5	29
Administrative expenses	1	6
Net interest on defined liability	219	185
Total amount recognised in the Statement of Financial Activities	2,276	1,746

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

	2021	<i>2020</i>
	£000	<i>£000</i>
At 1 September	25,603	19,581
Transferred in on conversion into the trust	-	901
Interest cost	418	408
Actuarial losses	3,771	3,075
Benefits paid	(164)	(165)
Past service costs	5	29
Employee contributions	236	208
Current service cost	2,051	1,566
At 31 August	31,920	25,603

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

	2021	<i>2020</i>
	£000	<i>£000</i>
At 1 September	11,663	9,695
Transferred in on conversion into the trust	-	263
Interest income	199	223
Actuarial gains	1,955	568
Employer contributions	1,029	877
Employee contributions	236	208
Administration costs	(1)	(6)
Benefits paid	(164)	(165)
At 31 August	14,917	11,663

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

26. Operating lease commitments

At 31 August 2021 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
AMOUNTS PAYABLE:		
Not later than 1 year	46	<i>53</i>
Later than 1 year and not later than 5 years	81	<i>127</i>
Total	127	<i>180</i>

27. 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
FOR THE YEAR ENDED 31 AUGUST 2021

28. 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.

On 16 October 2020 the at cost service level agreement between the sponsor and the Trust was renewed for a further 3 years following consideration by the board of delivery and value for money. Due to the nature of the contract the Board had concluded that a formal tender wouldn't be effective as the services provided are imbedded in the systems and procedures of the Trust. In accordance with the Academies Financial Handbook this was notified to the ESFA who, despite agreeing there was no breach of propriety or value for money, denied approval as there wasn't a formal tender in accordance with the Trusts procurement policy and this amounted to a breach of regularity. However, the ESFA agreed that it was the right course of action to allow the service level agreement to run to its conclusion in 3 years time and then be reassessed in accordance with the Trusts procurement policies.

During the period, the academy trust procured, at cost, a total value of £341,213 (2020: £336,763) worth of goods and services from the College.

The costs can be summarised as follows:

- Staff salary recharges amounted to £176,655 (2020: £282,642).
- Goods/services recharges amounted to £164,558 (2020: £54,121).